

AGENDA
Regular Meeting
TULELAKE CITY COUNCIL
September 16, 2025
5:30 PM

Dial in Number: 712-432-3900 – Conference id: 419973 #

If you are unable to attend in person, join the meeting by dialing the number listed above and entering the Conference ID No.

1. Call to order the regular meeting of September 16, 2025.
2. Pledge of Allegiance
3. Approval of the August 19, 2025, regular meeting minutes. Discussion/Action.
4. Approval of the payments of bills. Discussion/Action.
5. Comments from the public.

This is the time set aside for citizens to address the Council on matters not on the agenda. Comments should be limited to matters within the jurisdiction of the Council. If your comment concerns an item on the agenda, please address the Council after that item is open for public comment. By law, the Council cannot discuss or act on matters that are not on the agenda. The mayor reserves the right to limit the duration of each speaker to three (3) minutes. Speakers may not give their time to others.

6. Approval to accept Council Member Ebinger's resignation letter. Discussion/Action. (Mayor Cordonier)
7. Appointment of City Council Member. Discussion/Action. (Mayor Cordonier)
8. Oath of office for appointed City Council Member. Discussion/Action. (City Clerk)
9. Approval of Resolution No. 25-12, A Resolution of the City Council of the City of Tulelake Authorizing the Execution of Agreements with the Weist Law Firm and California Municipal Advisors LLC for Pension Management, Rate Study, Capital Project Financing, and Related Services. Discussion/Action. (Cameron Weist)
10. Approval of Resolution 25-13, a Resolution of the City Council of the City of Tulelake Establishing a Replacement Housing Policy and Guidelines for its Implementation Consistent with State Law. Discussion/Action. (City Planner, Rico Tinsman)
11. Approval of Resolution 25-14, a Resolution of the City Council of the City of Tulelake Establishing Policy and Procedures for Waiving Merger Application Fees to Facilitate Small Lot Consolidation for the Development of Multifamily Housing. Discussion/Action. (City Planner, Rico Tinsman)
12. Zoom sales pitch from camera company about camera system in the City. Discussion/Action. (Chief of Police)

- a. Chief of Police, Tom Hoy
- b. Chief Resilience Officer, Jenny Coelho
- c. City Hall Administrator, Aissa Martinez
- d. Director of Public Works, Jose Perez

COMMENTS FROM ADMIN AND STAFF:

- 17. Comments from City Engineer
- 18. Comments from City Attorney
- 19. Comments from City Building Inspector (Mike Britton)
- 20. Comments from Library Branch Manager (Kailee Wood)
- 21. Comments from City Treasurer (Sara Luscombe)
- 22. Comments from City Clerk (Casey Joiner)
- 23. Comments from Assistant City Admin (Christian Marquez)
- 24. Comments from City Staff (Anna Perez)
- 25. Comments from Code Enforcement Officer (Arturo Ramirez)
- 26. Comments from Council Member
- 27. Comments from Council Member Margie Cordonier
- 28. Comments from Council Member Teresa Williams
- 29. Comments from Council Member Bryan Hendricks
- 30. Comments from Council Member Tom Cordonier
- 31. Adjournment

Meetings are held in the Council Chambers at City Hall located at 591 Main Street, Tulelake, CA 96134.

Parties with a disability as provided by the American Disabilities Act who require special accommodations or aids to participate in a public hearing should make the request to City Hall Staff at least 48 hours prior to the meeting.

The City Attorney, Margaret Long, may appear by telephone from 2240 Court Street, Redding, CA 96001 (530) 691-0800.

MINUTES
Regular Meeting
TULELAKE CITY COUNCIL
August 19, 2025 - 5:30 PM

Mayor Tom Cordonier called the meeting to order at 5:30PM. Council Members Henry Ebinger, Margie Cordonier and Teresa Williams were present. Also in attendance were Chief of Police, Tom Hoy; City Treasurer, Sara Luscombe; City Clerk, Casey Joiner; City Hall Administrator, Aissa Martinez; Director of Public Works, Jose Perez; Assistant City Admin, Christian Marquez; City Staff, Anna Perez and Code Enforcement Officer, Art Ramirez. Mayor Pro Tem, Bryan Hendricks and Chief Resilience Officer, Jenny Coelho were absent.

APPROVAL OF THE AUGUST 05, 2025, REGULAR MEETING MINUTES

Council Member Cordonier made a motion for the approval of the August 05, 2025, regular meeting minutes. Council Member Ebinger seconded the motion. All votes were aye. Motion carried. (Motion 25-150)

APPROVAL OF THE PAYMENT OF BILLS

Council Member Ebinger made a motion to approve paying the bills presented. Council Member Williams seconded the motion. All votes were aye. Motion carried. (Motion 25-151)

COMMENTS FROM THE PUBLIC

No comments.

APPROVAL OF RESOLUTION NO. 25-11, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF TULELAKE ADOPTING POLICIES AND PROCEDURES FOR GRANTING PRIORITY SEWER AND WATER SERVICE FOR AFFORDABLE HOUSING DEVELOPMENTS PURSUANT TO GOVERNMENT CODE SECTION 65589.7

Mayor Cordonier made a motion that we make the finding that the project does not have the potential to result in a significant adverse effect on the environment and is exempt from environmental review pursuant to CEQA Guidelines Section 15378(b)(2). Council Member Ebinger seconded the motion. All votes were aye. Motion carried. (Motion 25-152). Mayor Cordonier made a motion that we adopt Resolution 25-11 to establish policies and procedures for granting priority sewer and water service for affordable housing developments. Council Member Ebinger seconded the motion. All votes were aye. Motion carried. (Motion 25-153)

APPROVAL OF RESOLUTION NO. 25-12, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF TULELAKE AUTHORIZING THE EXECUTION OF AGREEMENTS WITH THE WEIST LAW FIRM AND CALIFORNIA MUNICIPAL ADVISORS LLC FOR PENSION MANAGEMENT, RATE STUDY, CAPITAL PROJECT FINANCING, AND RELATED SERVICES

Cameron Weist was not present. No action taken.

APPROVAL TO ACCEPT THE PROPOSAL SUBMITTED BY WHITNEY CANTRELL AS CITY FINANCE DIRECTOR

Council Member Ebinger made a motion to accept the proposal submitted by Whitney Cantrell as City Finance Director. Council Member Cordonier seconded the motion. Three votes were aye with one abstaining. Motion carried. (Motion 25-154)

DISCUSSION ABOUT ALL THE CARS PARKED ON MAIN STREET IN FRONT ON TULE TILLERS

Police Chief Hoy commented that he would like to form a committee consisting of himself, Director of Public Works, Jose Perez and Kyle Verley, to help fix the issue of the additional vehicles and parking on Main Street and that they will have a solution within 60 days. Discussion only. No action taken.

DEPARTMENT HEAD UPDATES

Chief of Police: Tom Hoy commented that his recruit Jesse Alonso is doing really well at the police academy.

Chief Resilience Officer: Absent.

Interim City Hall Administrator: Aissa Martinez commented that there is still a need for volunteers to sit at the City's booth for fair.

Director of Public Works: Jose Perez commented that the new striper would be delivered the following day and that he would have the stripes repainted in time for fair.

City of Tulelake
Posted General Ledger Transactions - City Council Bills to Approve

Bills Submitted for Approval on 09-02-2025 - API26005 for Weeks 08/20/2025-09/02/2025				
Name	Document Number	Document Amount	Document Description	Fund Code
ADKINS ENGINEERING AND SURVEYING, INC.	61928	2,320.00	City Hall Parking Lot, TO#17	13
ADKINS ENGINEERING AND SURVEYING, INC.	61955	1,050.00	TO#1 Misc. Services	13
AMERICAN SANITATION, INC	41605	140.00	Portable Toilet - 7/2/2025 - 7/30/2025 - BP	04
AMERICAN SANITATION, INC	41712	140.00	Portable Toilet - 7/27/2025 - 8/23/2025 - TS	01
BEAR TECHNOLOGIES	25748	660.00	Service Call to Install 3 New Computers	01
BEAR TECHNOLOGIES	25811	87.50	Endpoint Detection & Response	01
BEAR TECHNOLOGIES	25812	410.00	Monthly Server Maintenance	01
BEAR TECHNOLOGIES	25813	110.00	Service Call for Updates	01
CAPITAL ONE SPARK BUSINESS	C1 07/22/2025	94.28	First Aid Kits	01
CAPITAL ONE SPARK BUSINESS	C1 07/30/2025	2.89	Operating Supplies	02
CAPITAL ONE SPARK BUSINESS	C1 07/31/2025	39.98	Flagpole Lights	01
CAPITAL ONE SPARK BUSINESS	C1 08/01/2025	100.00	Keyboards for CH	01
CAPITAL ONE SPARK BUSINESS	C1 08/04/2025	96.66	Office Supplies	01
CAPITAL ONE SPARK BUSINESS	C1 08/07/2025	53.58	Wasp Killer	11
CAPITAL ONE SPARK BUSINESS	C1 08/09/2025	48.22	Meal - PW	03
CAPITAL ONE SPARK BUSINESS	C1 08/13/2025	53.40	Office Supplies	01
CAPITAL ONE SPARK BUSINESS	C1 08/13/2025 #2	127.11	Meal for Hank's Going Away	01
CAPITAL ONE SPARK BUSINESS	C1 08/14/2025	28.50	Donuts for Training	01
CAPITAL ONE SPARK BUSINESS	C1 08/14/2025 #2	24.54	City Promotion	01
CAPITAL ONE SPARK BUSINESS	C1 08/14/2025 #3	3.99	City Promotion	01
ED STAUB & SONS PETROLEUM, INC	400227	251.29	Fuel - PD	01
ED STAUB & SONS PETROLEUM, INC	400239	1,132.27	Fuel - PW	01
MERRILL LUMBER COMPANY	C260713	67.92	Trash Bags/Wasp Spray	01
OFFICE TECHNOLOGIES, INC.	INV55855	52.77	Kyocera - CH	01
PACIFIC POWER	41972561-002 8 09/25	1,969.63	Streetlights	11
PACIFIC POWER	41972561-003 6 09/25	137.90	Parks	01
PACIFIC POWER	41972561-004 4 09/25	160.58	C St	03
PACIFIC POWER	41972561-006 9 09/25	2,681.27	A6325 C Street	02
PACIFIC POWER	41972561-007 7 09/25	203.17	400 Blk Main Library	01
PACIFIC POWER	41972561-009 3 09/25	735.16	470 C St #A	01
PACIFIC POWER	41972561-011 9 09/25	2,372.58	1001 Dean Callas Way	03

City of Tulelake
Posted General Ledger Transactions - City Council Bills to Approve

PACIFIC POWER	41972561-013 5 09/25	62.07	Park St	03
PACIFIC POWER	41998321-001 6 09/25	3,181.69	101 Siskiyou St	02
PACIFIC POWER	41998321-004 0 09/25	432.69	Main & E St	01
SHERWIN-WILLIAMS CO	5291-0	1,235.25	Street Painting	11
SIERRA SPRINGS	24382086 082225	121.55	Sierra Springs Water	01
STATELINE AUTO PARTS SUPPLY, INC.	622408	48.23	Power Service Diesel	02
THATCHER COMPANY OF CALIFORNIA, INC.	2025250104426	5,059.87	Chlorine	02
VERIZON WIRELESS	6121020432	273.39	Verizon - PD	05
Total Bill Amount		\$25,769.93		
	Pay Dates: 08/29/2025	Approved at the Regular Meeting on September 02, 2025		
PAY PERIOD:	08/10/2025-08/23/2025		Fund Account Codes:	
Police Department: (3 Employees)	\$4,803.07		01- General Fund	
Chief Resilience Officer (1 Employee)	\$2,228.48		02- Enterprise Fund - Water	
Public Works: (6 Employees)	\$7,280.27		03- Enterprise Fund - Sewer	
City Hall: (5 Employees, including Library & Custodial)	\$5,139.77		04- Enterprise Fund - Garbage	
Council & Elected Officials: (7 persons)	\$2,054.90		05- Police Personnel (COPS Grant)	
			11- Gas Tax Fund (Streets)	
Total Amount of Payroll DD's		\$21,506.49	13- Local Transportation (TDA)	
Total Amount Submitted for Approval - September 02, 2025:		\$47,276.42		

City of Tulelake
Posted General Ledger Transactions - City Council Bills to Approve

Bills Submitted for Approval on 09-16-2025 - API26006 for Weeks 09/03/2025-09/16/2025				
Name	Document Number	Document Amount	Document Description	Fund Code
BANK OF AMERICA BUSINESS CARD	229441	52.70	Fuel- PD	05
BANK OF AMERICA BUSINESS CARD	257901	72.00	Fuel- PD	05
BANK OF AMERICA BUSINESS CARD	378089	72.33	Fuel- PD	05
BANK OF AMERICA BUSINESS CARD	550119	30.02	Fuel- PD	05
BANK OF AMERICA BUSINESS CARD	575697	107.94	Fuel- PD	01
BANK OF AMERICA BUSINESS CARD	592008	5.99	Fuel- PD	01
BANK OF AMERICA BUSINESS CARD	925873	107.64	Fuel- PD	01
CITY OF WEED	1763	807.89	Building Inspector 8/6, 8/13, 8/20, 8/27, 2025	01
DEAN-SLABAUGH LLC	2025-2026-003	891.66	Monthly Rent For J. Alonso	05
ED STAUB & SONS PETROLEUM, INC	12935589	100.00	Tank Rent - CH	01
ED STAUB & SONS PETROLEUM, INC	405293	537.99	Fuel - PD	01
ED STAUB & SONS PETROLEUM, INC	405304	1,121.15	Fuel - PW	01
HOME DEPOT CREDIT SERVICES	11304	55.69	Operating Supplies	01
KAILEE WOOD	KW 09/04/2025	64.45	Reimbursement Fair Baskets	01
LANGAN ENGINEERING AND ENVIRONMENTAL SERVICES, INC.	1810 #90056915	16,088.75	Environmental Services	01
MERRILL LUMBER COMPANY	C260778	18.21	Water Operating Supplies 8/6/2025	02
MERRILL LUMBER COMPANY	C261115	30.46	City Promotion 8/12/2025	01
MERRILL LUMBER COMPANY	C261995	88.90	Paint	01
MERRILL LUMBER COMPANY	C262483	55.92	17.50OZ Wasp Spray 09/08/2025	11
MIP FUND ACCOUNTING	Q-85265	2,888.83	MIP Accounting Maintenance and Support Plan	01
PRENTICE LONG, PC	7814	693.00	Attorney Fees	01
SPRING STREET ANALYTICAL LLC	2391	130.00	Water Testing	02
STACY & DENNIS	25CW-1872	130.00	IT Support CH	01
STATELINE AUTO PARTS SUPPLY, INC.	623793	275.13	Maintenance on Vehicles - PW	02
STATELINE AUTO PARTS SUPPLY, INC.	623857	139.81	Maintenance on Vehicle/Operating Supplies	02
STATELINE AUTO PARTS SUPPLY, INC.	623943	21.44	Operating Supplies	02
TRILOGY ARCHITECTURE CORPORATION	1836	11,250.00	TCVC Phase 1	01
Woodhouse Farming & CO	S282451	30.00	Weight Fees	4
Woodhouse Farming & CO	S282461	30.00	Weight Fees	4
Woodhouse Farming & CO	S282475	30.00		4
Woodhouse Farming & CO	S282488	15.00		4
Total Bill Amount		\$35,942.90		

City of Tulelake
Posted General Ledger Transactions - City Council Bills to Approve

		Approved at the Regular Meeting on September 16, 2025		
PAY PERIOD:	Pay Dates: 09/12/2025 08/24/2025-09/06/2025		Fund Account Codes:	
Police Department: (3 Employees)	\$7,301.50		01- General Fund	
Chief Resilience Officer (1 Employee)	\$2,228.48		02- Enterprise Fund - Water	
Public Works: (6 Employees)	\$7,209.62		03- Enterprise Fund - Sewer	
City Hall: (5 Employees, including Library & Custodial)	\$5,184.17		04- Enterprise Fund - Garbage	
Council & Elected Officials: (7 persons)	\$0.00		05- Police Personnel (COPS Grant)	
			11- Gas Tax Fund (Streets)	
Total Amount of Payroll DD's		\$21,923.77	13- Local Transportation (TDA)	
Total Amount Submitted for Approval - September 16, 2025:		\$57,866.67		



CITY OF TULELAKE

OATH OF OFFICE

for the office of Tulelake City Council Member

I, _____, do solemnly swear (or affirm) that I will support and defend the Constitution of the United States and the Constitution of the State of California against all enemies, foreign and domestic; that I will bear true faith and allegiance to the Constitution of the United States and the Constitution of the State of California; that I take this obligation freely, without any mental reservation or purpose of evasion; and that I will well and faithfully discharge the duties upon which I am about to enter.

Signature _____

Term Expires with term expiring: December 2028

State of California
County of Siskiyou

Subscribed and sworn to (or affirmed) before me on,

This 16th day of September, 2025

by Casey Joiner, City Clerk

Proved to me on the basis of satisfactory evidence to be the person who appeared before me.

(Seal)

Signature _____

RESOLUTION NO. 2025-12

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF TULELAKE AUTHORIZING THE EXECUTION OF AGREEMENTS WITH THE WEIST LAW FIRM AND CALIFORNIA MUNICIPAL ADVISORS LLC FOR PENSION MANAGEMENT, RATE STUDY, CAPITAL PROJECT FINANCING, AND RELATED SERVICES

WHEREAS, the City of Tulelake ("City") is a member of the California Public Employees' Retirement System ("CalPERS") and is obligated under the Public Employees' Retirement Law and its CalPERS contract to fund pension benefits and amortize unfunded accrued liabilities; and

WHEREAS, the City must also undertake Proposition 218-compliant rate studies for its water, wastewater, and solid waste services to ensure that utility rates are proportional, transparent, and compliant with applicable legal requirements; and

WHEREAS, the City is pursuing funding for the Tulelake Cultural Visitor Center and intends to apply for and secure grant and loan funding from the United States Department of Agriculture ("USDA") for the City's upcoming Water Improvement Project; and

WHEREAS, the City requires the services of qualified legal and financial professionals to assist in the development and implementation of a pension management plan and policy, to conduct long-term financial plans and rate studies, and to provide legal and financial advisory services in connection with potential financing transactions and capital projects; and

WHEREAS, The Weist Law Firm will provide bond counsel services, including legal support for pension planning, rate studies, and financing transactions, under the terms set forth in the Agreement for Bond Counsel Services; and

WHEREAS, California Municipal Advisors LLC ("CalMuni") will provide municipal advisory and consulting services, including financial modeling, rate study preparation, capital financing structuring, and USDA funding support, under the terms set forth in the Agreement for Consulting Services; and

WHEREAS, both agreements have been structured to minimize costs to the City by making all financing-related fees contingent upon the successful closing of a financing transaction, with such fees to be paid from financing proceeds rather than City funds; and

WHEREAS, the City Council finds that entering into these agreements is in the best interest of the City to obtain necessary expertise, maintain compliance with applicable laws, and position the City to secure critical funding for infrastructure improvements and long-term financial stability.

NOW, THEREFORE BE IT RESOLVED by the City Council of the City of Tulelake as follows:

Section 1. Recitals and Findings. The City Council hereby specifically finds and declares that each of the statements, findings and determinations of the City set forth in the recitals set forth above are true and correct and are incorporated herein by reference.

Section 2. Authorized Representatives. The Mayor, City Manager and Chief Resilience Officer, and any other person authorized by the City Manager to act on behalf of the City shall each be an "Authorized Representative" of the City for the purposes of structuring and providing for the matter to be brought back to the City Council for further consideration, and are hereby authorized, jointly and severally, in each of their discretion, to effectuate the actions which the City Council has approved in this Resolution.

Section 3. Approval of Agreements for Professional Services. The City Council approves the agreement for bond counsel services with the Weist Law Firm and the agreement for consulting services with California Municipal Advisors LLC, each in substantially the form on file with the City Clerk. The Mayor or City Manager are each authorized and directed to execute such agreements for and on behalf of the City.

Section 4. Effective Date. This Resolution shall take effect from and after the date of its passage and adoption.

PASSED AND ADOPTED by the City Council of the City of Tulelake at a regular meeting thereof held on the 19th day of August 2025, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

ATTEST:

CITY OF TULELAKE

AGENDA REPORT

MEETING DATE: August 19, 2025

TO: Honorable Mayor and Members of the City Council

FROM:

SUBJECT: Resolution No. 2025-XXX, Approving Agreements with The Weist Law Firm and California Municipal Advisors LLC for Pension Management, Rate Study, Capital Project Financing, and Related Services

RECOMMENDED COUNCIL ACTION

Staff recommends the City Council authorize the Mayor to execute agreements with:

1. The Weist Law Firm for bond counsel services; and
2. California Municipal Advisors LLC (CalMuni) for municipal advisory and consulting services,

to provide pension management planning, Proposition 218 rate study support, cultural facility financing assistance, USDA loan and grant application support, and other related services as described in each agreement.

BACKGROUND

The City faces several interrelated financial and infrastructure challenges that require specialized legal and financial expertise.

Key needs include:

- Development of a Pension Management Plan and Policy to address long-term CalPERS unfunded liabilities.
- Preparation of Proposition 218–compliant rate studies for water, wastewater, and solid waste services.
- Evaluation and pursuit of funding for the Tulelake Cultural Visitor Center Project.

- Structuring and securing USDA loan and grant funding for the City's upcoming Water Improvement Project.

As a small, rural community with limited in-house staff and financial resources, the City does not have the capacity to perform these highly specialized tasks internally. Engaging qualified professionals will help ensure the work is completed correctly, on time, and in compliance with all applicable legal, financial, and regulatory requirements.

SUMMARY OF PROPOSED AGREEMENTS

1. The Weist Law Firm – Bond Counsel Services

Weist Law will serve as bond counsel, providing:

- Legal review and drafting of the Pension Management Plan and Policy, LTFP, and related resolutions.
- Legal oversight and document preparation for Proposition 218 rate setting.
- Legal structuring and closing of any financing transactions, including USDA-related loans and grants.

2. California Municipal Advisors LLC – Municipal Advisory and Consulting Services

CalMuni will serve as municipal advisor, providing:

- Financial modeling and scenario analysis for pension management and LTFP development.
- Rate study preparation and financial analysis for water, wastewater, and solid waste services.
- Financial planning and structuring for the Cultural Visitor Center Project and Water Improvement Project.
- Coordination of USDA funding applications, credit rating presentations, and financing team management.

FEE STRUCTURE AND COST CONTROL

Both agreements are structured to minimize risk and cost to the City:

- **Contingent Transactional Fees:** All fees for financing transactions are 100% contingent on the successful closing of the financing. If no financing occurs, the City pays nothing for those services.

- **Hourly and Fixed Fees for Planning Work:** Pension management planning, rate studies, and other non-transactional work are billed on an hourly or capped basis, with clear “not-to-exceed” amounts.
- **Financing Fee Recovery:** For any financing completed, fees for Weist Law and CalMuni will be built into the financing plan and paid from proceeds, not from the City’s general fund or operating revenues.
- **Shared Commitment to Cost Efficiency:** Both firms have committed to keeping fees as low as possible given the City’s size and resources, while delivering comprehensive services that protect the City’s legal and financial interests.

BENEFITS TO THE CITY

- Access to specialized legal and financial expertise the City does not have in-house.
- Compliance assurance with complex legal frameworks (CalPERS law, Proposition 218, USDA funding requirements).
- No out-of-pocket transactional cost for financings unless successfully completed.
- Enhanced ability to secure grants and low-cost financing for critical infrastructure.
- Long-term strategies for pension cost control and financial sustainability.

FISCAL IMPACTS

Planning-related services will be billed at agreed hourly rates with “not-to-exceed” limits as stated in each agreement. Financing-related fees are contingent and will be paid from financing proceeds.

ALTERNATIVES

The City Council’s options are:

1. Adopt the Resolution without any changes;
2. Adopt the Resolution with changes and revisions; or
3. Reject the Resolution entirely.

Attachments:

1. Attachment A – Resolution No. 2025-XXX
2. Attachment B – CalMuni Professional Services Agreement
3. Attachment C – WeistLaw Professional Services Agreement



CITY OF TULELAKE STAFF REPORT TO CITY COUNCIL

September 16, 2025

REPLACEMENT HOUSING POLICY AND GUIDELINES

SUMMARY:	The project consists of proposed city policy for requiring replacement housing in accordance with state law. Included are guidelines with which to implement the policy.
REQUEST OF CITY COUNCIL:	The City Council is being asked to: (1) Review draft city policy and guidelines; (2) Consider an exemption from the California Environmental Quality Act (CEQA); (3) Provide direction to staff regarding any desired changes; and (4) If no revisions are desired, adopt draft Resolution 25-13 establishing a replacement housing policy and guidelines consistent with state law.
ENVIRONMENTAL:	The project is exempt from environmental review pursuant to CEQA Guidelines Section 15378(b)(2).
SUGGESTED MOTIONS:	<p>To adopt the draft replacement housing policy and guidelines, two suggested motions are provided below. Each motion should be made in sequence, with the second motion made only after the first motion has been successfully carried.</p> <ol style="list-style-type: none">1) I move that we make the finding that the project does not have the potential to result in a significant adverse effect on the environment and is exempt from environmental review pursuant to CEQA Guidelines Section 15378(b)(2).2) I move that we adopt Resolution 25-13 to establish replacement housing policy and guidelines consistent with state law.
ATTACHMENTS:	<p>A. Resolution 25-13, A Resolution of the City Council of the City of Tullake Establishing a Replacement Housing Policy and Guidelines for its Implementation Consistent with State Law.</p> <p>Exhibit A – Replacement Housing Policy</p>

PROJECT OVERVIEW

The California Legislature has adopted three state laws - the Density Bonus Law, Housing Element Law, and the Housing Crisis Act of 2019 - to ensure that new housing developments do not reduce the total number of existing dwellings and do not reduce the number of dwellings housing lower income persons. In most instances, a housing project must create at least as many housing units as will be demolished. Projects must also replace units rented by lower income households with units affordable to lower income tenants and, in most instances, must provide relocation and other benefits to lower income tenants who are displaced by the new construction.

Program 3.2.1 of the City's certified 6th Cycle Housing Element states that the City will adopt a policy requiring replacement affordable housing units in specified instances. The purpose of adopting a

replacement housing policy is to insure that, when certain housing units are removed, the housing units are replaced as required by state law. Specifically, Housing Element Program 3.2.1 states:

Program 3.2.1 Establish a Replacement Housing Policy

To ensure the continued availability of housing for low- and very low-income housing, the City shall prepare and adopt a replacement housing policy consistent with Government Code Section 65583.2(g)(3). The City will adopt a policy and will require replacement housing units subject to the requirements of Government Code section 65915, subdivision (c)(3) on sites identified in the City's site inventory when any new development (residential, mixed-use or nonresidential) occurs on a site that is identified in the inventory meeting the following conditions:

- Currently has residential uses or within the past five years has had residential uses that have been vacated or demolished, and
- Was subject to a recorded covenant, ordinance, or law that restricts rents to levels affordable to persons and families of low or very low-income, or
- Subject to any other form of rent or price control through a public entity's valid exercise of its police power, or
- Occupied by low or very low-income households.

The City's policy will also consider how to provide disclosure for properties subject to replacement housing for future property owners.

The City is now in the process of implementing Housing Element Program 3.2.1 and has received approval from the California Department of Housing and Community Development (HCD) to use of a portion of remaining SB 2 Planning Grant funds to do so. The draft replacement housing policy is included as Exhibit A to draft Resolution 25-13. Included with the policy are guidelines for its implementation. The guidelines provide details on the applicability of state law relative to the requirement for replacement housing (see **Attachment A**).

ENVIRONMENTAL RECOMMENDATION

Pursuant to California Environmental Quality Act (CEQA) Section 15378(b)(2), "Continuing administrative or maintenance activities, such as purchases for supplies, personnel-related actions, general policy and procedure making..." are not projects under CEQA.¹ Accordingly, the adoption of a replacement housing policy in accordance with state law is not subject to environmental review.

STAFF RECOMMENDATION

The draft replacement housing policy and guidelines in Exhibit A to draft Resolution 25-13 has been prepared consistent with Density Bonus Law, Housing Element Law, and the Housing Crisis Act of 2019 and is presented for the City Council's consideration (see **Attachment A**). To enact the replacement housing policy, planning staff recommends that the City Council:

- **Adopt** Draft Resolution 25-13, A Resolution of the City Council of the City of Tulelake Establishing a Replacement Housing Policy and Guidelines for its Implementation Consistent with State Law.

Suggested motions to this effect are provided on the first page of the staff report.

¹ While exceptions are defined in statute, none are applicable to proposed policies and procedures.

ATTACHMENT A
DRAFT RESOLUTION 25-13

RESOLUTION 25-13

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF TULELAKE
ESTABLISHING A REPLACEMENT HOUSING POLICY AND GUIDELINES FOR ITS
IMPLEMENTATION CONSISTENT WITH STATE LAW**

WHEREAS, the California legislature has declared the lack of affordable housing a matter of vital statewide importance; and

WHEREAS, to ensure an adequate supply of affordable housing in the State, replacement housing requirements are established by Government Code Section 65915(c)(3) (State Density Bonus Law), Government Code Section 65583.2(g)(3) (Housing Element Law), and Government Code Sections 66300.5 - 66300.6 (the Housing Crisis Act of 2019), collectively State Replacement Housing Law; and

WHEREAS, State Replacement Housing Law requires that every city and county require replacement housing units when certain housing units are removed from sites identified in the housing element site inventory; and

WHEREAS, the City of Tulelake's Housing Element (6th Cycle) includes Program 3.2.1 for the adoption of a replacement housing policy consistent with State Replacement Housing Law; and

WHEREAS, to ensure the continued availability of low- and very low-income housing, the City of Tulelake has prepared a replacement housing policy consistent with State Replacement Housing Law; and

WHEREAS, adoption of the replacement housing policy implements Housing Element Program 3.2.1 and allows the City of Tulelake to be in compliance with State Replacement Housing Law.

NOW, THEREFORE, BE IT RESOLVED that the Council of the City of Tulelake adopts the following policy: "Requirements for Replacement Housing Units on Sites Identified in the City's Site Inventory" attached hereto as Exhibit "A."

IT IS HEREBY CERTIFIED that the foregoing Resolution 25-13 was duly adopted on a motion by _____ and seconded by _____ at a regular meeting of the City of Tulelake City Council held on the 16th day of September 2025, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

CITY OF TULELAKE CITY COUNCIL

Tom Cordonier, Mayor

WITNESS, my hand and seal this 16th day of September 2025

Casey Joiner, City Clerk

“Exhibit A” to Resolution 25-13

**REQUIREMENTS FOR REPLACEMENT HOUSING UNITS ON SITES
IDENTIFIED IN THE CITY’S SITE INVENTORY**

I. PURPOSE

The purpose of this policy is to ensure the continued availability of low- and very low-income housing in the City of Tulelake through the requirement for replacement housing when certain housing units are removed from sites identified in the City’s Housing Element site inventory.

II. BACKGROUND

Replacement housing requirements are established by Government Code Section 65915(c)(3) (State Density Bonus Law), Government Code Section 65583.2(g)(3) (Housing Element Law), and Government Code Sections 66300.5 - 66300.6 (the Housing Crisis Act of 2019), collectively State Replacement Housing Law. Program 3.2.1 of the City’s 6th Cycle Housing Element requires that the City adopt a replacement policy consistent with Government Code Sections 65583.2(g)(3) and 65915(c)(3).

III. POLICY

A. REQUIREMENT FOR REPLACEMENT HOUSING

It is the policy of the City of Tulelake to not approve or issue a discretionary or ministerial permit for any development project unless the development project meets all of the requirements of State Replacement Housing Law.

B. DISCLOSURE TO PROPERTY OWNERS

When the City requires recordation of a covenant, or enacts a law or ordinance, restricting rents to levels affordable to persons and families of low or very low-income, the City shall require that a notice to future property owners of affected properties be recorded to inform them that the properties may be subject to replacement housing requirements in accordance with State Replacement Housing Law and City Policy.

IV. GUIDELINES

A. INTRODUCTION

The Legislature has adopted three state laws - the Density Bonus Law, Housing Element Law, and the Housing Crisis Act of 2019 - to ensure that new housing developments do not reduce the total number of existing dwellings and do not reduce the number of dwellings housing lower income persons. In most instances, a housing project must create at least as many housing units as will be demolished. Projects must also replace units rented by lower income households with units affordable to lower income tenants and, in most instances, must provide relocation and other benefits to lower income tenants who are displaced by the new construction.

Replacement housing requirements have applied to projects requesting a density bonus since 2015, and those requirements also apply to any site listed in a jurisdiction’s 6th Cycle Housing Element. The Housing Crisis Act of 2019 and amendments effective January 1, 2022, and January 1, 2024, expanded that requirement to any housing development containing one or more units that proposed to demolish any existing units and most nonresidential developments.

The purpose of the replacement requirements is to prevent the loss of housing units and the displacement of lower income households. State law does not allow local agencies to approve housing unless the proposed development complies with the applicable replacement housing requirements described below.

B. STATE DENSITY BONUS LAW

1) When do replacement housing requirements apply under Density Bonus Law?

State Density Bonus Law (Government Code Sections 65915 - 65918) is a mechanism by which housing developers may receive more favorable development requirements from local governments in exchange for a commitment to build or donate land for affordable housing or senior housing units. Density bonus is a state mandate, meaning any developer who meets the requirements of State Density Bonus Law is entitled to receive the density bonus and other benefits (including incentives, waivers and reductions of parking standards).

Where a density bonus project proposes to demolish existing housing, or where rental housing existed on the site in the past five years, the applicant must comply with the replacement housing requirements in State Density Bonus Law (Government Code Section 65915(c)(3)). In accordance with state law, a project is ineligible for a density bonus or any other incentives or concessions under State Density Bonus Law unless the applicant conforms with the replacement housing requirements.

These replacement housing requirements apply to any project requesting a density bonus regardless of the applicability of the Housing Crisis Act of 2019 (Government Code Sections 66300.5-66300.6). Replacement housing requirements under State Density Bonus Law do not apply to density bonus projects that propose to develop projects where 100 percent of the units are affordable to lower income households (although these projects are subject to certain provisions of the Housing Crisis Act of 2019). They also do not apply to any density bonus applications that were submitted to or processed prior to January 1, 2015.

2) What types of units must be replaced?

State Density Bonus Law requires the replacement of certain units that either now exist or that existed on the site in the last five years preceding submission of the development application. These units are those that are, or have been at any time during the last five years preceding submission of the development application:

- Subject to a recorded covenant, ordinance, or law that restricts rents to levels affordable to persons and families of lower or very low income; or
- Subject to some form of rent or price control through a public entity's valid exercise of its police power; or
- Occupied by lower or very low-income households.

These units are collectively referred to as "Density Bonus Protected Units" throughout these guidelines.

3) How does a jurisdiction determine whether a unit must be replaced?

As required by State Density Bonus Law, Tulelake requests the following information from applicants to determine compliance with replacement housing requirements. Below is a list of the information that Tulelake requires from density bonus applicants:

- a. **Restricted Affordable Lower Income Units:** Indicate the number of units by bedroom size existing on the site in the past five years that were at any time subject to a recorded covenant, ordinance, or law that restricted rents or prices to be affordable to lower or very low-income households.
- b. **Units Subject to Rent Control or Price Control:** Indicate the number of units by bedroom size on the site that in the past five years have been subject to rent control (through either state law, a local rent control ordinance, or an inclusionary ordinance) or price control (through an inclusionary ordinance).
- c. **Incomes of Existing Tenant Households:** Provide documentation of the names, property address, and current incomes of any households now occupying units on the site, by bedroom size of units. If current incomes are unknown, please indicate.
- d. **If Any Units Are Still Occupied, Incomes of Households Formerly Occupying Vacant Units:** For any vacant units, provide documentation of the income of the last household occupying the unit, by bedroom size. If that household's income is unknown, please indicate.
- e. **No Units Occupied; All Units Vacant or Demolished; Incomes of Former Tenants:** If all units that existed on the site in the last five years are currently vacant or have been demolished, please indicate the maximum number of units, by bedroom size, that existed on the site in the past five years and the income of each household occupying a unit at the time when the maximum number of units existed on the site. If the income of those households is unknown, please indicate.
- f. **Number of Units to be Demolished.** If any dwelling units exist on the site, indicate how many units will be demolished by the project.

4) What are the requirements for the replacement units?

If the project proposes to demolish one or more Density Bonus Protected Units, they must be "replaced" in accordance with the requirements below:

- a. **Occupied; Incomes Known:** If the Density Bonus Protected Units are occupied at the time of submission of the density bonus application and the incomes of the households occupying the Density Bonus Protected Units are known, the proposed housing development must provide at least the same number of units of equivalent size to be made available at affordable rent or affordable housing cost to and occupied by persons and families in the same or lower income category as those households in occupancy.
- b. **Occupied; Incomes Unknown:** If the Density Bonus Protected Units are occupied at the time of submission of the density bonus application but the incomes of the households occupying the Density Bonus Protected Units are not known, very low and lower income tenants are (rebuttably) presumed to occupy the units in the same proportion as shown for renter households in the Department of Housing and Urban Development's (HUD) Comprehensive Housing Affordability Strategy (CHAS) database. The proposed housing development must provide units at affordable rent or affordable housing cost to be occupied by persons and families of very low and lower income in the same proportion as indicated by the CHAS data. All fractions must be rounded up. (Government Code Section 65915(c)(3)(B)(i)).

A developer may elect to replace a low-income unit with a very low-income unit. Also, the affordable replacement units shall be counted towards the affordable units provided for purposes of calculating the density bonus as set forth in Municipal Code Chapter 17.112 (Residential Density Bonuses).

EXAMPLE: A project proposes to demolish 20 existing units. The incomes of 10 tenant households are known. Five units are occupied by very low-income households and five units by higher income households. For the 10 units where the household incomes are unknown, the

CHAS data shows that 25 percent of the renter households in the city are very low-income, and 10 percent are low income. Ten percent of 10 units = 1 low-income unit; 25 percent of 10 units = 2.5 very low-income units, which must be rounded up to 3 units. Therefore, the new project must include at least 8 very low-income units (5 known very low-income households and 3 assumed) and 1 low-income unit as replacement units. The developer could elect to add another very low-income unit in place of the low-income unit.

Table 1: Calculating Replacement Units with CHAS Data

CHAS Percentage	Calculation for Unknown Incomes	Replacement Units by Income
Very low-income = 25%	10 units x 25% = 2.5	3 units
Low-income = 10%	10 units x 10% = 1	1 unit

- c. **Demolished and/or Vacated; Incomes Known:** For Density Bonus Protected Units that were demolished or vacated in the last five years and the incomes of the last households in occupancy are known, the proposed housing development must provide at least the same number of units of equivalent size to be made available at affordable rent or affordable housing cost to, and occupied by, persons and families in the same or lower income category as the last household(s) in occupancy.
- d. **Demolished and/or Vacated; Incomes Unknown:** For Density Bonus Protected Units that were demolished or vacated in the last five years and the incomes of the last households in occupancy are not known, lower income tenants are presumed to have occupied the units in the same proportion as lower income households rent units in the jurisdiction as shown in the HUD's CHAS database. The proposed housing development must provide units at affordable rent or affordable housing cost to, and occupied by, persons and families of lower income in the same proportion as indicated by the CHAS data. All fractions must be rounded up.

Equivalent Size. Regardless of which of the above-mentioned categories the units fall into, the development must provide at least the same number of units of "equivalent size" as the units replaced to be offered at an affordable rent or affordable housing cost. "Equivalent size" means that the replacement units contain at least the same total number of bedrooms as the units being replaced.

Example: One three-bedroom unit could be replaced by three one-bedroom units, or one two-bedroom unit and one one-bedroom unit. However, three one-bedroom units could not be replaced with one three-bedroom unit, because the number of units must at least equal the number of units that need to be replaced.

Example: In the scenario where a three-bedroom unit is replaced by three one-bedroom units, for instance, all three of the one-bedroom units would need to be offered at the appropriate levels of affordability.

Replacement Unit Type. The units may be of any type (apartments, accessory dwelling units, townhomes, condominiums, duplexes, etc.) and may be for-sale or for rent.

Deed Restrictions Recorded. The affordable replacement units shall be subject to a recorded affordability restriction. Deed restrictions must be recorded restricting affordable replacement units, in accordance with the following:

- **Rental Replacement Units.** Rental replacement units must be subject to a deed restriction limiting occupancy to lower income households at affordable rents for 55 years. Affordable rent must be calculated as required by Health & Safety Code Section 50053.
- **For-Sale Replacement Units.** For-sale replacement units must be sold to lower income buyers at an affordable cost and be subject to an equity-sharing agreement requiring that any profits at sale be shared with the local agency, unless the local ordinance requires long-term affordability. Affordable housing cost must be calculated as required by Health & Safety Code Section 50052.5.

C. STATE HOUSING ELEMENT LAW

1) What is the relevance of Housing Element law to replacement housing?

Each jurisdiction's housing element must include an inventory of land suitable and available for residential development to meet the jurisdiction's regional housing need allocation (RHNA) by income level. Sites are suitable for residential development if they are zoned appropriately and available for residential use during the planning period. All of these sites, at all income levels, must be included in the Housing Element and on a site inventory form prescribed by the Department of Housing and Community Development (HCD).

Some of these sites may include existing housing or may have contained rental housing in the past five years. If a project is proposed on one of these sites, the project is subject to the replacement housing requirements contained in State Density Bonus Law.

2) What are the replacement housing requirements for sites identified in a jurisdiction's Housing Element Sites Inventory?

Pursuant to Housing Element Law (Government Code Section 65583.2(g)(3)), Tulelake requires replacement of Density Bonus Protected Units consistent with the requirements set forth in State Density Bonus Law (Government Code Section 65915(c)(3)). These replacement housing requirements apply to all sites listed in the Housing Element, at all income levels (i.e., not just sites designated for lower income housing) and apply regardless of the applicability of the Housing Crisis Act of 2019.

Whenever a housing project is proposed on a site listed in Housing Element, Tulelake must determine if it contains existing rental housing or contained rental housing in the past five years. If so, Tulelake may need to require replacement housing. Whenever a project is proposed on a site listed in the Housing Element, the applicant is required to provide the same information as described in Section IV.B.3 above. The replacement requirements are explained in detail in Section IV.B above.

D. HOUSING CRISIS ACT OF 2019 (SB 330)

The Housing Crisis Act of 2019 (SB 330) expanded and amended several existing State statutes, including the Permit Streamlining Act and Housing Accountability Act, with the goal of increasing production of new housing units, protecting existing housing units, and providing for an expedited review and approval process for housing development projects. Senate Bill 8 (SB 8), which was passed during the 2021 legislative session, made some key amendments to the Housing Crisis Act of 2019, including extending the provisions of SB 330 until January 1, 2030. Most recently, Assembly Bill 1218 (AB 1218), which was passed during the 2023 legislative session and went into effect on January 1, 2024, expanded the replacement housing requirements of the Housing Crisis Act of 2019 to nonresidential development projects, as further explained below. These requirements are contained in Government Code Sections 66300.5-66300.6.

1) When do replacement housing requirements apply under SB 330?

Housing and Nonresidential Development. SB 330's replacement housing requirements, as amended by SB 8 and AB 1218, apply to both of the following:

A housing development project containing one (1) or more dwelling units and proposing to demolish existing (vacant or occupied) units, or a site where SB 330 Protected Units (defined below) were demolished in the previous five years.

A nonresidential development project proposing to demolish existing (vacant or occupied), or located on a site where SB 330 Protected Units were demolished in the previous five years, unless all of the following conditions apply:

- The project is an industrial use;
- The project site is entirely within a zone that does not allow residential uses;
- The zoning applicable to the project site that does not allow residential uses was adopted prior to January 1, 2022; and
- The protected units that are or were on the project are or were nonconforming uses.

Application Submission Date. The replacement housing requirements apply only where the housing development project submits a complete application pursuant to Government Code Section 65943 on or after January 1, 2020.

Affected City or County. Tulelake is an "affected city" as determined and published by HCD. Therefore, the replacement housing requirements of the Housing Crisis Act of 2019 will apply to developments in Tulelake.

2) What types of units must be replaced?

If the project is a housing development project, then the project must create at least as many dwelling units as will be demolished. In addition, all SB 330 Protected Units must be replaced in the project, similar to the requirements to replace Density Bonus Protected Units.

For a nonresidential development project, the project must replace only the SB 330 Protected Units, and they may be located on- or off-site. SB 330 Protected Units are very similar to Density Bonus Protected Units, except that they also include those that have been withdrawn from rent or lease in accordance with the Ellis Act (Government Code Sections 7060, et seq.) within the 10 years preceding the submission of the application.

The other three categories of SB 330 Protected Units are identical to those identified as Density Bonus Protected Units. These units are those that are, or have been at any time during the last five years preceding submission of the development application, were:

- Subject to a recorded covenant, ordinance, or law that restricts rents to levels affordable to persons and families of lower or very low-income; or
- Subject to some form of rent or price control through a public entity's valid exercise of its police power; or
- Occupied by lower or very low-income households.

These units are collectively referred to as "SB 330 Protected Units" throughout these guidelines.

3) How does a jurisdiction determine whether a unit must be replaced?

For any development project, the same information should be requested as for a density bonus application, and described in Section IV.B.3, with the following addition:

Units Withdrawn Pursuant to Ellis Act. Indicate the number of units by bedroom on the site that in the past ten years have been withdrawn from rent or lease pursuant to the Ellis Act.

4) What are the requirements for the replacement units?

The requirements for replacing SB 330 Protected Units are identical to those for replacing Density Bonus Protected Units, as described in Section IV.B.4 above, with one exception for single unit projects:

Equivalent Size. Regardless of which of the above-mentioned categories the units fall into, the replacement units must be of "equivalent size" as the units replaced. "Equivalent size" is defined as containing at least the same total number of bedrooms as the units being replaced.

Exception: Single Unit Projects. Where the housing development project consists of a single residential unit on a site with a single SB 330 Protected Unit, the SB 330 Protected Unit may be replaced with a unit of any size at any income level.

5) What are the rights of the current occupants of the SB 330 Protected Units?

Displaced residents, except unlawful occupants or occupants of a short-term rental that is rented for a period of fewer than 30 days, are entitled to relocation benefits and a right of first return under SB 330.

a. All Displaced Residents:

Occupancy Until Six Months Before the Start of Construction. All existing residents must be allowed to remain in their units until six months "before the start of construction activities." Tulelake interprets the "start of construction activities" to mean the issuance of a permit for any type of construction on the site, including but not limited to demolition, grading, utility work, etc.

Right to Return if Demolition Does Not Proceed. All existing occupants that are displaced must be allowed to return at their prior rental rate if the demolition does not proceed and the property is returned.

b. Lower-Income Residents of SB 330 Protected Units:

State Relocation Benefits. The developer must provide state relocation benefits to lower-income occupants of any protected units. These include moving expenses, relocation assistance, and payment of the difference, if any, between affordable rent and rent for a "comparable" unit for up to 42 months.

Right of First Refusal for New Unit. The lower-income occupants of SB 330 Protected Units are also entitled to a right of first refusal for a "comparable" unit in the development at affordable rent or affordable housing cost, with the exceptions listed below. A "comparable" unit must have the same number of bedrooms, have the same number of total rooms (including both permitted and unpermitted rooms), and be the same size as the unit being vacated.

Exception 1: This requirement does not apply where the development project consists of a single residential unit located on a site where a single SB 330 Protected Unit is being demolished.

Exception 2: This requirement also does not apply to units a housing development in which 100 percent of the units, exclusive of a manager's unit or units, are reserved for lower-income household, except that a right of first refusal must be offered to any occupant of an SB 330 Protected Unit who qualifies for residence in the new development and for whom providing a comparable unit would not be precluded due to unit size limitations or other requirements of one or more funding source of the housing development.

Single-Family Comparable Unit. If one or more single-family homes that qualify as SB 330 Protected Units are being replaced in a development project that consists of two or more units, "comparable unit " means either of the following: (1) a unit containing the same number of bedrooms if the single-family home contains three or fewer bedrooms; or (2) a unit containing three bedrooms if the single-family home contains four or more bedrooms. A "comparable unit" in this instance is not required to have the same or similar square footage or the same number of total rooms.

5. ADDITIONAL QUESTIONS

a. How do replacement housing requirements interact with other state laws?

Replacement Units and Density Bonus. Replacement units may qualify a project for a density bonus. For instance, if 15 very low-income replacement units are required in a 100-unit project, the project would be eligible for a 50 percent density bonus and would not need to add any more affordable units. The affordable replacement units shall be counted towards the affordable units provided for purposes of calculating density bonus as set forth in Municipal Code Chapter 17.112 (Residential Density Bonuses).

Replacement Units and SB 9. As outlined in Section IV.4 above, the amendments to SB 330 extended the replacement housing provisions to housing development projects that propose to demolish one dwelling unit to construct one or more dwelling units. Any SB 9 project that proposes to demolish any units, or where SB 330 Protected Units were demolished in the past five years, or that is located on a site listed in the Housing Element, will be subject to the replacement housing requirements in SB 330.

SB 330, Density Bonus Law, and AB 1482. AB 1482, or the Tenant Protection Act of 2019, imposed rent caps statewide on many rental units. Units that are subject only to the rent caps in AB 1482 are considered "protected units" for the purposes of both State Density Bonus Law and SB 330. However, they do not need to be replaced unless they are also occupied by very low or low-income households or are subject to local rent control laws.

b. Do replacement housing requirements apply to illegal or unpermitted units?

Neither SB 330 nor State Density Bonus Law reference the status of the unit when defining "protected units." Rather, whether or not a unit is a "protected unit" that must be replaced is determined by the income of the tenants, any deed restrictions, rent/price control status, and Ellis Act status. Therefore, the replacement housing obligations appear to apply even where the units to be demolished are illegal or unpermitted units.

c. Where must the replacement housing be located?

The Housing Crisis Act and State Density Bonus Law require that a housing development project must contain the replacement units, regardless of whether the number of units conforms with the zoning. For a housing development project subject to SB 330, the replacement housing units cannot be provided in a separate housing development project.

For a nonresidential development project subject to SB 330, the required replacement housing may be located on a site other than the project site but must be located within the same jurisdiction. The project proponent may contract with another entity to develop the required replacement housing but must ensure that the required replacement housing is developed prior to or concurrently with the development project.

6. SUMMARY CHECKLIST

The checklist below summarizes the suggested steps to take when determining the replacement housing obligations for any specific development project:

STEP 1: Determine whether the proposed housing development project is applying for a density bonus and/or was identified on the jurisdiction's Housing Element Sites Inventory and/or proposes to demolish existing units and/or whether units existed on the site in the last 10 years.

- If yes, continue to Step 2.
- If no, stop here.

STEP 2: As part of the application for the housing development, require information about existing and former housing on the site as described in Sections IV.B.3 and IV.D.3. Consider retaining a relocation consultant if occupied housing exists on the site that will be demolished.

STEP 3: Based on the information gathered, determine whether there are or were any "protected units" on the site within the last five years preceding the submission of the application for the housing development (or within the last 10 years if the Ellis Act was used).

- If yes, continue to Step 4.
- If no, stop here.

STEP 4: Determine the number and affordability level of any required replacement housing units.

STEP 5: Determine whether the replacement units are adequate to qualify the project for the requested density bonus, or if more affordable units are required.

STEP 6: Determine the relocation rights of any existing occupants of the protected units.

STEP 7: The affordable replacement units shall be subject to a recorded affordability restriction and appropriate conditions of approval.



CITY OF TULELAKE STAFF REPORT TO CITY COUNCIL

September 16, 2025

MERGER FEE WAIVERS FOR MULTIFAMILY HOUSING DEVELOPMENT

SUMMARY:	The project consists of proposed city policy for offering fee waivers for parcel mergers to facilitate multifamily housing development. Included are findings for approving waiver requests.
REQUEST OF CITY COUNCIL:	The City Council is being asked to: (1) Review draft city policy and procedures; (2) Consider an exemption from the California Environmental Quality Act (CEQA); (3) Provide direction to staff regarding any desired changes; and (4) If no revisions are desired, adopt draft Resolution 25-14.
ENVIRONMENTAL RECOMMENDATION:	Exempt from environmental review pursuant to CEQA Guidelines Section 15378(b)(2).
SUGGESTED MOTIONS:	<p>To adopt the policies and procedures, two suggested motions are provided below. Each motion should be made in sequence, with the second motion made only after the preceding motion has been successfully carried.</p> <ol style="list-style-type: none">1) I move that we make the finding that the project does not have the potential to result in a significant adverse effect on the environment and is exempt from environmental review pursuant to CEQA Guidelines Section 15378(b)(2).2) I move that we adopt Resolution 25-14 establishing policy and procedures for waiving the merger application fee for multifamily housing development.
ATTACHMENTS:	<p>A. Draft Resolution 25-14, A Resolution of the City Council of the City of Tulelake Adopting Policy and Procedures for Waiving Merger Application Fees to Facilitate Multifamily Housing Development</p> <p>Exhibit A - Merger Fee Waiver Policy</p>

PROJECT OVERVIEW

State housing element law (Government Code Sec. 65580 et seq.) requires that the City update the General Plan Housing Element every eight years. In 2023, the City prepared an update of the Housing Element for the 6th Cycle planning period (2023-2031) that sets forth policies and programs to facilitate the preservation and development of housing. To better facilitate the development of multifamily housing, the City's 6th Cycle Housing Element includes Program 2.3.3, which states:

Program 2.3.3 Small Lot Consolidation

To facilitate the development of multifamily housing, the City will incentivize the consolidation of small lots by establishing written policy and procedures to grant fee waivers for parcel mergers when multifamily housing is proposed.

The City is now in the process of implementing this program and has received approval from the California Department of Housing and Community Development (HCD) to use of a portion of remaining SB 2

Planning Grant funds to do so. The draft policy and procedures are included as Exhibit A to draft Resolution 25-14 (see **Attachment A**).

At issue is that multifamily developments typically require more land area than the minimum lot sizes support. For example, neither the minimum lot size of 8,250 square feet in the City's High Density Residential (R-3) zoning district, nor the minimum 5,000 square feet in the City's Mixed Use (MU-2) district are sufficient sized to support the maximum densities allowed in those districts (16 units/acre). For this reason, the combining of parcels is oftentimes necessary prior to the development of multifamily housing. Importantly, the California Department of Housing and Community Development (HCD) also identified this as a potential constraint to the development of housing during HCD's review of the City's draft Housing Element. To address the potential constraint, the City included a program in its certified Housing Element to facilitate lot mergers necessary for the development of multifamily housing by offering fee waivers as an incentive. The current fee for a merger is "at cost to the City, plus 10%" which is approximately \$715 to \$825.

Because the City would still incur cost to process a merger application, there would be an under collection of revenue to offset impacts to the general fund as fee waivers for multifamily housing are granted. This means that when granting a fee waiver for a private development project, the City could be subsidizing private development at the expense of projects that benefit the community. This is potentially problematic per California's constitution, which prohibits "gifts" of public resources and funds. This prohibition includes gifts from agencies to private citizens and organizations, and it applies to all public agencies except charter cities. Consequently, when considering whether to grant fee waivers, the City Council must ask itself whether a valid public purpose justifies the use of public resources in the manner proposed. When fee waivers do not serve a valid public purpose, state law does not support approval of the request. Therefore, the recommended findings for granting a fee waiver are:

- The applicant has satisfactorily demonstrated that the consolidation of small lots is necessary to facilitate the development of multifamily housing.
- The General Plan has identified a need for multifamily housing development and supports the development of multifamily housing in the location proposed.
- The granting of the requested application fee waiver for the merger of parcels serves a valid public purpose that justifies the use of public resources in the manner proposed.

When the request is supported by the findings, the fee waiver can be approved.

ENVIRONMENTAL RECOMMENDATION

Pursuant to California Environmental Quality Act (CEQA) Section 15378(b)(2), "Continuing administrative or maintenance activities, such as purchases for supplies, personnel-related actions, general policy and procedure making..." are not projects under CEQA.¹ Accordingly, the adoption of policy and procedures for granting fee waivers for parcel mergers when multifamily housing is proposed is not subject to environmental review.

STAFF RECOMMENDATION

The draft policy and procedures in Exhibit A to draft Resolution 25-14 has been prepared consistent with Housing Element Program 2.3.3 and is presented for the City Council's consideration (see **Attachment A**). To enact the policy and procedures, planning staff recommends that the City Council:

¹ While exceptions are defined in statute, none are applicable to proposed policies and procedures.

- **Adopt** Draft Resolution 25-14, A Resolution of the City Council of the City of Tulelake Adopting Policy and Procedures for Waiving Merger Application Fees to Facilitate Multifamily Housing Development.

Suggested motions to this effect are provided on the first page of the staff report.

ATTACHMENT A
DRAFT RESOLUTION 25-14

RESOLUTION NO. 25-14

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF TULELAKE
ESTABLISHING POLICY AND PROCEDURES FOR WAIVING MERGER APPLICATION FEES
TO FACILITATE SMALL LOT CONSOLIDATION FOR THE DEVELOPMENT OF
MULTIFAMILY HOUSING**

WHEREAS, the California legislature has declared the lack of affordable housing a matter of vital statewide importance; and

WHEREAS, the City desires to facilitate the consolidation of small lots and ensure an adequate supply of affordable housing to incentivize the development of multifamily housing; and

WHEREAS, the City's 6th Cycle Housing Element includes Program 2.3.3 to establish written policy and procedures for waiving merger application fees to incentivize small lot consolidation for multifamily housing development; and

WHEREAS, the City of Tulelake has prepared policy and procedures consistent with Housing Element Program 2.3.3; and

WHEREAS, adoption of the policy and procedures implements Housing Element Program 2.3.3.

NOW, THEREFORE, BE IT RESOLVED that the Council of the City of Tulelake adopts the following policy: "Application Fee Waivers for Consolidation of Small Lots to Facilitate Multifamily Housing Development" attached hereto as Exhibit "A."

IT IS HEREBY CERTIFIED that the foregoing Resolution 25-14 was duly adopted on a motion by _____ and seconded by _____ at a regular meeting of the City of Tulelake City Council held on the 16th day of September 2025, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

CITY OF TULELAKE CITY COUNCIL

Tom Cordonier, Mayor

WITNESS, my hand and seal this 16th day of September 2025

Casey Joiner, City Clerk

“Exhibit A” to Resolution 25-14

**APPLICATION FEE WAIVERS FOR CONSOLIDATION OF SMALL LOTS TO FACILITATE
MULTIFAMILY HOUSING DEVELOPMENT**

I. PURPOSE

The purpose of this policy is to facilitate the development of multifamily housing and ensure an adequate supply of affordable housing.

II. BACKGROUND

The City of Tulelake's 6th Cycle Housing Element sets forth policies and programs to facilitate the preservation and development of housing for the 2023-2031 planning period. To better facilitate the development of multifamily housing, the Housing Element includes Program 2.3.3, which states:

Program 2.3.3 Small Lot Consolidation

To facilitate the development of multifamily housing, the City will incentivize the consolidation of small lots by establishing written policy and procedures to grant fee waivers for parcel mergers when multifamily housing is proposed.

III. POLICY AND PROCEDURES

A. Policy

To facilitate the development of multifamily housing, the City Council approves requests to waive the application fee for the consolidation of small lots when multifamily housing is proposed on the resultant parcel, subject to findings.

B. Procedures

Required Findings. Prior to approving a request to waive the planning application fee for a merger of parcels to facilitate multifamily housing development, the findings of the City Council shall be:

- The applicant has satisfactorily demonstrated that the consolidation of small lots is necessary to facilitate the development of multifamily housing.
- The General Plan has identified a need for multifamily housing development and supports the development of multifamily housing in the location proposed.
- The granting of the requested application fee waiver for the merger of parcels serves a valid public purpose that justifies the use of public resources in the manner proposed.