



City of Colusa California

STAFF REPORT

DATE: November 15 2022
TO: Mayor Reische and member of the City Council
FROM: Jesse Cain, City Manager, and Ryan Jones, City Attorney

AGENDA ITEM:

Subject: Discussion to reduce the City's current impact fees for the Rancho Colusa affordable housing project consisting of 49 units targeting low-income families.

Recommendation: Listen to public comment and consider adoption of Resolution 22-

BACKGROUND ANALYSIS:

The subject property (the "Site") is located at 1717 State Route 20 in Colusa. The proposed project would include the development of 49 affordable multi-family housing units, comprised of 12 one-bedroom units, 24 two-bedroom units, and 13 three-bedroom units. In addition, the project would include a 3,200-square-foot (sf) community building, which would consist of ground-floor staff offices, a large community room, a smaller meeting room, a computer area, restrooms, maintenance and utility spaces, a laundry room, and outdoor patio and recreation areas. The second story of the community building would include a three-bedroom residential unit reserved for an on-site manager. A recreation area would be located in the western portion of the project site, and a community garden would be provided in the central portion of the site.

On September 1st 2022, the City received a letter from Gustavo Becerra, the Executive Director of the Regional Housing Authority, requesting an impact fee reduction similar to what the City Council adopted on April 21, 2015, for the Colusa Industrial Properties, not to exceed a 50% reduction in the standard fees. Staff has been told that the escalating construction costs have now put the project at risk and that any relief in the impact fees would be beneficial.

This discussion was brought to the City Council for consideration on October 4, 2022 at a regular City Council meeting at that meeting an Ad-Hoc was formed to discuss the impacts and what reductions meets the City's goals. The Ad-Hoc consisted of Councilmembers Denise Conrado and Greg Ponciano and City Manager Jesse Cain. During the meeting the Ad-Hoc went over the pros and cons on what the reduction request would look like. The Ad-Hoc is recommending to the City Council that the City of Colusa reduce the impact fees in order to meet its housing goals. The Ad-hoc and Mr. Cain came up with a plan so that the City will still collect a 100% of the streets, Fire and Police impact fees and keeping 40% of the Parks & recreation fees, water and sewer will be reduced to 50%. City Hall, Community center and the corporate yard relocation impact fees will be waived by a 100%. This proposal meets the needs of the housing project.

As an attachment to this staff report please see that in the City's current general plan H-11 the

City will continue to collect and adjust all the City's development impact fees. The fee schedule will identify conditions under which affordable housing impact fees may be waived, deferred or reduced with the affordable housing projects. Also, in the accomplishment/results section the objective was to waive fees for 5 low- income housing units. The general plan also calls out that the City of Colusa will work closely with affordable housing groups to eliminate governmental constraints (e.g, reducing fees, provide flexibility in development standards) to ensure that this type of housing can be built.

BUDGET IMPACT:

Unknown currently.

STAFF RECOMMENDATION:

Adopt Resolution 22-

ATTACHMENT:

Table 9.6-1 of the general plan

Letter from the Regional Housing Authority

Resolution 22-

Impact fee schedule as proposed