



# CITY OF WHEATLAND

## CITY COUNCIL MEETING STAFF REPORT

April 14, 2020

**SUBJECT:** The City of Wheatland Housing Update  
**PREPARED BY:** Tim Raney, Community Development Director

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### **Recommendation**

This report is intended to be an overview and update of housing related projects and planning efforts in the City of Wheatland. Specifically, this staff report reviews the current status of existing tentative and final maps within the city, a review of the Housing Element as required by the State of California, and information regarding current and anticipated housing-related grants. This staff report does not require any action by the City Council; therefore, staff has not provided a recommended action.

### **Discussion**

The following provides updates on housing related projects, planning efforts, and grants available.

#### **Caliterra Final Map (Formerly Jones Ranch)**

The Caliterra Ranch Project is an approximately 193-acre site located on the south side of Wheatland Road, between the existing High School and Ace Hardware. Oakley Lane bisects the property, which is agricultural in appearance, characterized by grasslands and open space. The project site is zoned Planned Development (PD) and designated for Low-Density Residential (LDR) and Commercial (C).

In 2005, the City of Wheatland approved the Jones Ranch project-level Mitigated Negative Declaration and the original Jones Ranch Tentative Subdivision Map. In 2006, the City recorded the Jones Ranch Development Agreement between the City of Wheatland and Lakemont Overland Crossing, LLC and the Yuba County Local Agency Formation Commission (LAFCo) approved the annexation of the project site into the City. In 2007, the City approved an extension of the approved Jones Ranch Tentative Subdivision Map, which extended the life of the Tentative Subdivision Map for a ten-year period, matching the terms of the Development Agreement. In both 2008 and 2010, the City approved amendments to the Development Agreement and again in 2015.

In 2017, an amended Tentative Subdivision Map was approved under substantial compliance and renamed to Caliterra Ranch. The Caliterra Ranch Tentative Subdivision Map includes the following land uses:

- 130.3 acres of single-family residential (552 lots);
- 3-acre commercial lot;
- 2 acres of public/quasi-public use
- 6.7-acre high school addition; and
- 38.9 acres of park/open space.

A final map for the first phase of the project creating 50 single family lots along the northern portion of the project was approved in 2017. Since that time, the project applicant and property owner have struggled to find a suitable home-builder to purchase the first final map. In order to reduce per unit cost of the first phase infrastructure, the applicant has processed a revised improvement plan to serve up to 145 total units. These infrastructure plans are in the final review and should be approved by the end of the month. It is anticipated that the applicant will submit an application for additional final maps once the infrastructure plans are approved. City staff continues to work directly with the project applicant to identify other measures in order reduce the constraints to the project moving forward.

#### Heritage Oaks Estates Tentative Map and Development Agreement

The Heritage Oaks Estates Development Project was annexed into the City of Wheatland in 2004. Heritage Oaks is located west of Highway 65 and north of the Bear River Levee in the southwestern quadrant of the City of Wheatland. Separate tentative maps were processed for the Heritage Oaks East and Heritage Oaks West projects. In 2006, the Heritage Oaks East Tentative Map and Development Agreement was approved for 490 single-family units; and in 2007, the city council approved a 174 single-family unit Tentative Map and Development Agreement for Heritage Oaks West. The Development Agreements for both Heritage Oaks East and West were amended to extend the expiration date to December 2020. Staff has reached out to the Heritage Oaks East project applicant to express the city's concern regarding this expiration date.

#### Housing Element: 5<sup>th</sup> Cycle (2013-2021)

State Housing Element law (Government Code Section 65583) requires each local government entity to adopt a comprehensive long-term general plan for the physical development of their city or county. The Housing Element is one of the seven mandated elements composing the General Plan. State law, through the Housing Element, addresses the existing and projected housing needs within all economic segments of the State's various communities, including the City of Wheatland.

Housing Elements must identify sites for future housing development and evaluate the adequacy of these sites in fulfilling the City's share of the Regional Housing Need Allocation (RHNA), as determined by SACOG. The intent of the RHNA is to assure that every community provides an opportunity for a mix of affordable housing to all economic segments of its population.

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 City of Wheatland 2013-2021 Housing Element Update and an associated 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.

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 following:

*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 4<sup>th</sup> planning period.*

HCD determined, the available land within the Johnson Rancho and Hop Farm Annexation Area does not meet the State's requirements to accommodate the RHNA 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 the Draft City of Wheatland 4-Year (2017-2021) Housing Element Update. The Draft City of Wheatland 4-Year (2017-2021) Housing Element Update includes revised programs requiring the City to process the following General Plan Amendments and Zoning Amendments in order for HCD to certify the 4-Year Housing Element Update:

- Amend the General Plan to allow a maximum dwelling units per acre (du/ac) increase from 16 du/ac to a maximum of 30 du/ac in the High-Density Residential Land Use Designation (Housing Element Program 2);
- Amend the General Plan Map for three properties totaling 21.75 acres to High-Density Residential (Housing Element Program 12);
- Amend the Zoning Code to allow a maximum du/ac increase from 18 du/ac to a maximum of 30 du/ac in the (Multi-family) R-3 Zoning District (Housing Element Program 3);
- Rezone three properties totaling 21.75 acres to the R-3 Zoning District (Housing Element Program 11); and
- Create an Emergency Shelter Combining District, which would permit emergency shelters without a conditional use permit or other discretionary action in accordance with SB 745 (Housing Element Program 4).

On March 4, 2020, the City posted a Notice of Availability (NOA) for the Draft City of Wheatland 4-Year (2017-2021) Housing Element Update. The City of Wheatland 4-Year (2017-2021) Housing Element Update was made available for public review at Wheatland City Hall and is also currently available on the City of Wheatland's website at <http://www.wheatland.ca.gov/>.

The City prepared an Initial Study/Mitigated Negative Declaration (IS/MND) for the Draft City of Wheatland 4-Year (2017-2021) Housing Element Update in accordance with the California Environmental Quality Act (CEQA), and on March 10, 2020, the City posted a Notice of Intent to Adopt a Mitigated Negative Declaration (NOI) for the Draft City of Wheatland 4-Year (2017-2021) Housing Element Update, which was routed for public review from March 10, 2020 to April 8, 2020.

The City of Wheatland held a public meeting on March 31, 2020 to solicit public input and encourage public participation in the Housing Element Update process. Notice of the public meeting was posted publicly on the City of Wheatland website and in the local newspaper to ensure that a variety of residents could participate.

Staff brought the Draft City of Wheatland 4-Year (2017-2021) Housing Element Update to the Wheatland Planning Commission on April 7, 2020 and is scheduled for City Council on April 28, 2020.

#### Housing Element: 6<sup>th</sup> Cycle (2021-2029)

The RHNA is the California state-required process that seeks to ensure cities and counties are planning for enough housing to accommodate all economic segments of the community. HCD provides each region a Regional Determination of housing need, which includes a total number of units split into four income categories. HCD provided SACOG a Regional Determination for Cycle 6 of RHNA (2021-2029) of 153,512 units.

Councils of Governments, including SACOG, are responsible for developing a RHNA Methodology for allocating the Regional Determination to each city and county in the COG's region. Each city and county must then adopt a housing element that demonstrates, among other things, how the jurisdiction can accommodate its assigned RHNA number through its zoning.

On November 21, 2019, SACOG adopted the RHNA for the 6<sup>th</sup> Cycle mandating the City of Wheatland provide sufficient zoned land for 499 residential units, consisting of 232 above moderate, 98 moderate, 64 low, and 105 very low income units for the 6<sup>th</sup> Cycle. The 6<sup>th</sup> Cycle (2021-2029) Housing Element Update must be adopted by September 28, 2021.

Staff is currently seeking grant opportunities to prepare the City of Wheatland's 6<sup>th</sup> Cycle Housing Element.

#### Senate Bill 2 (SB 2)

HCD offered all jurisdictions with a certified housing element the ability to apply for the SB 2 Planning Grants Program. The SB 2 Planning Grants Program set aside approximately \$128 million dollars to establish a permanent source of funding intended to increase the affordable housing stock in California. The objective of the SB 2 Planning Grants Program is for localities to prepare, adopt, and implement plans that streamline housing approvals and accelerate housing production.

HCD has determined maximum award amounts for large, medium, and small localities, based on population. Based on population size, the City of Wheatland qualified for a minimum grant award of \$25,000 and a maximum grant award of \$160,000, with no local match required to receive the funds.

The City of Wheatland submitted a proposal for the preparation of an AB 1600 Fee Study Update and Housing Element Implementation using the available SB 2 grant funds, which was approved by HCD on December 11, 2019. Upon receiving HCD certification of Wheatland's 4-Year (2017-2021) Housing Element Update, HCD will award the City of Wheatland the approved SB 2 grant funds.

### Local Early Action Planning (LEAP)

Assembly Bill 101 established the Local Government Planning Support Grants Program to provide regions and jurisdictions with one-time funding to support housing planning and accelerate housing production. Under this program, the funding for local agencies is referred to as the Local Early Action Planning Grants Program (LEAP). HCD will directly award approximately \$7,000,000 (cumulatively) to cities and counties in the SACOG region based on population. The City of Wheatland qualifies for \$65,000 grant funding to be used to update planning documents and zoning ordinances to encourage housing development. Wheatland Planning staff is currently preparing a grant application to fund the 6<sup>th</sup> Cycle (2021-2029) Housing Element Update. The Notice of Funding Availability for the LEAP program opened on January 27, 2020. Applications are due to HCD no later than July 1, 2020.

Wheatland Planning staff is currently preparing a LEAP application to fund the 6<sup>th</sup> Cycle (2021-2029) Housing Element Update (\$65,000 available for Wheatland). The grant application is due to HCD by July 2020.

### Regional Early Action Planning (REAP)

Nearly \$6.8 million in REAP funding is available to SACOG through an application process with HCD. Up to 25 percent of REAP grants for COGs and Multiagency Workgroups is currently available (\$1,690,720 of SACOG's total allocation). SACOG has applied for the early access of the funds to spend it immediately on current SACOG projects: Civic Lab Year 2 and the Cycle 6 RHNA. SACOG has approved allocating additional funds (from the early access portion) to local jurisdictions for housing production. Based on Wheatland's size, SACOG will be allocating \$10,000 to the City for the use in housing planning. SACOG does not require an application process for these funds, the City is only required to identify what the funds will be used for. Planning staff recommends using these additional funds for community outreach for the 6<sup>th</sup> Cycle (2021-2029) Housing Element Update.

### **Fiscal Impact**

None.

### **Attachments**

None.