

## Builder gets YC fee deal

[By Ashley Gebb/Appeal-Democrat](#)

June 2, 2009 - 11:55PM

The Yuba City City Council's split decision to grant Interwest Homes discounted development impact fees was met with applause Tuesday.

The council voted 3-2 to sign an agreement with Interwest Homes for up to 24 homes in Canterbury Estates in a one-year period, and to adopt a resolution authorizing a temporary citywide fee reduction for any developer to build up to 24 homes.

Council members Tej Maan and John Miller voted no, stating they would prefer an open reduction for up to 48 homes so that no preferential treatment is given to one developer.

Their concern is the specific agreement reached with Interwest, rather than a blanket policy for all developers.

Canterbury Estates is a 270-home subdivision once owned by Dunmore Homes, which entered bankruptcy in 2007. While 111 units were developed, 14 others have sat unfinished and another 145 are undeveloped.

Under the agreement, Interwest must complete the 14 unfinished homes, finish the subdivision improvements and can construct up to 24 homes in a one-year period. The developer will pay 2004 impact fees but pay current levee, county, water, sewer and school fees.

Paying the 2004 impact fee rates gives Interwest a savings of \$6,932 per lot.

The council chambers were standing-room only for the hourlong discussion.

Several residents, businessmen and developers spoke about the potential impact, mostly with enthusiastic support.

Interwest's collaboration with local contractors and subcontractors will continue to infuse cash into Yuba City, said Larry Smith, owner of Smith Plumbing.

"That supports not just our family and our employees' families, but the trucks we buy, our food, going to the movies on the weekend," he said.

Job creation and economic development are obviously important to the city, as it spends money on the Yuba Sutter Economic Development Corporation and its own economic development manager, said Councilman Kash Gill. The city should take the initiative to help a developer that is trying to spur that same kind of economic stimulus.

But not all residents agreed.

Interwest and any other developers should not be given a break because the city needs all the impact fees it can get, said Yuba City resident Larry Ozeran.

"I don't see why you should be taking money out of my pockets and pockets of everyone else in Yuba City," he said.

The city is not taking money from taxpayers because the foreclosed-upon eyesore is not generating any money to start with, said resident Kriss Bates. Any impact fees that can be prompted, however decreased, are better than nothing.

"It will spur loans, it will spur sales, it will bring money into the economy," Bates said.

Derek Long, vice president of operations for Interwest, asked everyone in the chambers whose livelihoods are affected by an agreement with Interwest to stand up, and almost everyone in the room rose to his or her feet.

The trickle-down effect is important, said Mayor Leslie McBride. As lives are improved through completion of homes, residents will be able to afford to buy food, pay their mortgages and buy new furniture.

"It's all residual, and it's building," she said.

The citywide reduction is intended to open the playing field, allowing other developers the same break in fees as Interwest and keeping the market competitive.

Developers have one year to pull building permits, then start construction within 30 days and complete the home within one year.

Lowered fees are badly needed, but a special agreement with Interwest is not fair, said Deana Ellis, vice president of land resources for Cresleigh Homes. A better solution would be an open lowering of fees.

"We are bringing people to work every day, we feel the pain," she said. "We are open to competition."

Maan agreed equality would be a more fair route and also safer. He said a developer-specific agreement could potentially create costly legal problems.

"I think we either do it for all or we don't do it for everybody," he said.

With an open lowering of fees, it is unlikely Interwest will be deprived of building homes at a discount, given that so few builders seem interested in new homes right now, he said.

Fewer than 10 building permits have been pulled this year, and none in May, said Aaron Busch, director of community development.

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