

**JUNE 27, 2017 MINUTES
REGULAR WHEATLAND CITY COUNCIL MEETING
WHEATLAND COMMUNITY CENTER
101 C STREET, WHEATLAND, CA
6:30 –8:55 P.M.**

COUNCIL MEMBERS PRESENT: J. Henderson, J. Pendergraph, L. McIntosh, R. West
Absent – R. Coe

OTHERS PRESENT
G. Greeson, City Manager
K. Nelson, City Attorney
T. Raney, Community Development Director
R. Miller, Administrative Services Director (Retired)
S. Mahoney, Finance Director
K. Valente, Associate Planner

PLEDGE OF ALLEGIANCE:

Council member J. Pendergraph led the pledge of allegiance.

PUBLIC COMMENT

None.

CONSENT CALENDAR

It was moved by Council member J. Pendergraph, seconded by L. McIntosh to approve minutes from the regular City Council meeting on June 13, 2017. Vote called – AYES: All. Motion carried.

REGULAR CALENDAR

1) R. Miller introduced discussion of the fiscal year 2017-2018 Operating Budget. The fiscal year 2017-2018 operating budget maintains the basic operating and maintenance program level experienced in fiscal year 2016-2017. The General Fund ending unreserved fund balance is projected to be \$753,094. The reserved fund balance of \$835,000 is the contingent transaction tax revenue that has been set aside pending clarification of the appropriate allocation of this tax. The City does not anticipate any significant development activity in the coming fiscal year. The proposed operating budget projects revenues in excess of expenses for the General Fund of \$76,900. All other funds are balance except for the Sewer Fund which projects a \$65,500 deficit. There is sufficient fund balance to cover the deficit. Miller added Pursuant to Article XIIB of the California Constitution, the appropriations limit for the City of Wheatland for fiscal year 2017-2018 is hereby established as \$4,491,856. The factors used to calculate the 2017-2018 appropriations limit are the percentage change in California per capita personal income of 3.69% and the percentage change in the Yuba County population of 4.05%.

It was moved by Council member J. Pendergraph, seconded by J. Henderson to **approve Resolution No. 09-17 Adopting the Annual Budget, Control Policies and Appropriations Limit for Fiscal Year 2017-2018**. Vote called – AYES: All. Motion carried.

PUBLIC HEARING

1) T. Raney presented discussion of consideration to approve the proposed Development Agreement

Amendment for the Heritage Oaks Estates – West Subdivision project between the City of Wheatland and DeValentine Family Partnership, a general partnership. City staff has been working with DeValentine Family Partnership to revise the Heritage Oaks Estates – West Development Agreement to extend the term of the Agreement for a period of three years to coincide, and be consistent with, the plan of development for a related project. The infrastructure and development of the Heritage Oaks Estates – West Subdivision is heavily dependent on the development of the adjacent Heritage Oaks Estates – East Subdivision. The Heritage Oaks Estates Project consisting of both the East and West Subdivisions was originally annexed into the City of Wheatland together and includes joint infrastructure. City staff wishes the projects remain viable together, thereby, requesting the three-year extension of the term of the Agreement to coincide with the Heritage Oaks Estates – West Subdivision Agreement. Development agreements and amendments require planning agency recommendation under State law. Therefore, city staff requested a Planning Commission recommendation of approval for the Amendment No. 1 to the City of Wheatland Development Agreement concerning Heritage Oaks Estates-West Subdivision to extend the term of the Agreement for a period of three-years (December 7, 2020). On May 16, 2017, the Wheatland Planning Commission heard staff’s presentation and voted to recommend City Council approval of the proposed amendment to the Development Agreement for the Heritage Oaks Estates – West Subdivision project. The minutes from the May 16, 2017 Planning Commission Meeting were attached to the staff report.

Public Comment – None.

It was moved by Council member J. Pendergraph, seconded by J. Henderson to **approve the City of Wheatland Planning Commission recommendation to introduce and waive the first reading of an Ordinance for the proposed amendment to the Development Agreement for the Heritage Oaks Estates – West Subdivision project. The Development Agreement was originally executed between the City of Wheatland and DeValentine Family Partnership, a general partnership, in 2007.** Vote called – AYES: All. Motion carried.

2) T. Raney introduced discussion of the proposed Amendment No. 1 to Third Amended and Restated City of Wheatland Development Agreement concerning Jones Ranch Subdivision between the City of Wheatland and Dale Investments, LLC. City staff has been working diligently with representatives of Dale Investments, LLC for the past seven months to record a final subdivision map for the first 50 lots of Jones Ranch project. It should be noted that Dale Investments, LLC has renamed the Jones Ranch Subdivision to Caliterra Ranch for marketing purposes. According to section 17.06.020(B)(5) of the Wheatland Municipal Code, final map approval requires submitted improvements plans, and the project engineers need additional time to complete the improvement plans. The previous development agreement amendment for Jones Ranch approved on November 25, 2014 required a final map approval for the first 50 lots by end of June 2017. This requirement was included to ensure the project would continue to make progress toward developing the site. The project applicant team has generally met all of the final map requirements and the final map is ready for approval. However, due to the requirement that the improvement plans be completed with the final map, city staff and the applicant team need approximately five additional months to complete all necessary documents for the final map approval. Development agreements and amendments require planning agency recommendation under State law. Therefore, city staff requested a Planning Commission recommendation of approval for the Amendment No. 1 to Third Amended and Restated City of Wheatland Development Agreement Concerning Jones Ranch Subdivision to extend the term of the Agreement for a period of five months (November 15, 2017) for the preparation and submittal of improvement plans. On June 6, 2017, the Wheatland Planning Commission heard staff’s presentation and voted to recommend City Council approval of the proposed Amendment No. 1 to Third Amended and Restated City of Wheatland Development Agreement concerning Jones Ranch Subdivision between the City of Wheatland and Dale Investments, LLC. The minutes for the June 6, 2017 Planning Commission Meeting were attached to the staff report.

Public Comment –

Council member J. Henderson questioned if all Conditions of Approval have been met. T. Raney responded the improvement plans for the project are not complete. Henderson questioned if the applicant has had time to work on improvement plans. Raney explained that the property had changed ownership and the residential market has not been moving forward. Henderson question in the City Engineer does not find the information adequate. Raney explained that the applicant and City Engineer have worked out a detailed schedule with deadlines.

Council member R. West clarified if the final map extension is only for the additional 50 lots. T. Raney responded yes. West questioned if lots developed after the first 50 will require the developer to construct a lift station. T. Raney responded it will be required after the first 150 lots are developed.

Council member J. Henderson questioned who completed the drainage study. Stan Mette with Wood Rogers on behalf of Dale Investments stated it was Wood Rogers.

Council member L. McIntosh questioned if the extension of the Development Agreement (DA) changes the lot sizes. T. Raney explained that everything is the same as approved on the tentative map.

Council member J. Pendergraph asked for clarification that the applicant is only seeking an extension of six months on the DA. T. Raney explained that the burden is on the City Engineer who approves the improvement plans. Pendergraph suggested that Mette work with the applicant to recommend the smaller lot sizes extend out to match the other lot sizes in the future when the other final map is done. Mette stated he will convey the message.

Raj Sharma questioned the size of the smallest lot. T. Raney clarified that the smallest lot size is 4,050 sq. ft.

Frank Webb commented that he owns several properties in the City and is concerned that smaller lot sizes will reduce the value of his properties and the developer needs to develop the correct size lot according to the City's zoning code. Webb also questioned whether or not the applicant has resolved matters with the high school related to roads and land use.

Dean Webb commented that drainage for the project would drain in to a very small ditch and the proposed drainage pond will not be sufficient and Grasshopper Slough beyond the project is nonexistent. Traffic generated from the proposed development would be too much for Oakley Lane to handle, which is a two lane road. Webb questioned why the City would lower its standards for substandard housing when prior councils voted for lot sizes of not less than 6,000 sq. ft. and stated if the proposed smaller lot sizes are allowed the City is lowering standards and values for the community. Webb questioned if larger streets were calculated. Mette responded that the street standards are per City standards. Council member R. West clarified that the streets were found to have been too narrow and changes were made to accommodate fire trucks and cul-de-sacs were eliminated. Webb stated that the original map has been changed considerable since 2005. T. Raney responded that land use location has been modified because of issues. Raney added that Planned Unit Development was approved in 2003 is identified in the project and that smaller lots are consistent with the lot sizes of 6,000 sq. ft. in the Wheatland Zoning Code. Council member R. West added that the agenda item for discussion is only for an extension of the DA until November 2017. G. Greeson questioned if all of the proposed lot sizes are 6,000 sq. ft. or more. T. Raney stated there are 99 lots that are 4,000 sq. ft. L. McIntosh if not extended can council renegotiate lot sizes. T. Raney responded that the issue may have legal ramifications. K. Nelson responded relooking at lot sizes is separate issue from the DA extension, if the extension is not allowed the DA would be terminated and she would have to review whether or not the DA could be renegotiated. Nelson added there are

many legal ramifications for the City and the impact of not extending the DA needs to be reviewed. J. Pendergraph questioned if the City would be liable to reimburse the developer for funds contributed to levy improvements and other projects in the City. Nelson responded yes, that is a real possibility. T. Raney explained contributions made to the City thus far from developers. R. West questioned if the DA could be approved with conditions. Nelson stated she would need study the conditions. G. Greeson believes under the condition of completion of improvement plans and the engineer approved it doesn't necessarily come back to council for approval. Raney the final map with improvement plan comes back to council as a consent item. Pendergraph asked for clarification that when the COA's were approved, the City went in to a contract with the developer, Nelson confirmed yes. Pendergraph stated he recalled that when conditions of the DA were approved the City would reimburse funds for contributions made to the City by developers for; he recalled \$21 million at \$10,000 per lot. D. Webb commented that information Pendergraph referred to is false. Levee funding was made by all future developers; Jones Ranch ran out of money and asked the City for a loan for RD2103. The City loaned money to the RD to finish improvements then created a reimbursement agreement for developers that contributed. J. Henderson questioned what the issue is with the high school. Raney explained that the issue is related to parks and ball fields and the possibility of a joint use agreement.

Sandra Gilbert questioned if an adjustment had been made in runoff calculations for the smaller lot sizes and future rainfall. T. Raney responded that a Drainage Plan prepared based upon the tentative map was modified and found to be in substantial compliance. Raney added that the 50 additional lots are the same size as those proposed and approved in 2005 and are not substandard. S. Mette stated that the development footprint is significantly smaller than the originally proposed project and has increased the Ag buffer area and the number of lots in the plan is the same as originally approved but the area where lots will reside is smaller than what was approved.

S. Mette stated the project has been through CEQA and public approval process; tonight's discussion is on things that have already been adjudicated. The item before council tonight is a request for an extension of the DA. The issues of land use have been through the public hearing process and approved.

G. Greeson stated he had been advised by the City Attorney discussion needs to take place around the final map for the first 50 lots of the project. In consideration of not knowing what the possible legal ramifications would be for not approving the DA extension one consideration would be a closed session for potential litigation where city attorney, after review of the DA, will report back to council. J. Henderson questioned if council decision is only for 50 lots on the final map and what is the balance of the timeline for the final map. Henderson also questioned if the City has received details of the map. T. Raney explained the balance of the timeline responded yes.

Council member J. Henderson moved to table discussion of the item to a date specific and direct staff to review the DA. J. Pendergraph commented that public hearings for this item were held and the majority of the public did not disapprove of the project. As a council member Pendergraph stated he is thinking of the entire community and what the liability costs for the City will be if the DA extension is not approved. Council member J. Pendergraph moved to approve extension of the DA to November 15, 2017.

G. Greeson suggested that if tabled, table to a date specific and grant the DA extension at least to the date specific for the attorney to review the DA and report back to council. K. Nelson explained that because there are two motions on the table, each motion needs to be seconded and voted on.

There was no second to Council member J. Henderson's motion to table discussion of the item to a date specific and direct staff to review the DA. Motion failed.

There was no second to Council member J. Pendergraph approve extension of the DA to November 15, 2017. Motion failed.

It was moved by J. Henderson, seconded by J. Pendergraph to table discussion of the DA approval to a date specific on July 11, 2017 in order for the attorney to review the DA and report back to council. Vote called – AYES: All. Motion carried.

3) T. Raney and K. Valente presented discussion of the City of Wheatland 2013-2021 Housing Element Update Initial Study/Mitigated Negative Declaration. Valente provided council members with information related to state law, regional housing needs allocation, previous housing element planning periods, available City of Wheatland multi-family sites including Johnson Rancho multi-family potential, document preparation process, CEQA review errata sheet and tribal consultation, comment letters received on the Initial Study/Mitigated Negative Declaration from the Central Valley Regional Water Quality Control Board, California Department of Fish and Wildlife and California Rural Legal Assistance. On May 16, 2017, the Wheatland Planning Commission heard staff's presentation and voted to recommend City Council take actions to adopt the City of Wheatland 2013-2021 Housing Element Update Initial Study/Mitigated Negative Declaration and approve the City of Wheatland 2013-2021 Housing Element Update.

Public Comment –

J. Henderson questioned how SACOG arrive at percentages. Valente responded it is based on available numbers from ESRI. Henderson added he does not understand how the numbers are possible. Henderson questioned the number of multi-family units built since 2001 and whether the six plexes on Sixth Street had been included. Henderson questioned if Zillow is an industry accepted website for real estate and is the median household number of 2.8 a reasonable number. Henderson stated if this item moves forward, reported numbers need to be revisited.

S. Gilbert questioned if available land is identified, is the City obligated to require developers provide low income housing. T. Raney responded that there are state laws that provide affordable housing developments priority to infrastructure and services, such as water and sewer rights.

R. Sharma commented on the local farm community and the need for affordable housing for farm workers.

It was moved by Council member J. Pendergraph, seconded by L. McIntosh to adopt the City of Wheatland 2013-2021 Housing Element Update Initial Study/Mitigated Negative Declaration, and approval of the City of Wheatland 2013-2021 Housing Element Update. Vote called – AYES: All. Motion carried.

REPORTS

None.

CLOSED SESSION

No reportable action.

ADJOURN

There being no further business, Mayor Rick West adjourned the meeting at 8:55 p.m.

Minutes approved and adopted this 11th day of July, 2017.

Rick West, *Mayor*

Lisa J. Thomason, *City Clerk*

DRAFT