

Gridley City Council – Regular City Council Meeting Agenda

Monday, August 6, 2018; 6:00 pm

Gridley City Hall, 685 Kentucky Street, Gridley, CA 95948

“Our purpose is to continuously enhance our community’s vitality and overall quality of life. We are committed to providing high quality, cost-effective municipal services and forming productive partnerships with our residents and regional organizations. We collectively develop, share, and are guided by a clear vision, values, and meaningful objectives.”

CALL TO ORDER - Mayor Hall

ROLL CALL - Recording Secretary

PLEDGE OF ALLEGIANCE – Vice Mayor Johnson

INVOCATION – Pastor Brad Roberts, Calvary Chapel of Gridley

PROCLAMATIONS - None

COMMUNITY PARTICIPATION FORUM - *Members of the public may address the City Council on matters not listed on the agenda. The City Council may not discuss nor take action on any community participation item brought forward by a member of the community. Comments are requested to be limited to three (3) minutes.*

CONSENT AGENDA – *Items 1 through 3 of the Consent Agenda and are considered routine and acted upon by one motion. Any Council member may request that an item be removed for separate consideration. The City Council may only make minor comments; otherwise the item should be removed from the Consent Agenda and placed as the first item(s) under “Items for Council Consideration”.*

1. City Services Update
2. City Council minutes dated July 16, 2018
3. Approval of Resolution No. 2018-R-024: A Resolution of the City Council of the City of Gridley Approving the Attestation of Veracity for the 2017 Power Source Disclosure Report and Submission of the Report to the California Energy Commission

PUBLIC HEARING – None

ITEMS FOR COUNCIL CONSIDERATION

4. Approval of Resolution No. 2018-R-025: A Resolution of the City Council of the City of Gridley Authorizing the City Administrator to Execute a Temporary Residential Housing Incentive Program

CITY STAFF AND COUNCIL COMMITTEE REPORTS - *Brief updates from City staff and brief reports on conferences, seminars, and meetings attended by the Mayor and City Council members, if any.*

POTENTIAL FUTURE CITY COUNCIL ITEMS - (Appearing on the Agenda within 30-90 days):

Weed Abatement Liens	8/20/2018
Police Dispatch Procedures	8/20/2018
Kick-off of Zero Based Budget Process	9/3/2018
Approve Contract to Demolish Unsafe Buildings and Corresponding Budget Adjustment	10/1/2018

CLOSED SESSION – None

ADJOURNMENT – adjourning to the next regularly scheduled meeting on August 20, 2018

NOTE 1: POSTING OF AGENDA- This agenda was posted on the public bulletin board at City Hall at or before 6:00 p.m., August 3, 2018, in accordance with Government Code Section 54954.2. This agenda along with all attachments is available for public viewing online at www.gridley.ca.us and at the Administration counter in City Hall, 685 Kentucky Street, Gridley, CA.

NOTE 2: REGARDING UNSCHEDULED MATTERS – In accordance with state law, it shall be the policy of this Council that no action shall be taken on any item presented during the public forum or on unscheduled matters unless the Council, by majority vote, determines that an emergency situation exists, or, unless the Council by a two-thirds vote finds that the need to take action arose subsequent to the posting of this agenda.

City Council Agenda Item #1
Staff Report

Date: August 6, 2018
To: Mayor and City Council
From: Paul Eckert, City Administrator
Subject: City Services Update

X	Regular
	Special
	Closed
	Emergency

Recommendation

No Action is required.

Background

The Weekly Update is provided to the Mayor and City Council in keeping with the Council's commitment to ensure that all members of our community are fully informed of all City activities and initiatives. The Update is shared online at <http://www.gridley.ca.us/>. The Update is also shared timely with all City of Gridley coworkers.

Compliance with City Council Strategic Plan or Budget Goals

Sharing of the City Services Update is consistent with our ongoing efforts to transparently share all City financial and budgetary information and to keep our community members informed.

Financial Impact

There are no financial impacts associated with this Agenda item.

Attachments

City Services Update

City of Gridley

To: Mayor Hall and City Councilmembers

From: Paul Eckert, City Administrator

Subject: City Services Weekly Update

Date: July 24, 2018

Thank you for your leadership and dedication to the Gridley community! This Weekly Update is intended to provide useful and timely updates to the Gridley Community, Visitors, our Elected Officials, and our City Coworkers. We regret if we have inadvertently omitted useful items from this report. As always, your input and guidance are appreciated. Please send any response to me directly and do not “copy all.”

City Administrator/City Council/Information Technology

- New Housing Development – City staff continue to work with the developer on a new housing development in the Jay and Palm Streets area. The development will likely begin in the next three years. Meanwhile, Eagle Meadows continues to construct new homes at the fastest pace since the boom years. They are currently completing 8 homes and have filed and paid for permits for an additional 10 homes.
- Economic Development - The City Administrator is currently working with several prospects and the State Economic Development Office, congressional representatives, local economic development leaders, site selectors, and property owners, regarding the marketing of the Cannery area properties. Another follow-up showing is planned for next week.
- Street Resurfacing – In keeping with a top priority of the City Council, the City has committed \$130,000 to repave portions of Kentucky and Ohio Streets in early August. Our Public Works Team will grind and then pave the two streets between Sycamore and Spruce Streets starting on August 6, 2018. Letters detailing the work process and schedule have been distributed to all impacted properties. The City enhanced our commitment to street repair last year with improvements to Spruce Street and Magnolia Alley. The City's ability to afford this project and future City Street Projects is directly linked to cost cutting measures recently taken by the City Council.
- LED Street Light Replacement Program - The Electric Department is currently making preparations for the LED Streetlight Replacement Program. The Program includes the replacement of 400 High Pressure Sodium (HPS) style streetlights with new LED streetlights, saving the City a substantial amount of money due to LED lighting efficiencies and reduced maintenance requirements.
- Arco AMPM – The project is moving smoothly. Demolition of the former McConnell Chevrolet building was recently completed. Construction will begin in the next few weeks. Electric Crews continue preparations for the Project including the installation of a primary pedestal located on Fairview Street and replacement of 250 feet of primary service conductor.



- Utility Meters and Billing Process Improvements - A weeklong series of meetings was conducted involving representatives of Itron as well as our Finance, Electric and IT Departments. The purpose was to analyze the different components and the relationship between each operation in order to successfully deploy the new Itron fixed network. Stakeholders spent numerous hours during the week covering their individual areas of responsibility including training time, identification of equipment, potential shortfalls and dependencies of inter-department collaboration on the overall success. Moving forward, the IT Director will collaboratively lead the project.
- Dispatch Service Planning – Due to our Dispatch center experiencing critical staffing shortages, logistical planning for the phased introduction of “part time” Contract Dispatch services with the County of Butte began on July 12th between the Gridley Police Department, Information Technology and the Butte County Sheriff’s Office. Initial testing has been completed and Virtual CAD (Computer Aided Dispatching) stations have been created. Routes between the two agencies have been opened and tested to ensure connectivity and stability. A variety of additional business processes and technical issues are currently being evaluated.

Engineering/Planning/Building/Code Enforcement

- Engineering Update - City Engineer Trin Campos is coordinating our Team efforts for sewer, water, and road grant funding applications. Trin’s also been active with several new projects and continues to focus on developing plans for street improvements.

Finance

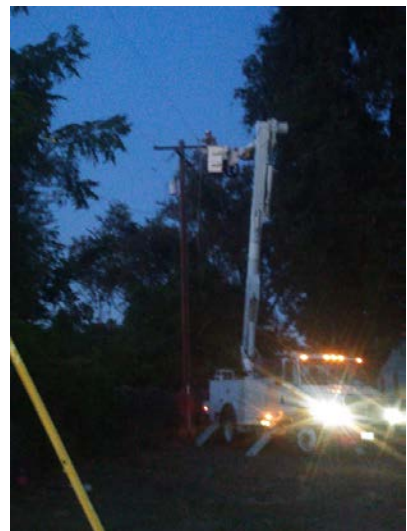
- The Finance Department is active with the development of a wide array of budget development activities; grant responsibilities; payroll and benefits improvements; worker’s compensation cases; and organization of all work areas and file systems. Emphasis will be placed on complying with the City’s records retention policy.
- Adopted Operating Budget and Capital Improvement Plan – The FY 18-19 Citywide Operating budget was shared with the City and the Public at four public meetings and was adopted on June 25th. We greatly appreciate the City Council’s commitment to Gridley’s fiscal well-being. The entire public budget document will be provided in early August.
- The Finance Department, Information Technology, City Administrator, and Electric and Public Works Leadership are currently working to improve our utility billing processes.
- Feather Flyer rider information follows below:

Month	Year	Passengers	Days of Service	Riders Per Day	Total Miles	Average of Daily Miles
July	2017	606	20	30	1154	58
August	2017	584	23	25	1221	53
September	2017	892	21	42	1149	46
October	2017	693	22	32	1363	62
November	2017	624	18	35	1225	68
December	2017	641	19	34	1266	67
January	2018	735	21	35	1486	71
February	2018	705	19	34	1382	72
March	2018	805	22	37	1545	70
April	2018	741	21	35	1435	68
May	2018	779 Fishing Day 232	22	35	1655	75
June	2018	700	21	33	1395	66

Electric Utility

- Gridley 12KV Maintenance – Crews completed the Wilson School Primary service upgrade. The project included: relocation of the primary service conductors; installation of a primary distribution pole; and a 300Kva pad mount transformer. The project corrects a G.O. 165 infraction and will provide a more dependable electrical service to the location. Crews completed the replacement of Poles 1970, 1960, and 2090 as part of the City's Pole Replacement program. Crews removed a section of the primary neutral conductor on Spruce Street.
- Service Calls - Ten new electrical services were installed at the Eagle Meadows subdivision. Crews were dispatched to Hazel Street for a power problem that was determined to be on the property owners side. A report of no power at the Wilson Water well turned out to be a primary transformer fuse that had failed. Crews responded to 6 customers' homes to disconnect services for panel upgrades and to a service call on Sage Street to remove a tree limb.
- Customer Service Technician – The Service Technician completed the Discrepancy report that had 26 Electrical items as well as 19 shut-offs for non-payment this week. 17 shopping carts were returned to their business locations. Technician was also involved in the meeting with National Meter in an effort to correct issues with the Utility reading program. The service Technician continues to assist the Public Works and Electrical Departments with various duties and projects as needed.
- After Hours Callout - Personnel were dispatched to 925 Jackson Street for dimmed lights and found a large limb had fallen on the primary wire causing damage to the circuit. Stand-by personnel requested additional Crewmembers to assist in the repairs. Power was restored in approximately three hours.
- Biggs Service Calls - A solar net meter was tested and replaced. Crews completed 6 Primary Distribution Pole change outs in Biggs as part of the pole replacement program there. Crews disconnected and reconnected 381 Bannock Street after a panel was changed out. Trees were trimmed away from primary lines at Bannock and Third Street. A power outage was reported at Fifth and E Street. Upon arrival it was determined a primary tap line fuse had failed. The primary line was inspected and found to be in order. The tap line was re-fused and power was restored in approximately 30 minutes.

Electrical Dept. Activity	Gridley	Biggs
Street Light Repairs	0	1
Nonpayment Shut-off	19	0
USA's	4	1
Sets & Outs	15	0
Service calls	11	1
Trim/Remove tree	0	0
Discrepancy Report Items	15	0
After Hours Call out's	2	0
Solar Read	10	0



- Substation Maintenance - Crews began the substation breaker replacement project including the replacement of four 1970's era Vacuum Substation Breaker with state of the art ABB substation breakers. The installation of the breakers will complete the second phase of the substation project. Phases 3 and 4 include the transfer of T-1 Relay Controls from the T-1 Control Room to the new relay control room, the installation of a 115 KV Circuit Breaker to control the T-1 Transformer, and the removal and disposal of the 1940's era Substation equipment.
- Substation and Line Recloser Checks – The Substations in Biggs and Gridley were inspected as part of the weekly inspection program. Weekly inspections were also completed on the Line Recloser in Gridley.



Fire

- Station personnel attended a multi-company training at Openshaw Training Grounds. Personnel trained on vehicle extrication utilizing hydraulic spreaders, cutters, and rams to gain access inside a vehicle to extricate the patient, as well as rescue 42 struts which are used to stabilize the vehicle making the working area safe for personnel to work around.
- Station personnel performed maintenance on Truck 74's primer pump.
- New water rescue equipment is being distributed throughout the unit from station 74.
- Engines 274 and 376 continue to be rented out frequently. Engine 376 is back from being rented out to the unit and on an out of county assignment in Yolo County. Engine 376 was also rented to the State station coverage in Butte on Sunday 6/24 and returned Thursday 6/28. Engine 376 was rented out on 6/29 and has been out since. With the current fires developing throughout the State and the Butte unit resources committed on fires, it's expected to be utilized for some time. Engine 274 is available to be rented.
- Station personnel spent time at the Gridley Library reading with children.
- Fire Volunteers Wanted – If you know of anyone who may want to get involved and make a difference by helping neighbors and friends, please encourage them to become a Gridley Volunteer Firefighter! The City of Gridley is a combination Fire Department with full-time CAL FIRE Firefighters and Gridley area resident Volunteer Firefighters. Our Volunteers meet regularly for training. Training is conducted cooperatively with Butte County Fire and includes all basic firefighting skills: first aid, ladders, breathing apparatus use, hose streams, vehicle extrication, etc. This ongoing training is in addition to the initial basic operations training course. For more information about becoming a Gridley Volunteer Firefighter, go to www.joinbcfd.org and submit a Volunteer Firefighter Interest Form.

Gridley Responses	City	County
Medical Aids	12	5
Traffic Collisions	2	
Structure Fires		
Vegetation Fires	1	1
Vehicle Fires		
Public Assist		
Cover Assignments		1
Smoke checks, haz conditions, control burns, etc)		2

Police

- The Department will be holding “Coffee with a Cop” on July 26th, 8:30am - 10:30am inside the Casa Lupe Restaurant at 130 Magnolia Street. This is a great opportunity for citizens to meet with local law enforcement officers and discuss community public safety concerns. The Department looks forward to seeing you there!
- The Department continues in its goal to provide quality service in all aspects of public safety to the citizens we serve. Police patrol was active in both communities of Gridley and Biggs. The Department served several local arrest warrants during the week.
- Animal Control continues to provide proactive patrol and compassion for lost/stray animals. Animal Control personnel are encouraging our community canine owners to license their dogs. This provides a great record for any pet owner if they should lose their dog and enables Animal Control staff to find and return their pet.
- Officers increased traffic enforcement efforts in both communities to promote safe driving habits.
- The June 2018 statistics are provided below:

City of Gridley - Police Activity	June 2018	2018 YTD	2017 Year Totals
Adult Arrests	56	296	660
Juvenile Arrests	7	28	23
Misdemeanor Arrests	54	281	584
Felony Arrests	9	43	91
Felony Crimes Reported	8	66	154
Misdemeanor Crimes	74	353	653
Total Police Incidents*	1,323	7,479	13,894
Battery	12	74	130
Burglary	9	49	77
Coroner's Report	1	5	14
Vandalism	8	60	75
Stolen Vehicle	1	8	25
Robbery	0	1	3
Public Intoxication	2	16	53
Patrol Request	14	64	385
Medical Aid	22	82	300
Area Checks	74	589	1,595
Pedestrian Checks	47	358	657
Disturbing the Peace	59	279	343
Total 911 Calls	322	1,697	3,400
Total Traffic Collisions	5	37	81
Name Exchanges – Traffic Accidents	2	6	12
Total Traffic Citations	92	437	632
DUI Arrests	6	19	20
Traffic Stops	182	1,044	2,012
Extra Help Hours	140.25	1,847.25	3,961.75
RSVP Hours	20.00	102.00	220.00
<i>“Police Incidents” are those Police responses originating from telephone calls to the Dispatch Center, walk-ins at the Police lobby, Police Officer self-initiated activity and email or social media communications.</i>			

Public Works

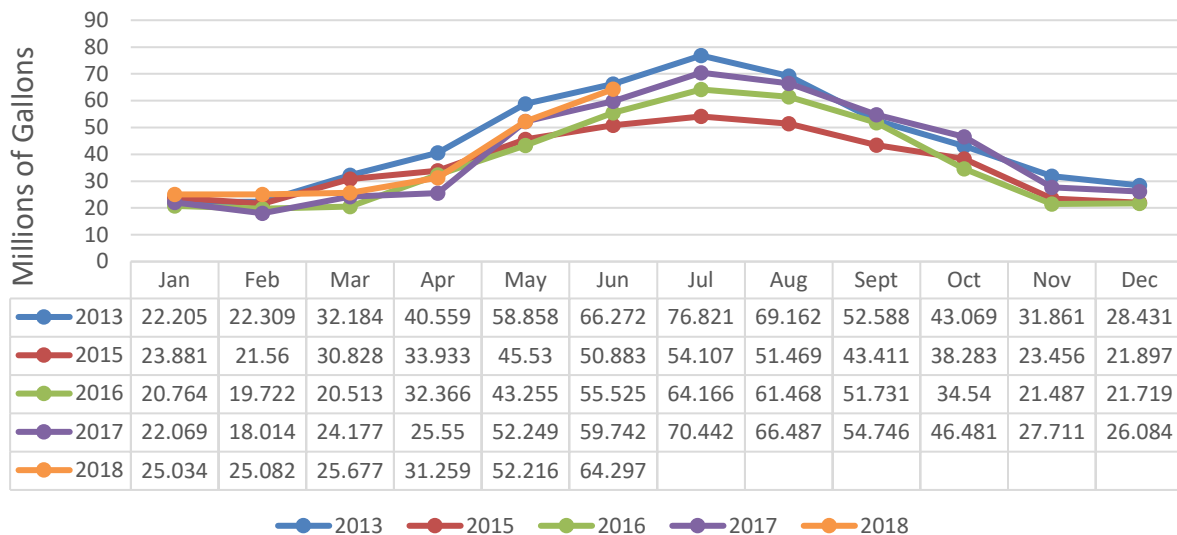
The Public Works Department Leadership and Crewmembers are responsible for a broad array of important duties including: Water Distribution; Water Production; Sanitary Sewer Collection; the Wastewater Treatment Plant; Street and Sidewalk Maintenance; our Maintenance Districts; Parks Maintenance; City Building and Facility Maintenance.

- Public Works Crews repaired pot holes throughout the City and patch Magnolia Street. The Crews are preparing for the large resurfacing projects on Kentucky and Ohio Streets to begin August 6th.
- Crews have completed the deep ripping in the percolation ponds at the Sewer Plant.
- Pruning has been completed at Heron Landing Parkway, the Heron Landing entrance on Biggs West Gridley Road and at the entrance to Eagle Meadows on Sycamore Street.
- Crewmembers have started pruning and weeding at the Sewer Plant.
- Curb, gutter and sidewalk have been completed at 1690 Spruce St.
- Crews replaced the damaged playground equipment at Railroad Park.
- Weeds and trash have been removed throughout the Downtown streets.

Public Works Activity	
Water Leaks Repaired	1
ERT's installed/Replaced.	0
Sewer Plugs	0
Tree Removal/Trimmed	0
Water Related Service Calls	1
Sewer Related Service Calls	2
USA's	3
Park Related Service Calls	0
Other Service Calls	1

Production Well	Volume Pumped	Calc. Fl	Calc. Chlor
Eagle Meadows	42.428 M.G.	.65 mg/l	.2695 mg/l
Spruce	00.000 M.G.	.00 mg/l	.0000 mg/l
Wilson	00.000 M.G.	.00 mg/l	.0000 mg/l
Little Ave.	00.000 M.G.	.00 mg/l	.0000 mg/l
Liberty	21.869 M.G.	.78 mg/l	.2659mg/l
Parkside	00.272 M.G.	.13 mg/l	.0000 mg/l
Monthly Water Production			
Total water pumped to system:			64.297 M.G.
Ave. chlorine residual in the system:			.22 mg/l
Ave. tested fluoride in the system:			.71 mg/l
Lab tested fluoride in the system:			.8 mg/l

Comparative Water Usages for 2013 - 2018



Past Month's Flows at the Waste Water Treatment Plant

Total flow to the Plant was 44.583 M.G.

Flow from Butte County Housing Authority was 664,500 gals.

Recreation

- The Recreation Division is currently conducting several exciting new Summer Programs including Tumbling, Legos, and Baking. Checkout Recreation's Facebook page at <https://www.facebook.com/groups/120025737091/>
- Recreation is currently working to enhance the usefulness and overall appearance of the Recreation Center. A new stove has been added to the Center and the large recreation room has been painted. We will soon be purchasing new foldable chairs to replace our very outdated and beaten up chairs.
- Soccer registration is now closed. As a result of enhanced communications through social media, sign-up meetings, and other efforts, soccer registrations dramatically increased to over 315 participants; the highest level in five years.
- The Recreation Community Center meeting rooms are available for rent on evenings and weekends. The rental fee is \$100 per room, with an additional refundable \$50 cleaning deposit.

City Council Formal Calendar

- The City Council will hold its next Regular City Council meeting on Monday, August 6th at 6:00 pm at City Hall.
- The Butte County Board of Supervisors Agenda for the 9:00 am meeting on Tuesday, July 24th in Oroville can be accessed at the following link:
<http://www.buttecounty.net/boardofsupervisors/BoardMeetings.aspx>

Thank you for your ongoing support and guidance.

Respectfully,

Paul

Gridley City Council – DRAFT City Council Meeting Minutes

Monday, July 16, 2018; 6:00 pm

Gridley City Hall, 685 Kentucky Street, Gridley, CA 95948

“Our purpose is to continuously enhance our community’s vitality and overall quality of life. We are committed to providing high quality, cost-effective municipal services and forming productive partnerships with our residents and regional organizations. We collectively develop, share, and are guided by a clear vision, values, and meaningful objectives.”

CALL TO ORDER

Mayor Hall opened the meeting at 6:00 p.m.

ROLL CALL

Councilmembers

Present: Hall, Borges, Johnson, Williams
Absent: None
Arriving post roll call: None

Staff present:

Paul Eckert, City Administrator
Tony Galyean, City Attorney
Daryl Dye, Utility Director
Dean Price, Chief of Police

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Councilmember Borges

INVOCATION

Reverend Bill Hammond of the Lighthouse Tabernacle provided the invocation

PROCLAMATIONS - None

COMMUNITY PARTICIPATION FORUM

Patty Watson of 182 E. Hazel Street spoke regarding the requirements of a residential driveway and sidewalk installation at her property.

CONSENT AGENDA

1. City Services Update
2. City Council minutes dated June 4, 18, 21, and 25, 2018
3. Approval of Resolution No. 2018-R-017: A Resolution of the City Council of the City of Gridley Requesting the Board of Supervisors of the County of Butte to Consolidate a General Municipal Election to be held on Tuesday, November 6, 2018, with the Statewide General Election to be held on the date Pursuant to §10403 of the Elections Code

4. Four Resolutions Authorizing the Levy of Assessment District Expenses for the Butte County 2018-2019 Tax Roll:
 - a. Resolution No. 2018-R-018: A Resolution of the City Council of the City of Gridley to Levy Assessment District No. 6 on Butte County 2017-2018 Tax Roll
 - b. Resolution No. 2018-R-019: A Resolution of the City Council of the City of Gridley to Levy Assessment District No.2 on Butte County 2017-18 Tax Roll
 - c. Resolution No. 2018-R-020: A Resolution of the City Council of the City of Gridley to Levy Assessment District No. 3 on Butte County 2017-2018 Tax Roll
 - d. Resolution No. 2018-R-021: A Resolution of the City Council of the City of Gridley to Levy Assessment District No. 1 on Butte County 2017-2018 Tax Roll
5. Approval of Resolution No. 2018-R-022: A Resolution of the City Council of the City of Gridley Authorizing Submittal of an Application to the California State Department of Housing and Community Development for Funding Under the Home Investment Partnerships Program, and if Selected, the Execution of a Standard Agreement, any Amendments Thereto, and of any Related Documents Necessary to Participate in the Home Investment Partnerships Program
6. Approval of Resolution No. 2018-R-023: A Resolution of The City Council of the City of Gridley Approving Agreement No. 2CA03940 with the California Department of Forestry and Fire Protection and Authorizing the Mayor to sign the Agreement for Services from July 1, 2018 to June 30, 2019

Motion to approve the consent agenda by Vice Mayor Johnson, seconded by Councilmember Williams

ROLL CALL VOTE

Ayes: Hall, Williams, Borges, Johnson

Motion passed, 4-0

PUBLIC HEARING - None

ITEMS FOR COUNCIL CONSIDERATION

7. Abandoned and Unsafe Residential Structures

Administrator Eckert reviewed the properties to be addressed and outlined possible steps to gain the desired outcome.

This was an informational item; no action was taken.

CITY STAFF AND COUNCIL COMMITTEE REPORTS

Vice Mayor Johnson reported on the Butte County Mosquito and Vector Control District meeting that he attended.

Mayor Hall attended the Sutter Butte Flood Control Agency meeting.

POTENTIAL FUTURE CITY COUNCIL ITEMS - (Appearing on the Agenda within 30-90 days):

Weed Abatement Liens	8/6/2018
Police Dispatch Procedures	8/20/2018
Kick-off of Zero Based Budget Process	9/3/2018
Approve Contract to Demolish Unsafe Buildings and Corresponding Budget Adjustment	9/17/2018

CLOSED SESSION

8. California Government Code 54956.9 – Conference with Legal Counsel concerning existing litigation – The matter of Amy Farr, California Worker’s Compensation Appeals Board Case No. ADJ 1074450.
9. California Government Code 54957 (b)(1) – Employee Performance Evaluations: City Administrator, Finance Director, Police Chief, and Utility Director

Council came out of Closed Session at 7:45 p.m. with no reportable action.

ADJOURNMENT

With no further items for discussion, Council adjourned at 7:45 p.m. to the next regular meeting of August 6.

Paul Ecker, City Clerk

City Council Agenda Item #3

Staff Report

Date: August 6, 2018

To: Mayor and City Council

From: Paul Eckert, City Administrator

Subject: Review and approval of the 2017 Power Source Disclosure Report and Attestation

<input checked="" type="checkbox"/>	Regular
<input type="checkbox"/>	Special
<input type="checkbox"/>	Closed
<input type="checkbox"/>	Emergency

Recommendation

City staff respectfully recommends that the City Council adopt a Resolution approving the attestation of veracity for the 2017 Power Source Disclosure Report and submission of the report to the California Energy Commission.

Background

Under State law (Public Utilities Code Sections 398.4 and 398.5), retail suppliers of electricity must annually (1) disclose the type of generation resources (e.g., hydroelectric, solar, natural gas etc.) provided to their customers in the form of a Power Content Label ("PCL"), and (2) report this same information, together with supporting documentation in verified form, to the California Energy Commission ("CEC"), in the form of a Power Source Disclosure Report ("PSD"). The intent of the report is to educate customers through the disclosure of accurate, reliable, and simple to understand information regarding the generation attributes of the energy being provided by their service provider. Gridley City staff annually collects generation and energy procurement data necessary to prepare the annual PSD Report. This report is filed with the CEC each year. In May 2018, staff compiled the annual PSD report.

The CEC updated regulations for the power source disclosure report and changed the prior procedures. Primarily, the changes added a provision that the governing board of publicly owned utilities approve, at a public meeting, the attestation of the veracity of the annual power disclosure report.

The City's Power Content Label is attached. The Label lists the percentages for the City's energy mix. The energy mix includes both renewable, carbon free, and some carbon-based energy. The City's renewable and carbon free generation is better than the State average.

The City and Northern California Power Agency ("NCPA") staff worked collaboratively to compile and present the numbers shown in the PSD and to confirm the accuracy and consistency of the data. This effort included cross checking numbers from the California Independent System Operator, NCPA generation metering, validations of market purchases from unspecified sources, and customer sales records. Through the process of cross checking by City staff, the City is assured that the PSD and PCL contain the most accurate information for the public.

Attached to this report is a resolution that, if adopted by Council, approves the 2017 PSD report submission and attestation of the veracity as required by the new CEC regulatory procedures.

Fiscal Impact

There is no fiscal impact related to the recommended action.

Compliance with City Council Strategic Plan or Budget Goals

This report is consistent with our efforts to comply with State requirements and to ensure that our community members are fully informed of all City activities and all budgetary and financial efforts.

Attachment

1. Resolution No. 2018-R-024
2. City of Gridley 2017 PSD Attestation and Power Content Label
3. General Description of the State Requirements

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GRIDLEY APPROVING THE ATTESTATION
OF VERACITY FOR THE 2017 POWER SOURCE DISCLOSURE REPORT AND SUBMISSION OF THE
REPORT TO THE CALIFORNIA ENERGY COMMISSION**

WHEREAS, the City of Gridley owns and operates a publicly owned utility subject to certain laws and requirements of the State Legislature; and

WHEREAS, Public Utility Code 398.4 and 398.5 establish a Power Source Disclosure (“PSD”) program that requires retail sellers of electricity to annually submit a power source disclosure report to the California Energy Commission; and

WHEREAS, the Gridley Electric Utility is a retail seller of electricity as defined by the PSD Program and is therefore required to file a PSD report; and

WHEREAS, the governing body of a publicly owned utility must review and approve the PSD and veracity of an associated attestation submitted to the California Energy Commission; and

WHEREAS, Gridley staff prepared and submitted the 2017 Annual Power Source Disclosure Report to the Energy Commission in accordance with the timelines of the regulation; and

WHEREAS, the continued administrative action to review and submit the power source disclosure and related reports does not constitute a project under California Environmental Quality Act (“CEQA”) guidelines and is therefore exempt from further environmental review.

NOW, THEREFORE, BE IT RESOLVED, that the City Council of the City of Gridley does hereby;

1. Find that continue administrative actions are exempt from CEQA and no further environmental review is needed.
2. Approve the attestation of veracity for the 2017 Power Source Disclosure Report and submission of the report to the California Energy Commission.

I HEREBY CERTIFY that the foregoing resolution was introduced, passed, and adopted by the City Council of the City of Gridley at a special meeting held on the 6th day of August, 2018, by the following vote:

AYES: COUNCILMEMBERS

NOES: COUNCILMEMBERS

ABSTAIN: COUNCILMEMBERS

ABSENT: COUNCILMEMBERS

ATTEST:

APPROVE:

Paul Eckert, City Clerk

Frank Hall, Mayor



ANNUAL REPORT TO THE CALIFORNIA ENERGY COMMISSION:
Power Source Disclosure Program
Schedule 1 and 2, applicable to: Load Serving Entities
For the Year Ending December 31, 2017

Load serving entities are required to use the posted template and are not allowed to make edits to this format.
Please fill out the company name and contact information.

GENERAL INSTRUCTIONS

COMPANY NAME	
	City of Gridley Electric Department
PRODUCT NAME (If Multiple Products Offered)	
CONTACT INFORMATION	
Name	Paul Eckert
Title	City Manager
Mailing Address	685 Kentucky Street
City, State, Zip	Gridley, CA 95948
Phone	530-846-4675
E-mail	eckert@gridley.ca.us
Website for PCL Posting	http://gridley.ca.us/government-and-departments/departments/electric-department/

Please fill out the schedules that apply to your company's filing requirements. Provide the annual report and attestation together in PDF format and the annual report in an excel file by email to PSDprogram@energy.ca.gov. Remember to fill in the company name above, submit separate reports and attestations for each additional product if multiple electric service products are offered. Report procurements in MWh (not kWh).

NOTE: Information submitted in this report is not automatically held confidential. If your company wishes the information submitted to be considered confidential an authorized representative must submit an application for confidential designation (CEC-13), which can be found on the California Energy Commissions's website at http://www.energy.ca.gov/commission/chief_counsel/documents/CEC13.pdf

If you have questions, contact PSD staff at PSDprogram@energy.ca.gov or (916) 653-6222.

2017 POWER CONTENT LABEL		
City of Gridley		
ENERGY RESOURCES	Power Mix	2017 CA Power Mix**
Eligible Renewable	24%	29%
Biomass & biowaste	0%	2%
Geothermal	16%	4%
Eligible hydroelectric	2%	3%
Solar	6%	10%
Wind	0%	10%
Coal	0%	4%
Large Hydroelectric	47%	15%
Natural Gas	27%	34%
Nuclear	0%	9%
Other	0%	<1%
Unspecified sources of power*	2%	9%
TOTAL	100%	100%
<p>* "Unspecified sources of power" means electricity from transactions that are not traceable to specific generation sources.</p> <p>** Percentages are estimated annually by the California Energy Commission based on the electricity sold to California consumers during the identified year.</p>		
For specific information about this electricity product, contact:	City of Gridley Electric Utility 530-846-3631	
For general information about the Power Content Label, please visit:	http://www.energy.ca.gov/pcl/	
For additional questions, please contact the California Energy Commission at:	844-454-2906	

**ANNUAL REPORT TO THE CALIFORNIA ENERGY COMMISSION: Power Source Disclosure Program**

For the Year Ending December 31, 2017

SCHEDULE 1: POWER PROCUREMENTS AND RETAIL SALES

Applicable to: Load Serving Entities

INSTRUCTIONS: Enter information about power procurements supporting all electricity products for which your company is filing the Annual Report. If you need additional rows, add them from the INSERT menu. Please list all purchases (Specified and Unspecified purchases) as line items under the Facility Name heading. If a procurement was for unbundled RECs include the term "REC Only" in parentheses after the facility name in the Facility Name column, and categorize the power as the fuel type of the generating facility from which the unbundled REC was derived. If procured power was from a transaction that expressly transferred energy only and not the RECs associated with that energy, identify the power as "Unspecified Power" in the Fuel Type column.

All Procurements (Specified and Unspecified)										
Facility Name	Unit No.	Fuel Type	Location (State or Province)	RPS ID	WREGIS GU ID	EIA ID	FERC QF ID	Gross MWh Procured	MWh Resold or Self-Consumed	Net MWh Procured
WAPA - Nimbus		Hydro	Folsom, CA		W 1161	444		260.04		260.04
WAPA - Nimbus - RECs only		Hydro	Folsom, CA		W 1161	444		264.96		264.96
WAPA - Lewiston		Hydro	CA		W 1108			12.99		12.99
WAPA - Lewiston - RECs only		Hydro	CA		W 1108			15.01		15.01
WAPA - Stampede - RECs only		Hydro	CA		W 1177			56		56
Richmond LFG		Landfill Gas	Richmond, CA		W 2781	50831		0		0
Half Moon Bay (Ox Mountain)		Landfill Gas	Half Moon Bay, CA		W 2033	56895		0		0
Keller Canyon		Landfill Gas	Pittsburg, CA		W 2071	56897		0		0
Santa Cruz LFG		Landfill Gas	Watsonville, CA		W 2014	56428		0		0
Butte LFG		Landfill Gas	Paradise, CA		W 2848	57771		0		0
Geothermal Plant #1 - Unit 1		Geothermal	Geysers, CA		W 1254	7368		756.36		756.36
Geothermal Plant #1 - Unit 2		Geothermal	Geysers, CA		W 1255	7368		644.91		644.91
Geothermal Plant #2 - Unit 4		Geothermal	Geysers, CA		W 1257	7369		1193.99		1193.99
Ukiah, City of (Power sold from share of above plants)		Geothermal	Geysers, CA		see above	see above		2785		2785
Geo Solar 1 Clearlake - self-consumed		Solar	Geysers, CA		W 1509			3	3	0
Geo Solar 2 Middletown - self-consumed		Solar	Geysers, CA		W 2792			7	7	0
Geo Solar 1 Clearlake - RECs only		Solar	Geysers, CA		W 1509			3		3
Geo Solar 2 Middletown - RECs only		Solar	Geysers, CA		W 2792			7		7
Geo OSL - self-consumed		Geothermal	Geysers, CA		W 4883			44	44	0
Geo OSL - RECs only		Geothermal	Geysers, CA		W 4883			44		44
Graeagle		Hydro	Graeagle, CA		W 1531			0		0
New Spicer Meadows		Hydro	Tuolumne County, CA		W 1260	54554		0		0
High Winds		Wind	Solano County, CA		W 229	55075		0		0
Collierville		Large Hydro	Murphys, CA		W 1268, 1269	54554		0		0
Hydro Solar - self-consumed		Solar	Murphys, CA		W 1268			0		0
Hydro Solar - RECs only		Solar	Murphys, CA		W 1266			0		0
WAPA - J.F.Carr		Large Hydro	CA		W 1164	2518		1604.16		1604.16
WAPA - Folsom		Large Hydro	CA		W 1156 thru 58	2518		3395.31		3395.31
WAPA - Keswick		Large Hydro	CA		W 1165	2518		1745.09		1745.09
WAPA - New Melones		Large Hydro	CA		W 1159, 1160	2518		2086.45		2086.45
WAPA - Shasta		Large Hydro	CA		W 1168 thru 72	2518		11336.63		11336.63
WAPA - Spring Creek		Large Hydro	CA		W 1174	2518		1904.98		1904.98
WAPA - Trinity		Large Hydro	CA		W 1175, 1176	2518		1748.55		1748.55
WAPA - O'Neill		Large Hydro	CA		W 1167, 1168	2518		0.03		0.03
Alameda #1 Natural Gas		Natural Gas	Alameda, CA			7450		24.42		24.42
Alameda #2 Natural Gas		Natural Gas	Alameda, CA			7450		21.6		21.6
Lodi CT #1 Natural Gas		Natural Gas	Lodi, CA			7451		14.63		14.63
Lodi CT #2 NG (STIG)		Natural Gas	Lodi, CA			7449		0		0
Lodi Energy Center		Natural Gas	Lodi, CA			40613		14271		14271
Lightbeam Power Company Gridley Main LLC		Solar	Gridley, CA		W 2923	58370		2016		2016
Vansycle II - RECs only		Wind	OR		W 1458	58324		0		0
EDF Trading North America LLC		Unspecified Power						172.8		172.8
NextEra Energy Power Marketing, LLC		Unspecified Power						0		0
Noble Americas Gas & Power		Unspecified Power						0		0
Powerex		Unspecified Power						512.32		512.32
Shell Energy North America		Unspecified Power						509.12		509.12
										0
										0
										0

Total Net Purchases 48,307

Total Retail Sales 33,464



ANNUAL REPORT TO THE CALIFORNIA ENERGY COMMISSION:
Power Source Disclosure Program
For the Year Ending December 31, 2017
ATTESTATION FORM

Applicable to: All participants in the Power Source Disclosure Program

I, (print name and title) PAUL ECKERT,
declare under penalty of perjury, that the statements contained in Schedules
1 & 2 are true and correct and that I, as an authorized agent of (print
name of company) GRIDLEY ELECTRIC, have authority to submit this
report on the company's behalf. I further declare that the megawatt-hours
claimed as specific purchases as shown in these Schedules were, to the best of
my knowledge, sold once and only once to retail consumers.

Name: PAUL ECKERT

Signed: [Signature]

Dated: 5/31/18

Description of “Power Content Labels” from the California Energy Commission

AB 162 (Statute of 2009) and Senate Bill 1305 (Statutes of 1997) require retail electricity suppliers to disclose information to California consumers about the energy resources used to generate the electricity they sell. As directed, the Energy Commission created a user-friendly way of displaying this information called the Power Content Label. This label provides you with reliable information about the energy resources used to generate electricity, enabling you to easily compare the power content of one electric service product with that of others.

You can think of the power content label as a "nutrition label" for electricity. The power content label provides information about the energy resources used to generate electricity that is put into the power grid. Just as a nutrition label provides information about the food you eat, the power content label provides information about your electricity sources.

What information does the power content label provide?

Electricity can be generated in a number of ways. It can come from renewable resources such as biomass and waste, geothermal heat or steam, solar energy, rivers or small hydroelectric reservoirs, and wind energy; or, it can be produced from resources such as coal, large hydroelectric reservoirs, natural gas, or nuclear fuels. The Power Content Label describes the sources of electricity that are put into the power grid. Each electricity supplier must display information about the energy resources represented by their contracts with electricity generators.

The power content label cannot tell you about the electricity that you use in your home; instead, it tells you about the resources mix your energy dollars are being spent on. If you purchase electricity generated using natural gas, for example, you are paying a natural gas-fired plant to generate electricity and to feed it into the main power grid. Since it is impossible to track the flow of electricity on the grid, there is no way to identify the actual power plant that produced the electricity you consume in your home. But it is possible to track the dollars you pay for electricity. Your electricity dollars will support electricity generation from various energy resources in the proportions listed on the Power Content Label.

See below for a more detailed explanation of the information contained in the Power Content Label.

Where and when will I see the Power Content Label?

Electricity suppliers are required to include the Power Content Label in all advertisements sent to you in the mail or over the Internet. Furthermore, your electricity supplier must send you annual updates for the electric service product you're purchasing by October 1st each year. If there have been any changes in what the electricity supplier is able to provide you, you will learn of them in these updates.

The Power Content Label cannot tell you about the electricity that you use in your home; instead, it tells you about the resources mix your energy dollars are being spent on. If you purchase

electricity generated using natural gas, for example, you are paying a natural gas-fired plant to generate electricity and to feed it into the main power grid. Since it is impossible to track the flow of electricity on the grid, however, there is no way to identify the actual power plant that produced the electricity you consume in your home. But it is possible to track the dollars you pay for electricity. Your electricity dollars will support electricity generation from various energy resources in the proportions listed on the Power Content Label.

Your electricity choice does make a difference, because you decide what kinds of electricity are fed into the electricity grid. Over the long term, your purchasing decisions will help determine what kinds of power plants are built to serve California's electricity needs.

Aren't the utilities required to purchase electricity from renewable resources?

Yes. California's [Renewables Portfolio Standard](#) (RPS) requires all electricity retail suppliers to obtain 50 percent of their electricity from eligible renewable resources by 2030, and to make incremental steps toward that goal in the meantime. These include solar, wind, geothermal, biomass, small hydroelectric facilities and other sources of renewable energy. Renewable energy resources will help the state reach its goals of reducing greenhouse gas emissions that affect the global climate.

Does the Power Content Label correspond with RPS?

Put simply, no. RPS uses a different methodology than that of the Power Content Label. RPS compliance is calculated over three year periods by tracking the retirement of renewable energy credits.

The Power Content Label, on the other hand, is based on annual electricity procurements, and these do not necessarily match with RPS' compliance periods. However, the Power Content Label serves a different function. It is designed to be a simple, quick check of your electric retail supplier's power sources and renewable energy profile, and its performance relative to other retail suppliers and the state as a whole.

A guide to the Power Content Label:

2016 POWER CONTENT LABEL		
Sample		
ENERGY RESOURCES	Power Mix	2016 CA Power Mix**
Eligible Renewable	34%	25%
Biomass & biowaste	6%	2%
Geothermal	5%	4%
Eligible hydroelectric	4%	2%
Solar	12%	8%
Wind	7%	9%
Coal	11%	4%
Large Hydroelectric	8%	10%
Natural Gas	35%	37%
Nuclear	0%	9%
Other	0%	0%
Unspecified sources of power*	12%	15%
TOTAL	100%	100%
* "Unspecified sources of power" means electricity from transactions that are not traceable to specific generation sources.		
** Percentages are estimated annually by the California Energy Commission based on the electricity sold to California consumers during the identified year.		
For specific information about this electricity product, contact:	Sample	
	555-555-5555	
For general information about the Power Content Label, please visit:	http://www.energy.ca.gov/pcl/	
For additional questions, please contact the California Energy Commission at:	844-454-2906 psdprogram@energy.ca.gov	

Column A (Energy Resources)

This column lists the different energy resources that can be used to generate electricity, including eligible renewable resources and other resources. For a description of each resource type, see the section titled [Energy Resources](#) below.

Column B (Power Mix)

This column displays the actual mix of electricity purchased by your utility in a given year, broken out by resource type.

Column C (California Power Mix)

This column displays the mix of resources used in California for a given year. This information is provided as a reference point for you to compare your electricity retail supplier's resource mix to the overall resource mix of the state. The Energy Commission publishes [Total System Power](#) data each year, based on reports submitted to the Energy Commission by electrical generation facilities.

City Council Agenda Item #4
Staff Report

Date: August 6, 2018

To: Mayor and City Council

From: Paul Eckert, City Administrator

Subject: Consideration and Approval of Temporary Residential Housing Incentive Program

X	Regular
	Special
	Closed
	Emergency

Recommendation

City staff respectfully requests that the City Council consider adoption of the attached Resolution No. 2018-R-025 that supports implementation of the Temporary Residential Housing Incentive Program (TRHIP). The proposed Program is recommended to address the lingering and significant economic challenges of the 2008 National Financial Crisis. The Resolution authorizes the City Administrator to execute a program similar to the attached Temporary Residential Housing Incentive Program.

Background

The City Council has received and reviewed a summary comparison of the City of Gridley's Development Impact Fees, including comparisons of nearby communities. The City's Development Impact Fee (DIF) rates were adopted on February 20, 2007, utilizing a study from January, 2007 and further revised in 2011. The Study included models established to collect costs of future projects based upon various master plans, reports, and studies.

The proposed Temporary Residential Housing Incentive Program is a 40-month aggressive reduction to the City of Gridley's Impact Fees that include separate Sewer, Water, Electric, Police, Fire, Parks, and Streets on residential units within the Gridley City Boundary. The Program would provide a 75% reduction to all City of Gridley DIF's for residential property owners who complete construction between August 2018 and December 31, 2021. The Program does not affect the Gridley Unified School District Impact fee.

The impact will be as follows on the average home or Equivalent Dwelling Unit:

Total Current Impact Fees	Total Proposed Temporary Fees
\$29,234.55	\$7,308.64

The Program will include a limited number of participants. A total of 45 permits will be issued through the Program through December 31, 2021 with only 15 permits being available for any individual developer. If a Certificate of Occupancy is issued on or before December 31, 2021, the owner will receive the 75% reduction. Failure to receive a Certificate of Occupancy prior to January 1, 2022, will result in the requirement to pay 100% of the City of Gridley DIF's, regardless of when the project began. After December 31, 2021, or sooner if the 45 permits are exhausted, a review by City Council may be performed to determine if any extension of the TRHIP Program is desired.

Staff has conducted a study of various incentive policies/Programs used by other California cities. In October, 2013 the Governor signed AB562, which established regulations outlining the offering of economic development incentives by cities. The proposed Program documents were formulated to comply with AB562 and reflect the “Best Practices” throughout the State.

While some areas of the City’s economy have been recovering from the last recession, residential housing has continued to develop more slowly than pre-recession periods. The more limited construction of new residential, be it single or multi-family, combined with a resale market impacted by underwater mortgages and lagging home values, has created adverse economic impact. Councilmembers and members of our community have suggested the City pursue a temporary Program to incentivize residential construction in an attempt to address adverse economic issues. The goal of any temporary reduction in fees would be to stimulate the creation of new housing and create opportunities for new and varied levels of housing inventory throughout the City; to generate jobs in the construction industry; and ultimately increase local spending by homeowners who are outfitting their new homes.

Fiscal Impact

In any residential project, there are direct and indirect economic impacts. Direct economic impacts for the City represent fees and property tax revenue increases.

Indirect impacts are more difficult to measure, so the City reviewed a 2010 study *Analysis of the Fiscal and Economic Effects of New Housing Construction in California* which was prepared for The California Housing Finance Agency. In the study, which was performed during the housing downturn, the authors estimated the total economic impact of a single family residential home is approximately \$421,696 in the larger Bay Area. This figure incorporates not only construction material and jobs, but ancillary spending like moving companies and sales of furnishings and other items which occur when someone moves into a new home. The following chart illustrates the estimated economic impact of the Program using the economic impact information. The Gridley area cost of a home, using averages of \$165 sq. feet and an average size of 1,800 sq. feet, results in average home value of \$297,000. Using the data below, the overall costs of the TRHIP will be offset in less than five years.

45 Permits Issued with 75% Discount

Temporary Residential Housing Incentive Program Analysis	Costs	Revenues
Est. total one-time cost of 75% TRHIP Discount Offered by City (Total of 45)	\$986,666	
Est. total one-time revenues from 25% DIF Received by City (Total of 45)		328,889
Est. total new Annual Property Tax on 45 Permits (Assumes average values of \$297,000)		133,650

Alternatives

- 1.) Rather than adopting this proposed Program, The City Council could elect to declare a Moratorium on all existing Development Impact Fees. A variety of California cities are now convinced that Impact Fees hurt rather than help. For many agencies the amount collected, when measured against the project they are intended to fund, is insignificant. *This alternative is not recommended at this time.*

Compliance with City Council Strategic Plan or Budget Goals

Temporary reduction of the City's Development Impact Fees to encourage increased economic development is consistent with the City Council's commitment to enhance and expand quality of life opportunities and grow Gridley pride and quality.

Attachment

1. Resolution No. 2018-R-025
2. City of Gridley Temporary Residential Housing Incentive Program

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GRIDLEY AUTHORIZING THE CITY
ADMINISTRATOR TO EXECUTE A TEMPORARY RESIDENTIAL HOUSING INCENTIVE PROGRAM**

WHEREAS, Government Code Section 66000 et seq., known as the Mitigation Fee Act (AB 1600), authorizes local agencies to collect fees to mitigate impacts of new development for infrastructure improvements; and

WHEREAS, the City Council has adopted ordinances and resolutions establishing and revising City of Gridley Impact Fees required to be paid at the time a building permit is issued for new development; and

WHEREAS, due to the economic downturn over the past decade, the pace of residential housing development has declined dramatically; and

WHEREAS, a balance of residential housing is essential in attracting and retaining quality employers and maintaining a high quality of life; and

WHEREAS, a Temporary Residential Housing Incentive Program will stimulate the local economy and provide jobs.

NOW, THEREFORE, BE IT RESOLVED THAT the City Council of the City of Gridley does hereby authorize the City Administrator to execute a Temporary Residential Housing Incentive Program similar to the Program outlined at the August 6, 2018, City Council meeting effective immediately upon adoption of this Resolution.

I HEREBY CERTIFY that the foregoing resolution was duly passed and adopted by the City Council of the City of Gridley at a regular meeting thereof, held on the 6th day of August, 2018, by the following vote:

AYES: COUNCIL MEMBERS

NOES: COUNCIL MEMBERS

ABSENT: COUNCIL MEMBERS

ABSTAIN: COUNCIL MEMBERS

ATTEST:

APPROVE:

Paul Eckert, City Clerk

Frank Hall, Mayor

City of Gridley

Temporary Residential Housing Incentive Program

August 6, 2018

CITY OF GRIDLEY TEMPORARY RESIDENTIAL HOUSING INCENTIVE PROGRAM

August 6, 2018

INTRODUCTION AND DEFINITIONS

Introduction

Historically, the City of Gridley has enjoyed a reasonably strong housing market. However, the Great Recession coupled with the implementation of new Development Impact Fees has reduced new housing opportunities in Gridley. As a result, the City has developed the Temporary Residential Housing Incentive Program (TRHIP). The TRHIP is designed to stimulate private sector investment in the Gridley Housing Market with the goal of prudently growing our population, tax income, and job growth that are essential to maintaining a high quality of life for residents and businesses. The TRHIP impacts City of Gridley Impact Fees on residential units only. Fees under the jurisdiction of other agencies, including the Gridley Unified School District, are not associated with this Program

Findings Required

It is not the intent of this Program to divert funds from other communities. In compliance with Government Code sections 53084 and 53084.5, such incentives may not be offered to businesses that relocate their business from another city to Gridley. The Program is also not intended to be used to relocate a business from one location to another within the City.

When applying any such efforts, the City must determine that the incentive is not a gift of public funds, and specific findings must be made. Therefore, the City Council must find that the incentives under this Program will advance the public welfare and provide adequate consideration in return to the City as follows:

1. The long-term net financial benefit to the public will exceed the value of the incentives provided;
2. The residential projects will provide a direct public benefit through the generation of property, sales tax, and impact fees or other benefits to the City;
3. The incentives represent a partial return of revenues or fees that will be realized once the project is completed, such that the incentives will not impact the City's current General Fund balance as the incentives will be based on future, additional revenues to the General Fund.

Definitions

Eligible Applicant means an applicant who meets the eligibility requirements for a particular Program and excluding any business that would trigger the requirements of Government Code sections 53084 and 53084.5.

Direct Public Benefits means benefits to the City and community which justify an incentive under this Program.

TEMPORARY RESIDENTIAL HOUSING INCENTIVE PROGRAM

Purpose

While some areas of the City's economy have been recovering from the last recession, residential housing has continued to develop more slowly than pre-recession periods. The more limited construction of new residential, be it single or multi-family, combined with a resale market impacted by underwater mortgages and lagging home values, has created adverse economic impact. The lack of available quality and appealing housing in the City is inciting employees of current or potential businesses to purchase or rent homes in adjoining communities, negatively impacting the City's overall economy.

The City's Impact Fee structure has not reflected the needs of the current adverse marketplace and as a result there is little financial ability for the housing market to experience significant growth. City Councilmembers and area property owners have recommended the City pursue a temporary program to stimulate residential construction in an attempt to address these adverse economic issues. The current City Impact Fees per Equivalent Dwelling Unit (EDU) are as follows:

Account	Impact Fees	EDU	Temp. EDU
660-3641	Sewer Development Impact Fee	\$10,970.00	\$2,742.50
650-3641	Sewer Collection Fee	\$1,750.00	\$437.50
650-3641	Sewer Connection Fee	\$1,850.00	\$462.50
640-3641	Water Development Impact Fee	\$2,325.00	\$581.25
630-3641	Water Collection/Distribution	\$746.01	\$186.50
630-3641	Water Connection Fee	\$1,955.54	\$488.89
020-3641	Park Fee	\$3,659.00	\$914.75
020-3641	Streets and Road Fees	\$1,461.00	\$365.25
020-3641	Police	\$119.00	\$29.75
020-3641	Fire	\$1,601.00	\$400.25
620-3641	Electric	\$998.00	\$249.50
	\$998 up to 200 Amps		
	\$1996 up to 400 Amps		
620-3641	Electric Distribution Fee	\$900.00	\$225.00
600-3641	Electric Connection Fee	\$900.00	\$225.00
	Total	\$29,234.55	\$7308.64

The goal of any temporary reduction in fees would be to incentivize the creation of new housing and create opportunities for new and varied levels of housing inventory throughout the City; to generate jobs in the construction industry; and ultimately increase local spending by new homeowners who are outfitting their new homes.

Proposed Program

This Temporary Residential Housing Incentive Program (TRHIP) incentive program has been developed to address existing residential housing market challenges. The Program offers a 75% reduction to the City of Gridley's Impact Fees that include separate Sewer, Water, Electric, Police, Fire, Parks, and Streets Development Impact Fees (DIF's). The Program will include a limited number of participants. A total of 45 permits will be issued through the Program through December 31, 2021. Only 15 permits would be available for any individual developer.

If a Certificate of Occupancy for a residential unit is issued between August 6, 2018 and on or before December 31, 2021, the owner will receive the 75% reduction. Failure to receive a Certificate of Occupancy prior to January 1, 2022 will result in the requirement to pay 100% of the City of Gridley Development Impact Fees, regardless of when the project began.

Financial Impact

In any residential project, there are direct and indirect economic impacts. Direct economic impacts for the City represent fees and property tax revenue increases.

Indirect impacts are more difficult to measure, so the City reviewed a 2010 study *Analysis of the Fiscal and Economic Effects of New Housing Construction in California* which was prepared for The California Housing Finance Agency. In the study, which was performed during the housing downturn, the authors estimated the total economic impact of a single family residential home is approximately \$421,696 was in the larger Bay Area. This figure incorporates not only construction material and jobs, but ancillary spending like moving companies and sales of furnishings and other items which occur when someone moves into a new home. The following chart illustrates the estimated economic impact of the 30 permit Program using the economic impact information. The Gridley area cost of a home, using averages of \$165 sq. feet and an average size of 1,800 sq. feet, results in average home value of \$297,000. Using the data below, the overall costs of the TRHIP will be offset in less than five years.

45 Permits Issued with 75% Discount

Temporary Residential Housing Incentive Program Analysis	Costs	Revenues
Est. total one-time cost of 75% TRHIP Discount Offered by City (Total of 45)	\$986,666	
Est. total one-time revenues from 25% DIF Received by City (Total of 45)		328,889
Est. total new Annual Property Tax on 45 Permits (Assumes average values of \$297,000)		133,650

Reporting

The City Council will receive annual reports describing the activity in the Program and its overall financial impacts. During the 5-year payback period, the City Council will receive annual reports on the funding activity and the economic impact of the Program.