

**OCTOBER 8, 2019 MINUTES
REGULAR WHEATLAND CITY COUNCIL MEETING
WHEATLAND COMMUNITY CENTER
101 C STREET, WHEATLAND, CA
6:30–7:10 P.M.**

COUNCIL MEMBERS PRESENT: R. Coe, J. Henderson, *L. McIntosh, J. Pendergraph
R. West
*Council Member L. McIntosh arrived for the meeting at 6:40 p.m.

OTHERS PRESENT J. Goodwin, City Manager
T. Raney, Community Development Director
S. Mahoney, Finance Director
A. Wightman, Police Chief
A. Paquette, Fire Chief
S. Riley, Deputy City Clerk

PLEDGE OF ALLEGIANCE:

Vice Mayor R. West led the pledge of allegiance.

PUBLIC COMMENT

1) Chris Walsh commented on the lack of consideration by the City Council to place an item to discuss impacts from Bishop Pumpkin Farm on the meeting agenda. Walsh stated that community members that have appeared to speak publicly at prior council meetings are not going anywhere and they will keep coming back. Walsh stated he has requested concise guidelines from the City in order to place an item on the agenda and has received no information.

CONSENT CALENDAR

Motion was made by Vice Mayor R. West, Seconded by Council Member R. Coe to **approve the minutes from the regular City Council meetings held on September 10 & 24, 2019 and Proclamation Honoring October 2019 as Domestic Violence Awareness Month.** Vote called – AYES: West, Coe, Henderson and Pendergraph. ABSENT: McIntosh. Motion carried.

PUBLIC HEARING

1) Community Development Director Tim Raney presented the staff report for consideration of a resolution suspending the collection of the existing Highway 65 Bypass Development Impact Fee. During the discussion by the Wheatland City Council to adopt the SYTIA Traffic Impact Fee, the city council requested staff to review the existing city's development impact fees to determine if the fees were duplicative. Wheatland City Staff has completed this review and concluded that the proposed SYTIA Traffic Impact Fee duplicates the existing Highway 65 Bypass Development Fee. The existing Highway 65 Bypass Development Impact Fee was adopted as part of the comprehensive fee update in 2007 and was identified in Ordinance No. 400, which approved the City's Development Impact Fee Report and Master Facilities Plan. The Highway 65 Bypass Fee was intended to collect the, fair share fee, of future development towards the planned State Route 65 regional bypass. The Wheatland Municipal Code allows the Wheatland City Council to make modifications. to the Wheatland Development Impact Fees. Section 3.26.030 of the Wheatland Municipal Code states the amount of the development impact fees may be adjusted from time to time by resolution of the city council and after noticed public hearing as required by law. Therefore, pursuant to Section 3,.26.030 of the Wheatland Municipal

Code, staff recommends the City Council adopt the resolution suspending the existing Highway 65 Bypass Development Impact Fee. It should be noted that the City of Wheatland is seeking to update its development impact fees once the city has received approval of its SB 2 grant application. The City of Wheatland would no longer collect the existing Highway 65 Bypass Development Impact Fee and would begin collecting the SYTIA Traffic Impact Fee for all applicable development. The SYTIA Traffic Impact Fee would not impact the general fund of the City of Wheatland but would provide funding to SYTIA to begin the planning and permitting necessary to initiate regional transportation improvements in the south Yuba County area.

Vice Mayor R. West questioned the amount the City is currently charging for the Highway 65 Bypass Development Impact Fee. Council Member J. Pendergraph stated the fee is approximately \$2,700. Mayor Joe Henderson commented that the current fee is a duplication and should be removed for at least the time being.

Public Comment

Pamela Shelton commented that is surprising that City Council members are not being presented with accurate information related to the exact amount of the current fee.

City Council Member J. Pendergraph explained the role of SYTIA and the Highway 65 Bypass Development Impact Fee.

Vice Mayor R. West also explained the City is now part of a JPA with SYTIA which allows them to collect the Highway 65 Bypass Development Impact Fee on behalf of the City.

**Staff obtained information during the meeting and announced the current amount being collected by the City is \$2,500.

Chris Walsh questioned if there is a fund for City Development Impact Fees. Mayor J. Henderson explained the City has no new construction at this time and Development Impact Fees are only charged on new construction.

Motion was made by Vice Mayor R. West, Seconded by Council Member J. Pendergraph to approve Resolution No. 37-19 Suspending the Collection of the exiting Highway 65 Bypass Development Impact fee in lieu of collecting the South Yuba Transportation Improvement Authority (SYTIA) Traffic Impact Fee previously adopted by the City Council. Vote called – AYES: All. Motion carried.

REGULAR CALENDAR

1) Community Development Director presented the staff report for an update on the Wheatland 2013-2021 Housing Element Update. In 2014, The City of Wheatland received a grant from the Sacramento Area Council of Governments (SACOG) to conduct background research and public outreach in preparation for the City's Housing Element Update. City staff prepared the draft City of Wheatland 2013-2021 Housing Element Update and the associated Initial Study/Mitigated Negative Declaration (IS/MND) for the project. On June 27, 2017, the Wheatland City Council adopted the City of Wheatland 2013-2021 Housing Element Update IS/MND and approved the City of Wheatland 2013-2021 Housing Element Update. The adopted Housing Element Update included implementation programs that require future approval from City Council including, but not limited to Zoning Code Amendments to the existing code to allow a maximum dwelling unit per acre increase from 18 to 24 in the Multi-Family Residential Zoning District (R-3) and a General Plan Amendment to modify the High-Density Residential (HDR) Land Use Designation to allow 8.1 to 24 dwelling units per acre. City staff submitted the adopted Housing Element Update to the California Department of Housing Community Development (HCD) for review and certification, and on December 19, 2017, the City of Wheatland received a comment letter from HCD stating, 'the revised draft housing element meets the statutory requirements described in the Department's September 15, 2017 review. However, the housing element cannot be found in

compliance with State housing law until the City demonstrates adequate sites needed to accommodate the 343-unit shortfall of the sites needed to accommodate the Regional Housing Need Allocation for lower income households during the 4th planning period. HCD determined that the available land within the Johnson Rancho and Hop Farm Annexation Area does not meet the State's requirements to accommodate the Regional Housing Need Allocation for lower income households during the previous planning period. Therefore, after coordinating with HCD and discussing potential alternatives to receive certification city staff has prepared a Detailed Sites Analysis for a Mixed-Use Overlay Zone within the Wheatland Central Business District to provide additional sites for the unaccommodated need from the previous planning period. The Detailed Sites Analysis shows a site-by-site analysis that was conducted to identify the most suitable sites for residential development, The Study Area used for this analysis consists of an approximately 21.6-acre area consisting of the Wheatland Downtown Area or Central Business District. The Wheatland Downtown area was identified as the Study Area for this analysis due to the underutilized land and non-conforming uses in the area. The Study Area predominantly consists of Retail Commercial (C-2), Highway Commercial (C-3), and Single-Family Residential (R-1) zoned properties. Staff is proposing to create a Mixed-Use Overlay District for the Study Area that would allow and encourage future compact, pedestrian-oriented housing and mixed-use development. The Mixed-Use Overlay District would consist of a 20-30 dwelling units per acre with ground-floor retail. Staff also proposes to amend the currently adopted Housing Element to include: 'within one year after HCD certification of the Housing Element, the City shall amend its Zoning Ordinance to create a downtown mixed-use overlay district, which would permit mixed-use development consistent with the supplemental Detailed Sites Analysis. This amendment shall provide a mixed-use overlay district permitting 20-30 dwelling units per acre with ground-floor retail, subject to review and approval from the Wheatland City Council. Adopting the proposed Downtown Mixed-Use Overlay District would require a zoning amendment and would be presented to the Wheatland City Council for review and approval at a future date. It should be noted that HCD has recently sent an additional letter to the City of Wheatland documenting the current work, progress, and coordination being conducted by the City and HCD to receive Housing Element certification.

Vice Mayor R. West commented on rezoning process used to satisfy requirements for the Johnson Rancho project. T. Raney explained the process will take about a year.

Council Member L. McIntosh commented on sewer capacity and consequences for not having an updated Housing Element.

Mayor J. Henderson questioned if any state funding is available. T. Raney once the updated final Housing Element is adopted, the City will have the opportunity to apply for future grant funding.

2) Finance Director S. Mahoney introduced the staff report for the City to enter into a professional services agreement for Municipal Advisory and Bond Counsel Services associated with a potential water and wastewater debt refinancing. The City has three outstanding loans from the United States Department of Agriculture (USDA). These loans are secured by net revenues of the City's Water and Wastewater Funds. Based on current market conditions, the City has an opportunity to refinance this debt at a significantly lower interest rate. Mark Northcross, with the firm NHA Advisors, has provided a preliminary analysis of the estimated cost savings from a potential debt refinancing. Without extending the amortization period, all three, loans could be refinanced now at a fixed interest rate in the range of 3.2% to 3.3%. This results in the potential for a combined annual cash flow savings in excess of \$30,000 per year. Per the, City's debt policy, adopted by Council September 10, 2019, a refinancing will only be considered when there is a net economic benefit from the refinancing of at least five percent on a net present value basis. The estimated net economic benefit from refinancing all three loans is 11.8% on a net present value basis or approximately \$675,000. The retention of a municipal advisor and bond counsel is critical to the success of the potential bond issue. The municipal advisor will work with bond counsel in the development of the transactional documentation and assist the rating agency in completing its analysis. The legal documents for the transaction will be brought to the City Council for approval at the regularly scheduled meeting on October 22, 2019. Except for rating agency costs, the City only incurs costs if the, bonds, are sold and all costs associated with the potential refinancing are paid from the

proceeds from the sale of the bond issue. The estimated net present value savings of \$675,000 is net of all issuance costs. Issuance costs are estimated to be \$87,000 for the Water Bonds and \$110,000 for the Wastewater Bonds. These amounts include costs for bond counsel disclosure counsel, municipal advisor, underwriter and trustee. If the Council adopts Resolution 36-19, bond rating services will be required. Bond rating services will also be paid from bond proceeds. The bond rating services are not contingent upon the bonds being sold. Should current favorable market conditions change suddenly, and the bonds are not sold after a rating has been issued, the bond rating services would be paid from the General Fund. Bond rating services are approximately \$30,000.

Chris Walsh commented on the S & P standard and a second opinion.

Vice Mayor R. West commented on the current market and the length of the process.

Mayor J. Henderson commented on cost and the expected proposed interest rate.

Council Member L. McIntosh commented on the possibility of a single loan for water and one for sewer.

Motion was made by Council Member R. Coe, Seconded by Council Member J. Pendergraph **to adopt Resolution No. 36-19 Authorizing Staff to Enter into Professional Services Agreements for Municipal Advisory and Bond Counsel Services Associated with a Potential Water and Wastewater Debt Refinancing.** Vote called – AYES: All. Motion carried.

REPORTS

Council Member J. Pendergraph reported on the AKT fire and the FRAQMD investigation which resulted in a fee of \$7500.00 to be used for wildfire interface equipment.

Vice Mayor R. West reported on the SACOG meeting and the Rural Main Street Technical Program.

ADJOURN

There being no further business, Mayor J. Henderson adjourned the meeting at 7:10 p.m.

Minutes approved and adopted this 22nd day of October 2019.

Joseph Henderson, *Mayor*

Lisa J. Thomason, *City Clerk*