

**CITY OF CITRUS HEIGHTS
CITY COUNCIL
Special / Regular Meeting of Thursday, April 27, 2023
City Hall Council Chambers, 6360 Fountain Square Dr., Citrus Heights, CA
Special Meeting 5:00 p.m.
Regular Meeting 6:00 p.m.**

HOW TO PARTICIPATE:

Remote participation for the public is no longer being offered. Everyone is invited and encouraged to attend and participate in City meetings in person.

The City of Citrus Heights welcomes your interest and involvement in the City's legislative process. The Council may take up any agenda item at any time, regardless of the order listed. The City Council has established a procedure for addressing the Council. If you wish to address the Council during the meeting, please fill out a Speaker Identification Sheet and give it to the City Clerk. When you are called upon to speak, step forward to the podium and state your name for the record. Normally, speakers are limited to five minutes each with 30 minutes being allowed for all comments. Any public comments beyond the initial 30 minutes may be heard at the conclusion of the agenda. The Mayor has the discretion to lengthen or shorten the allotted times. Alternatively, you may submit your comment by 4:00 p.m. on the meeting day by completion of an online Speaker Card at <https://www.citrusheights.net/FormCenter/City-Council-Meetings-Speaker-Card-30>. Written public comments shall be limited to 250 words or less. Each comment will be read aloud by the City Clerk.

Any writings or documents provided to a majority of the City Council regarding any item on this agenda will be made available for public inspection during normal business hours at City Hall, located at 6360 Fountain Square Drive. Audio/Visual presentation material must be provided to the City Clerk's Office at least 48 hours prior to the meeting. Email subscriptions of the agenda are available online by signing up with the City's [Notify Me](#) service.

The City provides three ways to watch a City Council meeting.

IN PERSON	ONLINE	ON TELEVISION
		
City Council meetings take place in the City Hall Council Chambers.	Watch the livestream and replay past meetings on the City website .	Watch live and replays of meetings on Sac Metro Cable, Channel 14.

If you need a disability-related modification or accommodation, to participate in this meeting, please contact the City Clerk's Office 916-725-2448, cityclerk@citrusheights.net, or City Hall 6360 Fountain Square Drive at least 48 hours prior to the meeting. TDD: California Relay Service 7-1-1.

April 21, 2023


Amy Van, City Clerk

SPECIAL CITY COUNCIL MEETING
5:00 PM**CALL SPECIAL MEETING TO ORDER**

1. Roll Call: Council Members: Karpinski-Costa, Lopez-Taff, Middleton, Daniels, Schaefer

PUBLIC COMMENT**CLOSED SESSION**

2. CONFERENCE WITH LABOR NEGOTIATORS
Pursuant to Government Code Section 54957.6
Agency designated representatives: Ashley Feeney, City Manager, Ryan Jones, City Attorney, and Patrick Clark, Negotiator
Employee organization: Citrus Heights Police Officers Association, Citrus Heights Police Employees Association, and unrepresented employees
3. CONFERENCE WITH REAL PROPERTY NEGOTIATORS
Pursuant to Government Code Section 54956.8
Property: 7500 Coronado Lane, Citrus Heights, CA (243-0031-004-0000) and 6448 Sylvan Road, Citrus Heights, CA (243-0031-006-0000)
Agency negotiator: Ashley Feeney, City Manager and Ryan Jones, City Attorney
Negotiating parties: Robert Paul Coronado, Negotiator
Under negotiation: Price, terms of payment, or both

REPORT OUT OF CLOSED SESSION**ADJOURNMENT**

REGULAR CITY COUNCIL MEETING
6:00 PM**CALL REGULAR MEETING TO ORDER**

1. Flag Salute
2. Roll Call: Council Members: Karpinski-Costa, Lopez-Taff, Middleton, Daniels, Schaefer
3. Video Statement

APPROVAL OF AGENDA**PUBLIC COMMENT****PRESENTATIONS:**

4. Presentation by Gary Goodman with Sacramento-Yolo Mosquito & Vector Control District

COMMENTS BY COUNCIL MEMBERS AND REGIONAL BOARD UPDATES**CONSENT CALENDAR**

It is recommended that all consent items be acted on simultaneously unless separate discussion and/or action are requested by a Council Member.

5. **SUBJECT:** Approval of Minutes
RECOMMENDATION: Approve the Minutes of the Meeting of April 13, 2023
6. **SUBJECT:** Resolution Designating the City Manager as the City Representative Authorized to Execute Agreements Issued by the State of California for State and Federal Aid Funded Projects
STAFF REPORT: R. Cave / M. Poole
RECOMMENDATION: Adopt Resolution No. 2023-____, a Resolution of the City Council of the City of Citrus Heights, California, Designating the City Manager as the City Representative Authorized to Execute Agreements Issued by the State of California Department of Transportation for State and Federal Aid Funded Projects
7. **SUBJECT:** Audited Financial Statements and Compliance Report for Transportation Development Act Funds and Single Audit Report
STAFF REPORT: S. Talwar / A. Preciado
RECOMMENDATION: Accept and file the City of Citrus Heights Transportation Development Act (TDA) Funds Audited Financial Statements and Compliance Report for fiscal year ended June 30, 2022 and the Single Audit Report for the fiscal year ended June 30, 2022
8. **SUBJECT:** Quarterly Treasurer's Report
STAFF REPORT: S. Talwar / A. Preciado
RECOMMENDATION: Receive and file the Quarterly Treasurer's Report for the quarter ending March 31, 2023
9. **SUBJECT:** Approval of Neighborhood Improvement Project Fund Applications
STAFF REPORT: M. Huber
RECOMMENDATION: The following is recommended:
 - a. Adopt Resolution No. 2023-____, a Resolution of the City Council of the City of Citrus Heights, California, Approving Neighborhood Improvement Partnership Funding Request Not to Exceed \$2,995
 - b. Adopt Resolution No. 2023-____, a Resolution of the City Council of the City of Citrus Heights, California, Approving a Neighborhood Improvement Partnership Application Not to Exceed \$1,795
10. **SUBJECT:** Resolution Authorizing the City Manager to execute an agreement with RSG not to exceed \$60,000 for the completion of an Annexation Feasibility Study and Outreach Project
STAFF REPORT: C. Kempenaar
RECOMMENDATION: Adopt Resolution No. 2023-____, a Resolution of the City Council of the City of Citrus Heights Authorizing the City Manager to Execute an Agreement with RSG Not to Exceed \$60,000 for the Completion of the Annexation Feasibility Study and Outreach Project

PUBLIC HEARING

11. **SUBJECT:** Zoning Code Updates – Continued from the March 9, 2023 City Council Meeting
STAFF REPORT: C. Kempenaar / E. Singer
RECOMMENDATION: The following motions are recommended:
- a. Move to determine the proposed amendments are exempt from the California Environmental Quality Act (CEQA) under Section 15061(b)(3) of the Guidelines; and
 - b. Move to introduce for first reading, read by title only and waive the full reading of Ordinance 2023-____, an Ordinance of the City Council of the City of Citrus Heights amending various sections of Chapter 106 of the Citrus Heights Municipal Code (Zoning Code Section)

REGULAR CALENDAR

12. **SUBJECT:** Citrus Heights Education Committee
STAFF REPORT: A. Van
RECOMMENDATION: Review and discuss the Ad Hoc 2x2 Committee's recommended work plan for the CHEC and provide direction to staff
13. **SUBJECT:** Approval of Sunrise MarketPlace Property-Based Improvement District 2022 Annual Report
STAFF REPORT: M. Huber
RECOMMENDATION: Adopt Resolution No. 2023-____, a Resolution of the City Council of the City of Citrus Heights, Approving the Sunrise MarketPlace 2022 Annual Report
14. **SUBJECT:** Sound Wall Beautification – Proposed Locations and Recommendations
STAFF REPORT: R. Cave
RECOMMENDATION: Adopt Resolution No. 2023____, a Resolution of the City Council of the City of Citrus Heights, California, Authorizing the General Services Department to Release a Request for Bids for Sound Wall Beautification and Approving the Allocation of \$155,000 in American Rescue Plan Act Funds to Support this Project

DEPARTMENT REPORTS**CITY MANAGER ITEMS****ITEMS REQUESTED BY COUNCIL MEMBERS/ FUTURE AGENDA ITEMS****ADJOURNMENT**

**CITY OF CITRUS HEIGHTS
CITY COUNCIL
MINUTES
Special / Regular Meeting of Thursday, April 13, 2023
City Hall Council Chambers
6360 Fountain Square Drive, Citrus Heights, CA**

CALL SPECIAL MEETING TO ORDER

The special meeting was called to order at 5:00 p.m. by Mayor Schaefer.

- | | | | |
|----|------------|---------------------------------|---|
| 1. | Roll Call: | Council Members present: | Karpinski-Costa, Lopez-Taff, Middleton, Daniels, Schaefer |
| | | Council Members absent: | None |
| | | Staff present at the roll call: | Feeney, Jones and Van |

PUBLIC COMMENT

None

CLOSED SESSION

2. THREAT TO PUBLIC SERVICES OR FACILITIES
Pursuant to Government Code Section 54957
Consultation with: Citrus Heights Police Department

The City Council, City Manager, City Attorney, City Clerk and Citrus Heights Police Department staff participated in the closed session.

REPORT OUT OF CLOSED SESSION

There was no reportable action from closed session.

ADJOURNMENT

Mayor Schaefer adjourned the special meeting at 5:50 p.m.

CALL REGULAR MEETING TO ORDER

The regular meeting was called to order at 6:00 p.m. by Mayor Schaefer. He called the meeting to order in honor of former Councilmember and San Juan Unified School District Board Member Stephen "Sparky" Miller who passed away on March 25, 2023.

- | | | | |
|----|---|--------------------------|--|
| 1. | The Flag Salute was led by Mayor Schaefer. | | |
| 2. | Roll Call: | Council Members present: | Karpinski-Costa, Lopez-Taff, Middleton, Daniels, Schaefer |
| | | Council Members absent: | None |
| | | Staff present: | Bermudez, Feeney, Jones, Singer, Turcotte, Van and department directors. |
| 3. | The video statement was read by City Clerk Van. | | |

APPROVAL OF AGENDA

Vice Mayor Daniels requested to pull agenda Item 16 from the agenda and stated AB 734 will not be heard in committee this year.

ACTION: On a motion by Council Member Karpinski-Costa, seconded by Council Member Lopez-Taff, the City Council approved the agenda as amended.

AYES:	Karpinski-Costa, Lopez-Taff, Middleton, Daniels, Schaefer
NOES:	None
ABSENT:	None

COMMENTS BY COUNCIL MEMBERS AND REGIONAL BOARD UPDATES

Council Member Middleton stated this week she has been participating in the League of California Cities League Leaders legislative action week.

Council Member Karpinski-Costa stated she spoke at the Neighborhood Association Area 6 and Area 2 combined meeting. She attended the opening ceremony for The Wall That Heals. She provided an update from an education forum she attended. She provided an update from the Sacramento Area Sewer District Board meeting. She stated over the Easter Holiday weekend she delivered food to seniors that participate in the Meals on Wheels program.

Council Member Lopez-Taff attended The Wall That Heals opening ceremony. She attended a regional meeting for the greater Sacramento area regarding water storage and ADUs.

Vice Mayor Daniels encouraged Council Members to visit local businesses. He also asked Council Members to drive their districts and identify problems areas that they see. He attended the Citrus Heights Chamber luncheon. He also attended the Sunrise MarketPlace Board of Directors meeting. He provided a report from the Regional Transit Board meeting. He attended The Wall That Heals opening and closing ceremonies.

Mayor Schaefer attended the San Juan Unified School District Board meeting regarding the Trustee vacancy with the passing of Steve Miller. He also attended the Neighborhood Association Area 10 meeting. He also had a meeting with Congressman Ami Bera.

PUBLIC COMMENT

Kathy Morris with the Neighborhood Association Area 7, 8 and 9 (CHASEN) provided updates on presentations and programs being held within their Association. She stated in May their Neighborhood Association will have Assembly Member Josh Hoover as a speaker.

Paul Reyes with the American Legion thanked the City Council for the grant funding to bring "The Wall That Heals" to Citrus Heights. He presented a Certificate of Appreciation to the City Council for their service and contribution to the American Legion program and activities.

Daniel Thigpen with the San Juan Unified School District stated the District selected Woodside K-8 to be its district hub for an innovative elementary school program. He also announced the annual Spirit of San Juan Awards Program has two awardees in Citrus Heights schools this year, Ronnie Roshawn Brown, Head Custodian at Carriage Drive Elementary and Freddie Bryant, Teacher and Athletic Director at San Juan High School.

James Morin stated there is no homeless shelter in the City and believes this issue isn't being addressed adequately.

PRESENTATIONS:

4. Proclamation of the City of Citrus Heights Proclaiming April 9-15, 2023 as "National Animal Care & Control Appreciation Week"

Council Member Karpinski-Costa read and presented the proclamation. Toni Fleenor, Animal Services Officer, Debra Nathan, Police Services Supervisor, and Tiffany Campbell, Police Services Manager accepted the proclamation.

5. Proclamation of the City of Citrus Heights Proclaiming April 9-15, 2023 as "National Public Safety Telecommunicators Week"

Vice Mayor Daniels read and presented the proclamation. Chela Cottrell, Police Services Manager and Gina Harmon, Communications Supervisor accepted the proclamation.

6. Proclamation of the City of Citrus Heights Proclaiming April 16-22, 2023 as "National Volunteer Week"

Council Member Lopez-Taff read and presented the proclamation. Brenda Anderson, Administrative Technician thanked the Police Department and City Hall volunteers for their service. Volunteer Michael Lagomarsino accepted the proclamation.

CONSENT CALENDAR

City Attorney Jones stated at the last City Council meeting the Council did conduct an evaluation for Mr. Feeney which was very positive, accordingly the Council is now considering a one-time payment to the City Manager in the amount of 5% of the base pay. The payment is non-PERSable and is not ongoing.

7. Pulled for discussion.

8. **SUBJECT:** Second Reading - Chapter 42, "FLOODS" City Ordinance Update
STAFF REPORT: R. Cave / L. Blomquist / D. Kehrer
RECOMMENDATION: Adopt Ordinance No. 2023-002, an Ordinance of the City Council of the City of Citrus Heights Amending Chapter 42 "FLOODS" of the Citrus Heights Municipal Code

9. **SUBJECT:** On-Call Environmental and Traffic Engineering Consultant Services
STAFF REPORT: C. Kempenaar / R. Cave / E. Signer / L. Blomquist
RECOMMENDATION: Adopt Resolution 2023-027, a Resolution of the City Council of the City of Citrus Heights, California, Authorizing the City Manager to Execute Agreements with Bollard, De Novo,

Dudek, ECORP, Helix, and Raney for On-Call Environmental Services and Fehr & Peers, Kimley-Horn & Associates, Inc., and Wood Rodgers, Inc. for On-Call Traffic Engineering Services

10. **SUBJECT:** Appointment to Sacramento Groundwater Authority
STAFF REPORT: A. Van
RECOMMENDATION: Confirm the appointment of members of the Citrus Heights Water District Board to serve on the Sacramento Groundwater Authority Board
11. **SUBJECT:** Proposed One-Time Payment to City Manager
STAFF REPORT: R. Jones / S. Talwar
RECOMMENDATION: Consider approval of a one-time payment to City Manager
12. Pulled for discussion.

ACTION: On a motion by Council Member Middleton, seconded by Vice Mayor Daniels, the City Council adopted Consent Calendar Items 8, 9, 10 and 11.

AYES: Karpinski-Costa, Lopez-Taff, Middleton, Daniels, Schaefer
NOES: None
ABSENT: None

CONSENT CALENDAR ITEMS PULLED FOR DISCUSSION

7. **SUBJECT:** Approval of Minutes
RECOMMENDATION: Approve the Minutes of the Meeting of March 23, 2023

Council Member Karpinski-Costa pulled Item 7 to note that on page 4 of the minutes the first sentence of public comment speaker Al Fox's comments is incomplete.

City Clerk Van clarified the sentence should have ended with "ill-timed", and staff will make the correction to the minutes.

ACTION: On a motion by Council Member Karpinski-Costa, seconded by Vice Mayor Daniels, the City Council approved Consent Calendar Item 7 as amended.

AYES: Karpinski-Costa, Lopez-Taff, Middleton, Daniels, Schaefer
NOES: None
ABSENT: None

12. **SUBJECT:** Proposed Amendment to the New Sylvan Purchase and Sale Agreement with Woodside Homes
STAFF REPORT: A. Feeney / R. Jones
RECOMMENDATION: Adopt Resolution 2023-028, a Resolution of the City Council of the City of Citrus Heights, California, Approving an Amendment to the Purchase Agreement of Sylvan Property with Woodside Homes

Council Member Karpinski-Costa pulled Item 12 for a separate vote.

ACTION: On a motion by Vice Mayor Daniels, seconded by Council Member Middleton, the City Council approved Consent Calendar Item 12.

AYES: Lopez-Taff, Middleton, Daniels, Schaefer
NOES: Karpinski-Costa
ABSENT: None

PUBLIC HEARING

13. **SUBJECT:** Proposed amendments to Article VIII of Chapter 22 of the Citrus Heights Municipal Code (Massage Establishments)
STAFF REPORT: C. Kempenaar / A. Bermudez
RECOMMENDATION: Staff recommends the following
- a. Move to determine the proposed amendments are exempt from the California Environmental Quality Act (CEQA) under Section 15061(b)(3) of the Guidelines; and
 - b. Move to introduce for first reading, read by title only and waive the full reading of Ordinance 2023-_____, an Ordinance of the City of Citrus Heights Amending Article VIII of Chapter 22 of the Citrus Heights Code Relating to Massage Establishments

Senior Planner Bermudez stated the purpose of the ordinance update is to implement operational restrictions which are commonly found in massage establishments with illicit activity, reduce staffing impacts necessary to regulate the industry, and allow opportunities to “catch-up” in regard to inspection/monitoring of existing establishments. She highlighted key proposed amendments which include a cap on the number of establishments within the City, to prohibit blocking of visibility into the establishment, to allow use of video surveillance in non-treatment areas, and other revisions to the application requirements. Staff is proposing to cap massage licenses based on the City’s population with one license per 3,400 persons.

City Council questions followed.

Mayor Schaefer opened the public hearing at 7:17 p.m.

Public Comment

Lauren McLachlan stated she is a certified massage therapist and also represents the interests of over 4,000 graduates of the Healing Art Institute located in Citrus Heights. She stated the amendments in section 22-604, specifically the definition for public necessity is confusing and unclear. She requested the Council consider sole practitioners be added to the section under exceptions.

Mayor Schaefer closed the public hearing at 7:22 p.m.

Vice Mayor Daniels suggested an exemption for sole practitioners. He also felt uncomfortable with the public necessity format.

Council Member Karpinski-Costa agreed with exempting sole practitioners.

Council Member Lopez-Taff stated she has concerns regarding the concentration of the locations and she agrees with exempting sole practitioners.

Mayor Schaefer expressed concerns regarding how the ordinance would be applied and would like to see the law applied equally to all massage establishments and those operating out of their home.

The City Council directed staff to continue this item to a future City Council meeting.

REGULAR CALENDAR

14. **SUBJECT:** Greenback Open Space Naming Options
 STAFF REPORT: C. Kempenaar / R. Cave
 RECOMMENDATION: Review the options outlined in this staff report and provide direction on how to proceed.

Associate Planner Singer stated at the August 25, 2022 City Council meeting, a resident requested that Council select a name for the existing city-owned open space located on Greenback Lane between Park Oaks and Dewey Drive. Council directed staff to bring forward options to name the unnamed space. He stated the City does not have a formal naming process for its assets. He presented naming options for consideration including: 1) Council can submit naming options for consideration and vote on this selection at this or any future meeting, 2) solicit responses from members of the community, 3) a name can be chosen based on places or figures of historical significance within the community, 4) an ad hoc committee could be formed, or 5) Council could direct staff to develop a naming ordinance.

Council Member Middleton suggested the development of a naming ordinance that includes an element for community input.

Council Member Karpinski-Costa and Lopez-Taff agreed with the development of a naming ordinance that includes an element for community input.

Vice Mayor Daniels stated he believes it would be best if we don't box ourselves into something.

Mayor Schaefer stated he would like to utilize a Flash Vote to name the park.

Council directed staff to bring forward a naming ordinance that includes an element for community input and then conduct a Flash Vote as part of the naming process.

The City Council took a brief recess from 7:39 p.m. to 7:45 p.m.

15. **SUBJECT:** Assembly Bill 742: Preventing the use of police canines for the purpose of arrest, apprehension, or any form of crowd control - Letter of Opposition
 STAFF REPORT: A. Turcotte
 RECOMMENDATION: Consider the signing and delivery of a letter of opposition of AB 742.

City Manager Feeney stated the item is to consider a letter of opposition on Assembly Bill 742 that would prevent the use of police canines for the purpose of arrest, apprehension or any form of crowd control. At the February 23, 2023 City Council meeting, Council directed staff to come forward with an item at a future meeting for consideration.

Council comments followed.

ACTION: On a motion by Vice Mayor Daniels, seconded by Council Member Karpinski-Costa, the City Council approved the signing and delivery of a letter of opposition of AB 742.

AYES: Karpinski-Costa, Lopez-Taff, Daniels, Schaefer
NOES: Middleton
ABSENT: None

16. **SUBJECT:** Assembly Bill 734: Youth Tackle Football
STAFF REPORT: A. Van
RECOMMENDATION: Staff recommends the City Council discuss and provide direction as to whether the Council would like to:
- a. Take a position on the proposed legislation;
 - b. Continue the matter to allow for additional time before consideration of taking a position on the proposed legislation; or
 - c. Take no action.

Item 16 was pulled from the agenda by an earlier vote.

DEPARTMENT REPORTS

17. **SUBJECT:** Police Department Annual Report
DEPARTMENT: Police Department

Police Chief Turcotte provided an overview of crime statistics and overall violent crimes are up by 14% and property crimes are down by 4%. They have seen an overall 3% reduction in total collisions. In 2022, the communications team handled over 35,000 9-1-1 calls, working with the homeless navigator 112 individuals were housed, the code enforcement/rental housing inspection team found over 3,000 violations, and animal services handled over 3,000 calls for service. He highlighted some of the Police Department's special events held in 2022. He also provided an overview of department priorities for 2023 that includes community engagement, employee retention, enhanced focus on violent crime and weapons violations, training, and updating equipment.

CITY MANAGER ITEMS

City Manager Feeney announced the Police Department has organized a National Prescription Drug Take Back Day on April 22, 2023. He stated the Capitol Region Small Business Week is May 1 – 6, 2023, and the economic development team is working with the Small Business Administration to host an event at the Community Center on May 1. He announced the Community Projects Grant application deadline has been extended to April 28, 2023. He stated Steve Miller's celebration of life will be held on April 15, 2023.

ITEMS REQUESTED BY COUNCIL MEMBERS/ FUTURE AGENDA ITEMS

None

ADJOURNMENT

Mayor Schaefer adjourned the regular meeting at 8:15 p.m. in honor of Stephen “Sparky” Miller.

Respectfully submitted,

Amy Van, City Clerk



CITY OF CITRUS HEIGHTS

CITY COUNCIL STAFF REPORT MEMORANDUM

DATE: April 27, 2023

TO: Mayor and City Council Members
Ashley J. Feeney, City Manager

FROM: Regina Cave, General Services Director
Mary Poole, Operations Manager

SUBJECT: **Resolution Designating the City Manager as the City Representative Authorized to Execute Agreements Issued by the State of California for State and Federal Aid Funded Projects**

Summary and Recommendation

The California Department of Transportation (Caltrans) provides transportation grants and funding opportunities to local governments for the planning, design, construction, improvement and modernization of local transportation infrastructure. Caltrans provides competitive grants and funding allocations through various programs, including the Active Transportation Program, State Transportation Improvement Program, the Sustainable Communities Program and various other funding programs.

Staff recommends that the City Council adopt Resolution No. 2023-____ A Resolution of the City Council of the City of Citrus Heights, California, Designating the City Manager as the City Representative Authorized to Execute Agreements Issued by the State of California for State and Federal Aid Funded Projects.

City Council Strategic Goal/Objective

This item aligns with the Citrus Heights City Council Strategic Plan Objective to “Maintain Public Infrastructure and Enhance Alternative Modes of Transportation.”

Fiscal Impact

There is no fiscal impact associated with this action.

Background and Analysis

The City of Citrus Heights routinely applies for and has been awarded transportation funding through Caltrans's various funding programs. When funds are awarded or allocated through these various programs, jurisdictions may be required to execute Master Agreements, Program Supplemental Agreements, Fund Exchange Agreements, Fund Transfer Agreements, Cooperative Agreements and Amendments thereto.

Caltrans requires local governments to submit a resolution that designates the representative who is authorized to sign grant agreements on the local government's behalf. Resolution 2007-50 designates City Manager authority to execute federal aid agreements. The proposed resolution updates Resolution 2007-50 to expand the City Manager's authority to include state-funded agreements and to include cooperative agreements in the types of agreements authorized to be executed by the City Manager. This will also allow the City Manager to execute funding agreements with the State for projects authorized by State legislation, such as the Priority Legislative Budget Projects (PLBPs).

Attachments

- 1) Resolution No. 2023-____ A Resolution of the City Council of the City of Citrus Heights, California, Designating the City Manager as the City Representative Authorized to Execute Agreements Issued By the State of California for State and Federal Aid Funded Projects

RESOLUTION NO. 2023-_____

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CITRUS HEIGHTS,
CALIFORNIA, DESIGNATING THE CITY MANAGER AS THE CITY REPRESENTATIVE
AUTHORIZED TO EXECUTE AGREEMENTS ISSUED BY THE STATE OF CALIFORNIA
DEPARTMENT OF TRANSPORTATION FOR STATE AND FEDERAL AID FUNDED
PROJECTS**

WHEREAS, the City of Citrus Heights is eligible to receive Federal and/or State funding for certain transportation projects from the California Department of Transportation;

WHEREAS, Master Agreements, Program Supplemental Agreements, Fund Exchange Agreements and/or Fund Transfer Agreements, and Cooperative Agreements must be executed with the California Department of Transportation before such funds can be claimed; and

WHEREAS, the City of Citrus Heights wishes to designate the City Manager as the City Representative authorized to execute any and all agreements and amendments as mentioned above.

NOW THEREFORE BE IT RESOLVED AND ORDERED, by the City Council of the City of Citrus Heights, that the City Manager shall serve as the City's Authorized Representative designated to execute all Master Agreements, Program Supplemental Agreements, Fund Exchange Agreements and/or Fund Transfer Agreements, Cooperative agreements and any amendments thereto with the California Department of Transportation.

The City Clerk shall certify the passage and adoption of the Resolution and enter it into the book of original resolutions.

PASSED AND ADOPTED by the City Council of the City of Citrus Heights, California, this 27th day of April, 2023, by the following vote, to wit:

AYES: **Council Members:**
NOES: **Council Members:**
ABSTAIN: **Council Members:**
ABSENT: **Council Members:**

Tim Schaefer, Mayor

ATTEST:

Amy Van, City Clerk



CITY OF CITRUS HEIGHTS

CITY COUNCIL STAFF REPORT MEMORANDUM

DATE: April 27, 2023

TO: Mayor and City Council Members
Ashley J. Feeney, City Manager

FROM: Susan K. Talwar, Administrative Services Director
Alberto Preciado, Accounting Manager

SUBJECT: **Audited Financial Statements and Compliance Report for
Transportation Development Act Funds and Single Audit Report**

Summary and Recommendation

Staff recommends the City Council accepts and files the City of Citrus Heights Transportation Development Act (TDA) Funds Audited Financial Statements and Compliance Report for fiscal year ended June 30, 2022 and the Single Audit Report for the fiscal year ended June 30, 2022.

Fiscal Impact

There is no fiscal impact associated with this action.

Background and Analysis

TDA Audit

The accounting firm of Richardson & Company, LLP was hired by the Sacramento Area Council of Governments to audit the transportation funds received by member agencies for the fiscal year ended June 30, 2022. They have determined that the City of Citrus Heights Transportation Fund financial statements present fairly, in all material respects, the financial position of the Transportation Development Act Funds of the City of Citrus Heights as of June 30, 2022. The statements are in conformity with Generally Accepted Accounting Principles.

Single Audit

A single audit is required by Title 2 of the *U.S. Code of Federal regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*

Subject: Audited Financial Statements and Compliance Report for TDA Funds and Single Audit Report

Date: April 27, 2023

Page 2 of 2

(Uniform Guidance) when federal expenditures during a fiscal year exceed \$750,000. For the fiscal year 2021-2022, the City spent \$4.6 million in federal expenditures. The City's audit firm, Lance, Soll & Lunghard, LLP (LSL CPAs), performed the single audit. The single audit report also includes the report on Internal Control over Financial Reporting and Compliance and Other Matters. LSL issued a clean audit opinion regarding compliance and internal control over compliance for the City's major federal programs and schedule of expenditures of federal awards (SEFA).

Attachment

1. City of Citrus Heights Transportation Development Act Funds – Audited Financial Statements and Compliance Report as of June 30, 2022.
2. City of Citrus Heights Single Audit Report for the year ended June 30, 2022.

CITY OF CITRUS HEIGHTS
TRANSPORTATION DEVELOPMENT ACT FUNDS

Audited Financial Statements
and Compliance Report

June 30, 2022

CITY OF CITRUS HEIGHTS
TRANSPORTATION DEVELOPMENT ACT FUNDS

Audited Financial Statements
and Compliance Report

June 30, 2022

Audited Financial Statements

Independent Auditor's Report	1
Balance Sheets.....	3
Statements of Revenues, Expenditures and Changes in Fund Balances	4
Notes to Financial Statements	5

Compliance Report

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> and the Transportation Development Act.....	8
---	---



550 Howe Avenue, Suite 210
 Sacramento, California 95825
 Telephone: (916) 564-8727
 FAX: (916) 564-8728

INDEPENDENT AUDITOR'S REPORT

To the City Council
 City of Citrus Heights, California

Report on the Financial Statements

Opinions

We have audited the accompanying financial statements of the Transportation Development Act Funds (the Funds) of the City of Citrus Heights (the City), as of and for year ended June 30, 2022, and the related notes to the financial statements, as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Transportation Development Act Funds of the City of Citrus Heights, as of June 30, 2022, and the changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis-of-Matter

As discussed in Note B, the financial statements present only the Transportation Development Act Funds of the City of Citrus Heights and do not purport to, and do not, present fairly the financial position of the City as of June 30, 2022 and 2021, the changes in financial position, or where applicable, its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting

To the City Council
City of Citrus Heights, California

from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Matters

Prior Year Comparative Information

We have previously audited the June 30, 2021 Transportation Act Funds of the City of Citrus Heights' financial statements dated January 25, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2021 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Required Supplementary Information

Management has omitted management's discussion and analysis and budgetary comparison information that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 27, 2023 on our consideration of the City's internal control over financial reporting related to the Funds and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters, and the Transportation Development Act. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Richardson & Company, LLP

February 27, 2023

CITY OF CITRUS HEIGHTS

TRANSPORTATION DEVELOPMENT ACT FUNDS

BALANCE SHEETS

June 30, 2022

(With Prior Year Data For Comparative Purposes Only)

	2022			(Comparative Purposes Only) 2021
	Transit	Non-Transit	Total	
ASSETS				
Cash and investments	\$ 20,267	\$ 133,067	\$ 153,334	\$ 217,550
Interest receivable	79	241	320	159
Due from other governments	70,434	107,343	177,777	12,463
TOTAL ASSETS	\$ 90,780	\$ 240,651	\$ 331,431	\$ 230,172
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 12		\$ 12	
Salaries and benefits payable	4,583		4,583	
Due to other funds	175		175	\$ 35,416
TOTAL LIABILITIES	4,770		4,770	35,416
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues		\$ 107,343	107,343	12,463
FUND BALANCES				
Restricted for transit administration	86,010		86,010	
Restricted for pedestrian and bicycle facilities		133,308	133,308	217,709
Unassigned (deficit)				(35,416)
TOTAL FUND BALANCES	86,010	133,308	219,318	182,293
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 90,780	\$ 240,651	\$ 331,431	\$ 230,172

The accompanying notes are an integral part of these financial statements.

CITY OF CITRUS HEIGHTS

TRANSPORTATION DEVELOPMENT ACT FUNDS

STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES

For the Year Ended June 30, 2022
(With Prior Year Data For Comparative Purposes Only)

	2022			(Comparative Purposes Only) 2021
	Transit	Non-Transit	Total	
REVENUES				
Local Transportation Funds				
Pedestrian and bicycle				\$ 65,649
Contract administration payment from SacRT	\$ 353,078		\$ 353,078	270,292
Use of money and property	(492)	\$ (1,401)	(1,893)	(188)
TOTAL REVENUES	<u>352,586</u>	<u>(1,401)</u>	<u>351,185</u>	<u>335,753</u>
EXPENDITURES				
Administration	231,160		231,160	319,487
Pedestrian and bicycle facilities		83,000	83,000	6,059
TOTAL EXPENDITURES	<u>231,160</u>	<u>83,000</u>	<u>314,160</u>	<u>325,546</u>
NET CHANGE IN FUND BALANCES	121,426	(84,401)	37,025	10,207
Fund balances (deficit) at beginning of year	<u>(35,416)</u>	<u>217,709</u>	<u>182,293</u>	<u>172,086</u>
FUND BALANCES AT END OF YEAR	<u>\$ 86,010</u>	<u>\$ 133,308</u>	<u>\$ 219,318</u>	<u>\$ 182,293</u>

The accompanying notes are an integral part of these financial statements.

CITY OF CITRUS HEIGHTS
TRANSPORTATION DEVELOPMENT ACT FUNDS
NOTES TO FINANCIAL STATEMENTS

June 30, 2022

NOTE A – ORGANIZATION

The City of Citrus Heights (the City) receives funds under the provisions of the Transportation Development Act (TDA) from the Sacramento County Local Transportation Fund (LTF) under Article 3, Section 99234 for pedestrian and bicycle facilities. The City's Article 3 LTF funds represent amounts set aside by the Sacramento Area Council of Governments (SACOG), the transportation planning agency administering TDA funds, to be allocated for pedestrian and bicycle facilities within the jurisdictions of Sacramento County and represent up to 2% of the available funds countywide.

On January 1, 2019, the City's transit operations were annexed by the Sacramento Regional Transit District (SacRT). As a result of this annexation, beginning in April of 2019, the City's transit related State Transit Assistance (STA), State of Good Repair (SGR) and LTF funds, with the exception of Article 3 funds, will be claimed directly from SACOG by SacRT. The transit administration allocation is provided by SacRT and will be adjusted in each future fiscal year to match the percent increase or decrease in the budgeted TDA apportionment to the City for that fiscal year as compared to the previous year. The City will also continue to receive an apportionment for pedestrian and bicycle facilities under Article 3. The City of Citrus Heights' Transit Fund and Transportation Development Act Fund (the Funds) are used to account for Transit and Non-transit TDA funds, received by the City.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation: The financial statements of the Transportation Development Act Funds (the Funds) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

Reporting Entity: The financial statements are intended to present the financial position and results of operations of only those transactions recorded in the Funds. The Funds are included in the financial statements of the City.

Fund Accounting: The accounts of the City are organized on the basis of funds. A fund is an accounting entity with a self-balancing set of accounts established to record the financial position and results of operations of a specific governmental activity.

The City utilizes the special revenue fund type of the governmental fund group to account for the activities of the Funds. Special revenue funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes.

Basis of Accounting: The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. A special revenue fund is accounted for using a current financial resources measurement focus. With this measurement focus, only current assets, deferred outflows of resources, liabilities and deferred inflows of resources are generally included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

The modified accrual basis of accounting is used by special revenue funds. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual, i.e., when they become both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period, which is generally 90 days. TDA revenues are recognized when all eligibility requirements have been met. Expenditures are recorded when the related fund liability is incurred.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

CITY OF CITRUS HEIGHTS

TRANSPORTATION DEVELOPMENT ACT FUNDS

NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2022

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Short-term Interfund Receivables/Payables: During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as “due from other funds” and “due to other funds” on the balance sheet. The “due to other funds” represents a cash subsidy of the Transit Fund from other City funds to eliminate a negative cash balance.

Deferred Inflows of Resources: Deferred inflows of resources in governmental funds arise when a potential revenue source does not meet both the “measurable” and “available” criteria for recognition in the current period. Deferred inflows of resources consisted of revenues for which all eligibility requirements had been met at year end, but the amounts were not received from the Sacramento County Auditor – Controller’s Office within the 90-day availability period.

Fund Balance: Restrictions of fund balance represent amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers or through enabling legislation. The restrictions of fund balance are according to the provisions of the Transportation Development Act and the purpose of each restriction is indicated by the account title on the face of the balance sheets.

Use of Estimates: The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Comparative Financial Statements: The financial statements include certain prior-year summarized comparative information in total, but not by individual fund. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Funds’ financial statements for the year ended June 30, 2021, from which the summarized information was derived.

NOTE C – CASH AND INVESTMENTS

Investment Policy: The City’s investment policy may be found in the notes to City’s basic financial statements.

Investment in the City’s Investment Pool: The Funds’ cash is held in the City’s investment pool. The City maintains an investment pool and allocates interest to the various funds based upon the average daily cash balances. Investments held in the City’s investment pool are available on demand to the Funds and are stated at fair value.

Interest Rate Risk: Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. As of June 30, 2022, the weighted average maturity of the investments contained in the City of Citrus Heights investment pool was approximately 311 days.

Credit Risk: Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The City’s investment pool does not have a rating provided by a nationally recognized statistical rating organization.

Custodial Credit Risk: Custodial risk is the risk that the government will not be able to recover its deposits or the value of its investments that are in the possession of an outside party. Custodial credit risk does not apply to a local government’s indirect deposits or investment in securities through the use of government investment pools (such as the City’s investment pool).

CITY OF CITRUS HEIGHTS
TRANSPORTATION DEVELOPMENT ACT FUNDS
NOTES TO FINANCIAL STATEMENTS (Continued)
June 30, 2022

NOTE D – DUE FROM OTHER GOVERNMENTS

The due from other governments consists of the following at June 30, 2022:

	Transit	Non-Transit	2022	(Comparative Purposes Only) 2021
Transportation Development Act:				
Local Transportation Fund				
Fiscal Year 2021/22		\$ 107,343	\$ 107,343	
Fiscal Year 2020/21				\$ 12,463
Sacramento Regional Transit District	\$ 70,434		70,434	
Total due from other governments	\$ 70,434	\$ 107,343	\$ 177,777	\$ 12,463

NOTE E – CONCENTRATIONS

The Funds receive a substantial amount of their support from a statewide retail sales tax from the LTF created by the TDA. A significant reduction in the level of this support, if this were to occur, may have a significant effect on the Funds' activities.

NOTE F – CONTINGENCIES

On March 11, 2020, the World Health Organization declared the outbreak of a coronavirus (COVID-19) pandemic. The extent of the impact of COVID-19 on the City's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak and its impact on the citizens of the City, all of which are uncertain and cannot be predicted. At this point, the full extent to which COVID-19 may impact the financial condition or results of operations is uncertain. Possible effects could be a loss or reduction of revenue sources.



550 Howe Avenue, Suite 210
 Sacramento, California 95825
 Telephone: (916) 564-8727
 FAX: (916) 564-8728

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
 AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
 STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*
 AND THE TRANSPORTATION DEVELOPMENT ACT

To the City Council
 City of Citrus Heights, California

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the City of Citrus Heights' (the City) Transportation Development Act Funds, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Fund's basic financial statements, and have issued our report thereon dated February 27, 2023.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be a material weakness. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. Our audit was further made to determine that Transportation Development Act (TDA) funds allocated and received by the City were expended in conformance with the applicable statutes, rules and regulations of the TDA and Section 6666 and 6667 of the California Code of Regulations. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* or the TDA.

To the City Council
City of Citrus Heights, California

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and the TDA in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Richardson & Company, LLP

February 27, 2023



CITY OF CITRUS HEIGHTS, CALIFORNIA

JUNE 30, 2022

SINGLE AUDIT REPORT

Focused
on YOU



CITY OF CITRUS HEIGHTS, CALIFORNIA
SINGLE AUDIT REPORT
JUNE 30, 2022

CITY OF CITRUS HEIGHTS

SINGLE AUDIT REPORT

JUNE 30, 2022

TABLE OF CONTENTS

	<u>Page Number</u>
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	1
Independent Auditors' Report on Compliance for Each Major Program and on Internal Control Over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance	3
Schedule of Expenditures of Federal Awards for the Fiscal Year Ended June 30, 2022.....	6
Notes to the Schedule of Expenditures of Federal Awards	7
Schedule of Findings and Questioned Costs for the Fiscal Year Ended June 30, 2022.....	8
Schedule of Prior Year Findings and Questioned Costs for the Fiscal Year Ended June 30, 2021.....	10



INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS*

To the Honorable Mayor and Members of the City Council
City of Citrus Heights, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Citrus Heights, California (the "City"), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated December 28, 2022.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.



To the Honorable Mayor and Members of the City Council
City of Citrus Heights, California

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Lance, Soll & Loughard, LLP

Sacramento, California
December 28, 2022



INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE AND REPORT ON SCHEDULE OF
EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE

To the Honorable Mayor and Members of the City Council
City of Citrus Heights, California

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of Citrus Heights (the City), California's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended June 30, 2022. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

Basis for Opinion

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the City's government programs.



To the Honorable Mayor and Members of the City Council
City of Citrus Heights, California

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of the government program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be a material weakness, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that have not been identified.



To the Honorable Mayor and Members of the City Council
City of Citrus Heights, California

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated December 28, 2022, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Lance, Soll & Luyhard, LLP

Sacramento, California

March 22, 2023 (Except for the Report on Schedule of Expenditures of Federal Awards Required by Uniform Guidance, which is dated December 28, 2022)

CITY OF CITRUS HEIGHTS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

<i>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</i>	<i>Federal Assistance Listing Number</i>	<i>Pass-Through Entity Identifying Number</i>	<i>Total Federal Expenditures</i>
U.S. Department of Housing and Urban Development			
Office of Community Planning and Development - Direct Program			
Community Development Block Grants/Entitlement Grants Cluster*			
2021 Community Development Block Grants	14.218	N/A	\$ 634,716
2022 Community Development Block Grants	14.218	N/A	414,559
COVID-19 Community Development Block Grants (CARES Act)	14.218	N/A	279,869
Subtotal - Assistance Listing 14.218			1,329,144
Total Department of Housing and Urban Development Programs			1,329,144
U.S. Department of Justice			
Bureau of Justice Assistance - Direct Program			
Bulletproof Vest Partnership Program	16.607	N/A	13,414
2020 Edward Byrne Memorial Justice Assistance Program	16.738	N/A	7,783
2021 Edward Byrne Memorial Justice Assistance Program	16.738	N/A	5,349
Subtotal - Assistance Listing 16.738			13,132
Total U.S. Department of Justice			26,546
U.S. Department of Transportation			
National Highway Traffic Safety Administration - Direct Program			
Highway Safety Cluster			
2021 Selective Traffic Enforcement Program	20.600 / 20.608	N/A	34,859
2022 Selective Traffic Enforcement Program	20.600 / 20.608	N/A	59,984
Total Highway Safety Cluster			94,843
Total U.S. Department of Transportation			94,843
Highway Planning and Construction			
Federal Highway Administration			
Passed through California State Transportation Agency,			
Department of Transportation			
Highway Planning and Construction Cluster*			
Auburn Blvd-Rusch/Northern Limits	20.205	N4YFFGL4CDX5	789,784
Signalized Intersection Safety Improvements	20.205	N4YFFGL4CDX5	300,608
San Juan Avenue	20.205	N4YFFGL4CDX5	171,439
Subtotal - Assistance Listing 20.205			1,261,831
Total Highway Planning and Construction Cluster			1,261,831
Total U.S. Department of Transportation Highway Planning and Construction			1,356,674
Department of Homeland Security			
Passed through California Governor's Office of Emergency Services			
COVID-19 Public Assistance FEMA Emergency Protective Measures	97.036	UTM3S7LKYQZ4	7,932
Total U.S. Department of Homeland Security			7,932
Other Programs			
U.S. Department of Treasury			
COVID-19 Coronavirus State and Local Recovery Funds*	21.027	N/A	1,851,216
Total Other Programs			1,851,216
Total Expenditures of Federal Awards			4,571,512
Federal Loan Beginning Balances with a Continuing Compliance Requirement			
Community Development Block Grant	14.218		1,319,707
HOME Investment Partnership Program	14.239		234,665
Total Federal Loan Balances with a Continuing Compliance Requirement			1,554,372
TOTAL EXPENDITURES OF FEDERAL AWARDS INCLUDING LOANS			\$ 6,125,884

* Major Program

Note a: Refer to Note 1 to the Schedule of Expenditures of Federal Awards for a description of significant accounting policies used in preparing this schedule.

Note b: There were no federal awards expended in the form of noncash assistance and insurance in effect during the year.

Note c: Total amount provided to subrecipients during the year was \$0.

CITY OF CITRUS HEIGHTS

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2022**

Note 1: Summary of Significant Accounting Policies Applicable to the Schedule of Expenditures of Federal Awards
a. Scope of Presentation

The accompanying schedule presents only the expenditures incurred by the City of Citrus Heights, California, that are reimbursable under federal programs of federal financial assistance. For the purposes of this schedule, federal awards include both federal financial assistance received directly from a federal agency, as well as federal funds received indirectly by the City from a non-federal agency or other organization. Only the portion of program expenditures reimbursable with such federal funds is reported in the accompanying schedule. Program expenditures in excess of the maximum federal reimbursement authorized or the portion of the program expenditures that were funded with state, local or other non-federal funds are excluded from the accompanying schedule.

b. Basis of Accounting

The expenditures included in the accompanying schedule were reported on the modified accrual basis of accounting. Under the modified accrual basis of accounting, expenditures are incurred when the City becomes obligated for payment as a result of the receipt of the related goods and services. Expenditures reported included any property or equipment acquisitions incurred under the federal program. The City has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

Note 2: Loan Programs with Continuing Compliance Requirements

The City participates in certain federal award programs that sponsor revolving loan programs, which are administered by the City. These programs required servicing arrangements with the City. The funds are returned to the programs upon repayment of the principal and interest. Current year transactions relating to these programs are included in the Schedule of Expenditures of Federal Awards. In accordance with 2 CFR section 200.502(b), the balance of loan program outstanding June 30, 2022, are as follows:

Assistance Listing Number	Program Name	Outstanding Balance at June 30, 2022
14.218	CDBG Loans	\$ 1,164,178
14.239	HOME Loans	234,665
	Total Loans Outstanding	<u>\$ 1,398,843</u>

CITY OF CITRUS HEIGHTS

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

SECTION I - SUMMARY OF AUDITORS' RESULTSFinancial Statements

Type of auditors' report issued: Unmodified Opinion

Internal control over financial reporting:

- Significant deficiencies identified? ☐ yes ☒ none reported
- Material weaknesses identified? ☐ yes ☒ no

Noncompliance material to financial statements noted?

☐ yes ☒ noFederal Awards

Internal control over major programs:

- Significant deficiencies identified? ☐ yes ☒ none reported
- Material weaknesses identified? ☐ yes ☒ no

Type of auditors' report issued on compliance for major programs: Unmodified Opinion

Any audit findings disclosed that are required to be reported in accordance with Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance)?

☐ yes ☒ no

Identification of major programs:

AssistanceListing Number(s)Name of Federal Program or Cluster21.027
20.205Coronavirus State and Local Recovery Funds
Highway Planning and Construction

Dollar threshold used to distinguish between type A and type B program

\$750,000

Auditee qualified as low-risk auditee?

☒ yes ☐ no

CITY OF CITRUS HEIGHTS

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

SECTION II - FINANCIAL STATEMENT FINDINGS

No matters were reported.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No matters were reported.



CITY OF CITRUS HEIGHTS

CITY COUNCIL STAFF REPORT

MEMORANDUM

DATE: April 27, 2023

TO: Mayor and City Council Members
Ashley J. Feeney, City Manager

FROM: Susan K. Talwar, Administrative Services Director
Alberto Preciado, Accounting Manager

SUBJECT: Quarterly Treasurer's Report

Summary and Recommendation

Staff recommends the City Council receive and file the Quarterly Treasurer's Report for the quarter ending March 31, 2023. This report is a standard quarterly report submitted in accordance with the provisions of California Government Code Section 53646(b) whereas it states the treasurer or chief fiscal officer may render a quarterly report to the chief executive officer, the internal auditor, and the legislative body of the local agency.

Fiscal Impact

There is no fiscal impact associated with this action. The attached report is for informational purposes on the effects of current market conditions to the City's investment portfolio.

Background and Analysis

The market value of cash and investments for all City funds on March 31, 2023 was \$49,284,575 up from \$41,531,752 on December 31, 2022. The increase is mainly due to the receipt of the City's first property tax revenue distribution following the expiration of the Revenue Neutrality Agreement between the City and the County of Sacramento.

Significant deposits for the FY22-23 third quarter included:

Property Tax and Motor Vehicle In-Lieu Fees	\$10,924,198
Sales Tax received through March 31, 2023	\$3,830,051
CalTrans Grant Reimbursements received through March 31, 2023	\$1,319,446

The breakdown of the City's investment portfolio and current rate of return is as follows:

Subject: Quarterly Treasurer's Report**Date: April 27, 2023****Page 2 of 3**

Description	Par Value as of 3/31/23	Market Value as of 3/31/23	Cost Basis as of 3/31/23	Avg. Rate of Return as of 3/31/23	% of Total
Local Agency Investment Funds (LAIF)	\$43,063,270	\$42,482,361	\$43,063,270	2.74%	87.38%
US Bank – General Account & Schwab	\$1,226,975	\$1,226,975	\$1,226,975	0.00%	2.49%
Chandler Managed Account	\$5,006,069	\$4,993,975	\$4,995,789	4.27%	10.13%
<i>Total Portfolio</i>	<i>\$49,296,345</i>	<i>\$48,703,311</i>	<i>\$49,286,034</i>	<i>2.83%</i>	

The City's investments are under management by Chandler Asset Management as of March 2023. As Chandler began managing the City's investments towards the end of the quarter, the full impact of the program cannot be determined. For more information regarding the City's investments, see schedules included as Attachment 2.

The report includes all securities managed by the City and its Investment Manager (excluding bond proceeds) and provides information on the values (par, fair, and cost), term, and yield of each security. Please note that because the safe-keeping custodian and the Investment Manager may use different pricing sources to determine the market value of the securities, there can be minor differences in market values shown on the custodian's monthly statement as compared to the Investment Manager's monthly statement.

Fair Value of individual securities has been provided by Chandler Asset Management. The City uses US Bank as its third-party custodian for safekeeping of all investments with the exception of the Local Agency Investment Fund (LAIF). LAIF being a money market fund administered by the State Treasurer has many governmental agency participants, and holds securities through its own administrator.

Compliance

All investment transactions were executed in accordance with the California Government Code and the City's Investment Policy. In accordance with California Government Code section 53646(b)(3), staff believes that the investments and budgeted revenues for the City will provide sufficient cash flow to meet the anticipated cash flow requirements of each entity for the next six months.

Pooled cash and investments book balances are adjusted annually to reflect fair value as required by Generally Accepted Accounting Principles. The term fair value was formerly known as market value and became effective with the mandatory implementation of GASB 31 in fiscal year 1998. The attached investment schedules meet these requirements.

American Rescue Plan Act Summary

Included in the City's investment portfolio are the uncommitted American Rescue Plan Act (ARPA) funds at \$4,673,632 through March 31, 2023. The amount committed by Council through the same date is \$11,003,340.

Subject: Quarterly Treasurer's Report**Date: April 27, 2023****Page 3 of 3**

Amount received from US Treasury in May 2021 & 2022	\$15,676,972
Expended Amount through March 31, 2023	\$4,060,835
Committed Amount through March 31, 2023	\$6,942,505
Remaining Uncommitted Amount through March 31, 2023	\$4,673,632
<i>Committed and proposed allocation through April 27, 2023*</i>	\$155,000
<i>Tentative Remaining Uncommitted Amount through April 27, 2023</i>	<i>\$4,518,632</i>

* Allocation for the Sound Wall Locations project proposed but not yet approved, to be deliberated on by City Council at the April 27, 2023 meeting.

The breakdown of Council approved committed ARPA funds:

Date of Council Approval	Project Name	Adopted ARPA Funds
6/24/21	Rehire Public Safety staff to pre-pandemic levels FY 21/22	\$1,570,104
6/24/21	Rehire Public Safety staff to pre-pandemic levels FY 22/23	\$2,811,775
1/13/22	Small Business COVID Recovery Grant	\$281,111
6/23/22	Beautification Crew Pilot Program+	\$875,000
6/23/22	Police Fleet Vehicles & Equipment	\$1,400,000
6/23/22	Public Safety Communications Center Critical Needs	\$600,000
6/23/22	Block Party Trailer – Community Engagement+	\$50,000
9/22/22	Community Projects Grant Program+	\$50,000
10/27/22	ERP System and Technology+	\$1,198,350
12/08/22	Infrastructure Financing Strategies for Sunrise Tomorrow+	\$40,000
12/08/22	REAP 2.0 Higher Impact Transformative Allocation *	\$1,000,000
1/26/23	Patriotic Event+	\$80,000
2/23/23	CH Cares Community Beautification+	\$47,000
3/23/23	Business Attraction Incentive Program+	\$1,000,000
	Committed Amount through March 31, 2023	\$11,003,340

+ City Council Strategic Objective

* Dependent on successful award of grant

Attachments

1. Chandler Asset Management Portfolio Summary, Statement of Compliance, and Holdings Report

PORTFOLIO CHARACTERISTICS

Average Modified Duration	0.71
Average Coupon	4.27%
Average Purchase YTM	4.27%
Average Market YTM	4.28%
Average S&P/Moody Rating	AAA/Aaa
Average Final Maturity	0.77 yrs
Average Life	0.74 yrs

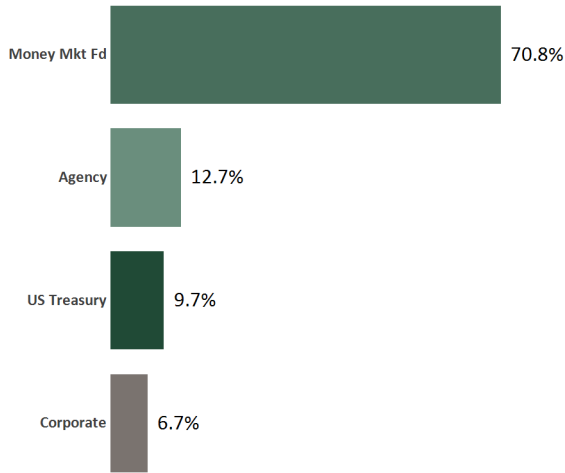
ACCOUNT SUMMARY

	Beg. Values as of 2/28/23	End Values as of 3/31/23
Market Value		4,993,975
Accrued Interest	0	5,131
Total Market Value		4,999,106
Income Earned		1,041
Cont/WD		0
Par		5,006,070
Book Value		4,995,910
Cost Value		4,995,789

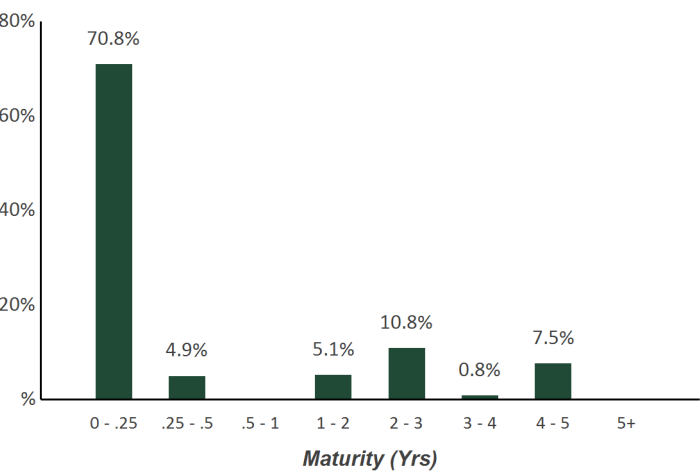
TOP ISSUERS

First American Govt Oblig Fund	70.8%
Government of United States	9.7%
Federal Farm Credit Bank	7.7%
Federal Home Loan Bank	5.1%
Apple Inc	2.5%
United Health Group Inc	2.0%
Bank of America Corp	0.8%
Costco Wholesale Corporation	0.8%
Total	99.3%

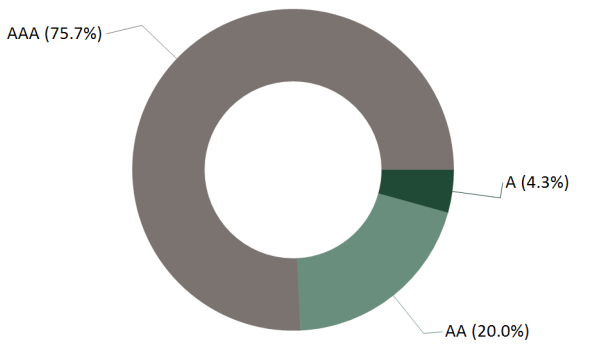
SECTOR ALLOCATION



MATURITY DISTRIBUTION



CREDIT QUALITY (S&P)



PERFORMANCE REVIEW

TOTAL RATE OF RETURN	1M	3M	YTD	1YR	Annualized				
					2YRS	3YRS	5YRS	10YRS	1/1/1900
City of Citrus Heights	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Statement of Compliance

As of March 31, 2023



City of Citrus Heights

Assets managed by Chandler Asset Management are in full compliance with state law and the Client's investment policy.

Category	Standard	Comment
U.S. Treasuries	No limit; 5 years max maturity	Complies
Federal Agencies	30% max per Agency/GSE issuer; 20% max agency callable securities; 5 years max maturity	Complies
Supranational Obligations	"AA" rating category or higher by a NRSRO; 30% max; 10% max per issuer; 5 years max maturity; USD denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by IBRD, IFC, or IADB	Complies
Municipal Securities (CA, Other States)	"A" rating category or better by a NRSRO; 30% max; 5% max per issuer; 5 years max maturity	Complies
Corporate Medium Term Notes	"A" rating category or better by a NRSRO; 30% max; 5% max per issuer; 5 years max maturity; Issued by corporations organized and operating within the U.S. or by depository institutions licensed by the U.S. or any state and operating within the U.S.	Complies
Asset-Backed, Mortgage-Backed, Mortgage Pass-Through Securities, and Collateralized Mortgage Obligations	"AA" rating category or better by a NRSRO; 20% max (combined); 5% max per Asset-Backed or Commercial Mortgage security issuer; 5 years max maturity; From issuers not defined in US Treasuries and Federal Agencies sections of the Authorized Investments section of the policy	Complies
Negotiable Certificates of Deposit (NCD)	The amount of NCD insured up to the FDIC limit does not require any credit ratings; Any amount above FDIC insured limit must be issued by institutions with "A-1" short-term debt rating or better by a NRSRO; or "A" long-term rating category or better by a NRSRO; 30% max; 5% max per issuer; 5 years max maturity	Complies
Non-Negotiable Certificates of Deposit	20% max; 5 years max maturity	Complies
Collateralized Bank Deposits	No Limit; Deposits with financial institutions will be collateralized with pledged securities per California Government Code	Complies
Banker's Acceptances	A-1 short-term debt rated or better by a NRSRO; or "A" long-term debt rating category or better by a NRSRO; 40% max; 5% max per issuer; 180 days max maturity	Complies
Commercial Paper	25% max; 5% max per issuer; 270 days maturity; 10% max of the outstanding commercial paper of any single issuer; Issued by an entity that meets all of the following conditions in either (a) or (b): a. (i) organized and operating within the U.S. with assets > \$500 million; (ii) "A-1" rated or better by a NRSRO; (iii) "A" rating or better by a NRSRO, if issuer has debt obligations; b. (i) organized within the U.S. as a special purpose corporation, trust, or limited liability company; (ii) must have program-wide credit enhancements including, but not limited to, overcollateralization, letters of credit, or a surety bond; (iii) rated "A-1" or better by a NRSRO	Complies
Money Market Mutual Funds	20% max combined Money Market Mutual Funds and Mutual Funds; 20% max per MMMF; Meet either of the following criteria: (i) Attained highest rating by two NRSROs; or (ii) Retained an investment adviser registered or exempt from SEC registration with > 5 years experience managing MMMF with AUM >\$500 million	Complies
Mutual Funds	20% max combined Money Market Mutual Funds and Mutual Funds; 10% max per MF; Meet either of the following criteria: (i) Attained highest rating by two NRSROs; or (ii) Retained an investment adviser registered or exempt from SEC registration with > 5 years experience investing in securities authorized by CGC & with AUM >\$500 million	Complies
Local Agency Investment Fund (LAIF)	Maximum amount permitted by LAIF; Not used by investment adviser	Complies
Local Government Investment Pools	Issued by joint powers authority; Have retained an investment adviser that meets all of the following criteria: 1) registered or exempt from SEC Registration, 2) >5years experience, 3) has AUM >\$500 million; Not used by investment adviser	Complies
Repurchase Agreements	1 year max maturity; 102% Collateralized; Not used by investment adviser	Complies

Max Per Issuer	5% max per issuer unless otherwise specified in the policy	<i>Complies</i>	ITEM 8
Duration	Approximately equal to the duration (typically +/-20%) of market benchmark selected by the City	<i>Complies</i>	
Maximum Maturity	5 years max maturity, except as otherwise stated in the policy	<i>Complies</i>	

Holdings Report

As of March 31, 2023

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
AGENCY									
3130AV7L0	Federal Home Loan Bank Note 5% Due 2/28/2025	250,000.00	03/23/2023 4.16%	253,867.50 253,823.74	101.32 4.27%	253,292.25 972.22	5.09% (531.49)	Aaa / AA+ AAA	1.92 1.80
3133EPCR4	Federal Farm Credit Bank Note 4.75% Due 3/9/2026	375,000.00	Various 3.99%	382,886.25 382,825.53	101.87 4.07%	382,024.88 1,088.54	7.66% (800.65)	Aaa / AA+ AAA	2.94 2.72
Total Agency		625,000.00	4.06%	636,753.75 636,649.27	4.15%	635,317.13 2,060.76	12.75% (1,332.14)	Aaa / AA+ AAA	2.53 2.35
CORPORATE									
24422EWP0	John Deere Capital Corp Note 4.8% Due 1/9/2026	35,000.00	03/17/2023 4.44%	35,322.35 35,318.89	101.53 4.21%	35,535.05 382.67	0.72% 216.16	A2 / A A+	2.78 2.55
037833BY5	Apple Inc Callable Note Cont 11/23/2025 3.25% Due 2/23/2026	125,000.00	03/23/2023 4.10%	122,103.75 122,117.36	97.83 4.05%	122,285.13 428.82	2.45% 167.77	Aaa / AA+ NR	2.90 2.72
06051GLE7	Bank of America Corp Callable Note 2X 1/20/2026 5.08% Due 1/20/2027	40,000.00	03/16/2023 5.73%	39,510.40 39,514.59	99.69 5.19%	39,875.96 400.76	0.81% 361.37	A2 / A- AA-	3.81 2.56
91324PEG3	United Health Group Inc Callable Note Cont 4/15/2027 3.7% Due 5/15/2027	100,000.00	03/23/2023 4.28%	97,802.00 97,809.28	97.81 4.28%	97,813.50 1,397.78	1.98% 4.22	A3 / A+ A	4.13 3.72
22160KAM7	Costco Wholesale Corp Callable Note Cont 2/18/2027 3% Due 5/18/2027	40,000.00	03/17/2023 4.28%	38,067.20 38,081.20	96.37 3.96%	38,548.40 443.33	0.78% 467.20	Aa3 / A+ NR	4.13 3.79
Total Corporate		340,000.00	4.41%	332,805.70 332,841.32	4.26%	334,058.04 3,053.36	6.74% 1,216.72	A1 / AA- A+	3.50 3.10
MONEY MARKET FUND									
31846V203	First American Govt Obligation Fund Class Y	3,541,069.90	Various 4.32%	3,541,069.90 3,541,069.90	1.00 4.32%	3,541,069.90 0.00	70.83% 0.00	Aaa / AAA AAA	0.00 0.00
Total Money Market Fund		3,541,069.90	4.32%	3,541,069.90 3,541,069.90	4.32%	3,541,069.90 0.00	70.83% 0.00	Aaa / AAA AAA	0.00 0.00

Holdings Report

As of March 31, 2023

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
US TREASURY									
912796CQ0	US Treasury Bill 4.545% Due 9/14/2023	250,000.00	03/24/2023	244,602.81	97.90	244,760.62	4.90%	P-1 / A-1+	0.46
			4.71%	244,760.62	4.71%	0.00	0.00	F-1+	0.45
91282CEF4	US Treasury Note 2.5% Due 3/31/2027	250,000.00	03/24/2023	240,556.64	95.51	238,769.50	4.78%	Aaa / AA+	4.00
			3.52%	240,588.87	3.72%	17.08	(1,819.37)	AAA	3.76
Total US Treasury		500,000.00	4.12%	485,159.45 485,349.49	4.22%	483,530.12 17.08	9.67% (1,819.37)	Aaa / AAA AAA	2.21 2.08
TOTAL PORTFOLIO		5,006,069.90	4.27%	4,995,788.80 4,995,909.98	4.28%	4,993,975.19 5,131.20	100.00% (1,934.79)	Aaa / AAA AAA	0.77 0.71
TOTAL MARKET VALUE PLUS ACCRUED						4,999,106.39			



CITY OF CITRUS HEIGHTS

CITY COUNCIL STAFF REPORT MEMORANDUM

DATE: April 27, 2023

TO: Mayor and City Council Members
Ashley Feeney, City Manager

FROM: Meghan Huber, Economic Development & Community Engagement
Director
Courtney Riddle, Management Analyst II

SUBJECT: **Approval of Neighborhood Improvement Project Fund Applications**

Summary and Recommendation

The City's Neighborhood Improvement Partnership (NIP) Program provides funding to Neighborhood Associations for projects and programs to be coordinated the Neighborhood Associations that improve the quality of life for residents and increase community engagement. The Citrus Heights Area Three (CHANT) and Sylvan Old Auburn Road (S.O.A.R) Area 10 Neighborhood Associations have each submitted application requests, together and in total not exceeding \$4,320 for Neighborhood USA (NUSA) conference attendance, including payment of registration fees, hotel, and airfare.

The applications meet the Neighborhood Improvement Project Fund's goals, aligning with the City Council's strategic goal of increasing community connection and engagement. The City Council Quality of Life Committee and staff recommend:

- Approving Resolution 2023-____ approving Neighborhood Improvement Partnership funding request not to exceed \$2,595
- Approving Resolution 2023-____ approving Neighborhood Improvement Partnership funding request not to exceed \$1,725

Fiscal Impact

The City Council allocated \$15,000 for competitive NIP grants for Fiscal Year 22/23. Approval of the Neighborhood Associations' submitted application requests totaling \$4,790 would leave \$10,210 through the end of the fiscal year on June 30th, 2023.

Background and Analysis

Recognizing the value of community involvement, the City has budgeted each year to support Neighborhood Associations in creating projects and programs that enhance neighborhood quality of life, community connection, and engagement.

The Citrus Heights Area Three (CHANT) and Sylvan Old Auburn Road (S.O.A.R) Area 10 Neighborhood Associations have each submitted application requests, together and in total not exceeding \$4,320 for Neighborhood USA (NUSA) conference attendance, including payment of registration fees, hotel, and airfare.

An approval letter detailing the funding conditions will be issued if grant applications are approved. As the applicant is representing the City, procedures consistent with staff travel will be required for approval and/or reimbursement, including procuring the most economical airfare, reasonable hotel and transportation cost, utilizing meals included in registration cost, food purchases with no alcohol, and the provision of detailed food purchasing receipts. Additionally, each applicant will be responsible for presenting conference learnings at a future Resident Empowerment Association of Citrus Heights meeting.

With the above conditions, the City Council Quality of Life Committee and staff recommend approval of resolutions authorizing the two submitted Neighborhood Improvement Program applications as outlined in this staff report.

Attachments:

- (1) Sylvan Old Auburn Road (S.O.A.R, Area 10) Neighborhood Improvement Partnership Application
- (2) Citrus Heights Area Three (CHANT) Neighborhood Improvement Partnership Application

RESOLUTION NO. 2023- ____**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CITRUS HEIGHTS,
CALIFORNIA, APPROVING NEIGHBORHOOD IMPROVEMENT PARTNERSHIP
FUNDING REQUEST NOT TO EXCEED \$2,995**

WHEREAS, the City of Citrus Heights has a strategic goal to “Enhance Community Vibrancy and Engagement”;

WHEREAS, the City Council approved \$15,000 for the Neighborhood Improvement Partnership Program Grants for Fiscal Year 2022-2023;

WHEREAS, Neighborhood Area 3 (CHANT) applied to attend the 2023 Neighborhoods USA Conference;

WHEREAS, the Quality-of-Life Committee reviewed the application and recommended to the City Council that the application be approved in the amount of \$2,595;

NOW THEREFORE BE IT RESOLVED AND ORDERED that the City of Citrus Heights does hereby approve Neighborhood Improvement Project funding not to exceed \$2,595 with the following conditions that will be detailed in the approval letter:

- Travel procurement procedures consistent with City policies and best practices
- Applicant will present learnings at a future Resident Empowerment Association of Citrus Heights meeting

The City Clerk shall certify the passage and adoption of this Resolution and enter it into the book of original resolutions.

PASSED AND ADOPTED by the City Council of the City of Citrus Heights, California, this 27th day of April, 2023 by the following vote, to wit:

AYES: **Council Members:**
NOES: **Council Members:**
ABSTAIN: **Council Members:**
ABSENT: **Council Members:**

Tim Schaefer, Mayor

ATTEST:

Amy Van, City Clerk

RESOLUTION NO. 2023- ____**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CITRUS HEIGHTS,
CALIFORNIA, APPROVING A NEIGHBORHOOD IMPROVEMENT PARTNERSHIP
APPLICATION NOT TO EXCEED \$1,795**

WHEREAS, the City of Citrus Heights has a strategic goal to “Enhance Community Vibrancy and Engagement”;

WHEREAS, the City Council approved \$15,000 for the Neighborhood Improvement Partnership Program Grants for Fiscal Year 2022-2023;

WHEREAS, Neighborhood Area 10 (SOAR) applied to attend the Neighborhoods USA Conference;

WHEREAS, the Quality-of-Life Committee reviewed the application and recommended to the City Council that the application be approved in the amount of \$1,795;

NOW THEREFORE BE IT RESOLVED AND ORDERED that the City of Citrus Heights does hereby approve Neighborhood Improvement Project funding not to exceed \$1,795 with the following conditions that will be detailed in the approval letter:

- Travel procurement procedures consistent with City policies and best practices
- Applicant will present learnings at a future Resident Empowerment Association of Citrus Heights meeting

The City Clerk shall certify the passage and adoption of this Resolution and enter it into the book of original resolutions.

PASSED AND ADOPTED by the City Council of the City of Citrus Heights, California, this 27th day of April, 2023 by the following vote, to wit:

AYES: **Council Members:**
NOES: **Council Members:**
ABSTAIN: **Council Members:**
ABSENT: **Council Members:**

Tim Schaefer, Mayor

ATTEST:

Amy Van, City Clerk



Neighborhood Improvement Partnership Funding Application

Note: This application must be submitted through one of the ten recognized neighborhood associations in Citrus Heights and then evaluated and selected for funding by the City Council.

Neighborhood Information

Name of Neighborhood Association:	Sylvan Old Auburn Road (S.O.A.R.) N/A #10
Primary Project Coordinator:	Natalee Price
Phone Number & Email:	209-570-1231 blissfulthinker365@gmail.com
Date:	April 19, 2023

Overall Project Plan & Description

In the space below, please provide the following details about the proposed project or program:

- Provide a project description Detail the steps for implementation
- Describe the public benefit of this project/program and the area it will impact/improve
- Share any additional information that should be considered by the City Council in the evaluation of your project
- Detail the support the project/program has from the community (ie. neighbors, neighborhood associations, REACH, community groups, public agencies, etc)

We want to send our Neighborhood president to the NUSA Conference so they can take seminars and learn innovative ways others are improving their neighborhoods. Our representative will give a presentation at our June Neighborhood meeting sharing information and developing future projects. Attending the NUSA conference will give our Neighborhood Association tools to improve quality of life for our residents and help to empower our N.A. to increase community involvement. Our representative is also Vice President of REACH and will be sharing her presentation with them as well so that together all neighborhoods will benefit.

Will your neighborhood project (you may check one or more if it applies):

- ☐ Reduce potential property damage or heighten security within your neighborhood?
- ☐ Promote traffic safety or improve traffic conditions in your neighborhood?
- ☐ Enhance the neighborhood aesthetic or quality of life?
- ☒ Create community connection and build neighborhood association awareness and engagement
- ☐ Other? (Please describe benefit to neighborhood area)

Calculating Your Project Budget & Grant Request

Please provide a breakdown of the estimated expenditures for your proposed neighborhood project by specific task or item. If you are working with contractors to secure cost estimates, remember to instruct them to itemize the costs associated with your project such as, the cost of labor, equipment, taxes, or materials, and have them submit any estimates to you in writing (most reliable contractors will do this at no cost).

PROJECT/EVENT COST ESTIMATE

Please list all materials, equipment, and/or supplies:	Cost Estimate
NUSA Registration	275-
Airfare	500-
Hotel Stay	700-
Ground Transportation	100-
Food if not provided by NUSA	150-
Total estimated cost for project/program	1725-

FUNDING SOURCES:

Neighborhood Improvement Partnership (NIP) Funding Request Amount	1725-
Other funding sources: please list other funding contributions, grants, etc. if applicable	
1.	
2.	

- ☐ Required: Price Quotes – Attach at least one professional price quote/estimate for all items needed in your grant request.

APPROVED: _____

(Neighborhood Association President Signature)

April 19, 2023

Date

REVIEWED: _____

(City of Citrus Heights Signature)

Date



REGISTRATION FEES

**Early Bird
Rate** **\$225**
(Through March)

**Late
Registration** **\$275**

**Conference Registration will open
up February, 2023.**

Conference Attire is business casual.
Meeting rooms may be cool enough to
warrant a light jacket or sweater.
For any social events outside, casual attire
and comfortable shoes suggested.

MAY 24 - 27

✈ SMF → ELP

Trip & Price Details

✈





Price

Payment

Confirmation

✈ Flight

Modify

	Wed 5/24	# 2799 / 714	SMF → ELP	4 hr 35 min	1 stop 	Wanna Get Away	Price per Passenger	\$371.68	
		5:00 AM					10:35 AM	Taxes and fees per Passenger	\$76.28
		Only 1 left!					Total per Passenger	\$447.96	
	Sat 5/27	# 1865 / 2126	ELP → SMF	7 hr 40 min	1 stop 	Wanna Get Away	Passenger(s)	x1	
		3:30 PM					10:10 PM	Flight total	\$447.96
		Only 4 left!					or from \$44/mo* with uplift Learn more		

Helpful Information:

- Starting July 1, 2023 (12:00 a.m. CT), for Wanna Get Away® or Wanna Get Away Plus™ award travel reservations: if you do not cancel your reservation at least 10 minutes before the flight's original scheduled departure time, any points used for booking will be forfeited, along with any taxes and fees associated with your award travel reservation. For Anytime or Business Select® award travel reservation: the points used for booking will continue to be redeposited to the purchaser's Rapid Rewards® account, and any taxes and fees associated with the award travel reservation will be converted into a flight credit for future use.
- Please read the [fare rules](#) associated with this purchase.
- When booking with Rapid Rewards points, your points balance may not immediately update in your account.
- REAL ID Requirement:** Do you have a **REAL ID**? Beginning May 7, 2025, you will need a state-issued **REAL ID** compliant license or identification card, or another acceptable form of ID (such as a U.S. Passport), to fly within the United States. Visit [www.tsa.gov](#) for a list of acceptable forms of ID and additional information regarding **REAL ID** requirement.

✈ Flight Extras

Upgrade to Wanna Get Away *plus*

Prices shown per passenger, per one-way.

- ✓ Same-day confirmed change*
- ✓ Transferable Flight Credit™*
- ✓ 8 Rapid Rewards points per dollar per qualifying flight*

*Please read the [fare rules](#) associated with this purchase.

☐ Upgrade departing trip for \$21

☐ Upgrade returning trip for \$20

☐ Upgrade both for \$41

Apply upgrade

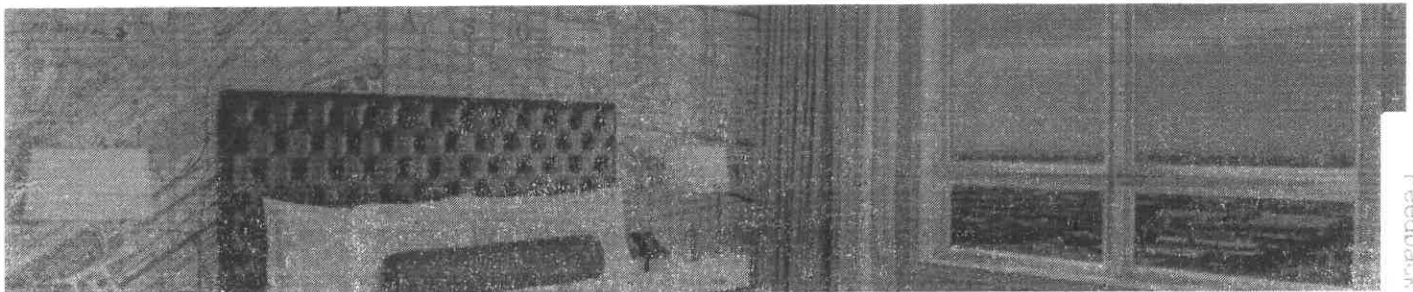
Feedback

⌚ Reserve Your Room Before Time Runs Out!

⌚ Room(s) held for: 13:18

CONTINUE

Review Reservation Details



Feedback

Guest room, 1 King

ROOM DETAILS

Check in: Wednesday, May 24, 2023

Check out: Saturday, May 27, 2023

Room(s): 1

Guest(s) per room: 1

EDIT

Choose Room Features



Room Accessibility & Bed Type



✓ Summary of Charges



Get a \$250 Marriott Bonvoy® eGiftCard upon approval, plus earn 50,000 bonus points after qualifying purchases.

LEARN MORE 

920.03 USD

Total Hotel Stay

- 250.00 USD

eGiftCard

670.03 USD

Total after eGiftCard

Simply present eGiftCard at a Marriott Bonvoy property to redeem.

Hotel Cancellation Policy

About this reservation:

You may cancel your reservation for no charge before 11:59 PM local hotel time on April 20, 2023. After this time, please note that your prepayment for this special rate is non-refundable.

LEARN MORE 

☐ I have read the rate details and accept the cancellation policy

CONTINUE



It's all right here with the Marriott Bonvoy™ App



Neighborhood Improvement Partnership Funding Application

Note: This application must be submitted through one of the ten recognized neighborhood associations in Citrus Heights and then evaluated and selected for funding by the City Council.

Neighborhood Information

Name of Neighborhood Association:		
Primary Project Coordinator:		
Phone Number & Email:		
Date:		

Overall Project Plan & Description

In the space below, please provide the following details about the proposed project or program:

- Provide a project description Detail the steps for implementation*
- Describe the public benefit of this project/program and the area it will impact/improve*
- Share any additional information that should be considered by the City Council in the evaluation of your project*
- Detail the support the project/program has from the community (ie. neighbors, neighborhood associations, REACH, community groups, public agencies, etc)*

--

Will your neighborhood project (you may check one or more if it applies):

- ☐ Reduce potential property damage or heighten security within your neighborhood?
- ☐ Promote traffic safety or improve traffic conditions in your neighborhood?
- ☐ Enhance the neighborhood aesthetic or quality of life?
- ☒ Create community connection and build neighborhood association awareness and engagement
- ☐ Other? (Please describe benefit to neighborhood area)

Calculating Your Project Budget & Grant Request

Please provide a breakdown of the estimated expenditures for your proposed neighborhood project by specific task or item. If you are working with contractors to secure cost estimates, remember to instruct them to itemize the costs associated with your project such as, the cost of labor, equipment, taxes, or materials, and have them submit any estimates to you in writing (most reliable contractors will do this at no cost).

PROJECT/EVENT COST ESTIMATE

<i>Please list all materials, equipment, and/or supplies:</i>	Cost Estimate
Total estimated cost for project/program	

FUNDING SOURCES:

<i>Neighborhood Improvement Partnership (NIP) Funding Request Amount</i>	
<i>Other funding sources: please list other funding contributions, grants, etc. if applicable</i>	
1.	
2.	

- ☐ Required: Price Quotes – Attach at least one professional price quote/estimate for all items needed in your grant request.

APPROVED: _____
(Neighborhood Association President Signature) Date

REVIEWED: _____
(City of Citrus Heights Signature) Date



CITY OF CITRUS HEIGHTS

CITY COUNCIL STAFF REPORT

MEMORANDUM

DATE: April 27, 2023

TO: Mayor and City Council Members
Ashley J. Feeney, City Manager

FROM: Casey Kempenaar, Community Development Director

SUBJECT: **Resolution Authorizing the City Manager to execute an agreement with RSG not to exceed \$60,000 for the completion of an Annexation Feasibility Study and Outreach Project**

Summary and Recommendation

At the City Council Strategic Planning Retreat on May 10, 2022, a strategic goal was set to evaluate annexation opportunities in Citrus Heights. At the September 22, 2022 [Council Meeting](#), the City Council provided direction and feedback to proceed with evaluating the feasibility and conducting outreach related to four geographic areas for consideration.

At the January 26, 2023 City [Council meeting](#), City Council subsequently approved the issuance of an RFP for consultant support for the Annexation Feasibility Study and Outreach Project. The RFP was published in January and received two responses. Staff oversaw a review and interview process resulting in a final unanimous consensus to recommend RSG for contract award.

Scope of Work

- Refine Annexation Study Areas and Goals
- Prepare Initial Analysis of Major Revenues and Expenditures
- Host Informational Workshop
- Complete Fiscal Impact Study
- City Council Presentation
 - Summarize Findings
 - Discuss next steps for annexations
 - Discuss future engagement and outreach needs

Staff recommends the City Council approve Resolution No. 2023-____ authorizing the City Manager to execute an agreement with RSG not to exceed \$60,000 for the completion of the Annexation Feasibility Study and Outreach Project.

City Council Strategic Goal/Objective

This staff report aligns with the following Citrus Heights City Council Strategic Plan Objectives:

Goal: Enhance Community Vibrancy and Engagement

Objective: Present a scope of work for a Request for Proposals for professional services to evaluate the fiscal impact or benefits and community support for four potential annexation areas.

Fiscal Impact

The RSG proposal includes a budget of \$60,000 to complete the scope of work as identified in the Annexation Feasibility Study and Outreach Project RFP. Funding for expenditures that are processed during the Fiscal Year 22/23 will be funded through the existing professional services budget out of the City Manager's Office department budget. For expenditures forecasted for Fiscal Year 23/24, the professional services budget will be proposed to capture these costs.

This budget is limited to feasibility of annexation only; any future formal annexation resulting from this study will include additional fiscal impacts which will be evaluated as additional details become available.

Background and Analysis

Current Strategic Objective

At the City Council Strategic Planning Retreat on May 10, 2022, a goal was set to "Present a scope of work for a Request for Proposals for professional services to evaluate the fiscal impact or benefits and community support for four potential annexation areas". The Annexation Feasibility Study and Outreach Project will be implemented and executed by a cross-departmental working group that will consistently collaborate throughout the life of the project. Fiscal analysis around annexation necessitates consultant support and expertise to evaluate the feasibility of four potential annexation areas.

RFP Process

The completion of the Annexation Feasibility Study and Outreach Project RFP was released in January and received two responses from qualified consulting firms including RSG and Kosmont. The process began with an initial review of the proposals to identify the most qualified submittals based on the requirements and scope of work set forth in the RFP.

The review panel, comprised of Department Directors, interviewed both firms and RSG was selected as the most qualified consultant for the project as a result of the evaluation process. The firm provided a comprehensive and full service proposal, introduced a highly qualified team that demonstrated a clear understanding and expertise in project goals, community and City values, and sensitivity to budget.

RSG has significant experience in evaluating municipal finance as well as experience with the Local Agency Formation Commission (LAFCO) process. RSG has recent experience in similar work for other agencies throughout the state that provide insight into the project in Citrus Heights.

The following is an approximate timeline of deliverables should an agreement be executed with RSG:

- May 2023: Execute contract with RSG
- Late May: Project Kickoff
- August: Preliminary Findings
- October: Community Workshop
- November: City Council Presentation

Based on the analysis presented, staff recommends City Council adopt a resolution authorizing the City Manager to execute a contract not to exceed \$60,000 with RSG for the completion of the Annexation Feasibility Study and Outreach Project.

Attachments

1. Resolution No. 2023-____ authorizing the City Manager to execute an agreement with RSG not to exceed \$60,000 for the completion of the Annexation Feasibility Study and Outreach Project.
 - a. RSG Proposal
 - b. Draft Service Agreement

Resources

- A. September 22, 2022 [Council Meeting Materials](#)
- B. January 26, 2023 [Council Meeting Materials](#)
- C. [Request for Proposals](#)
- D. [City Council Strategic Planning Objectives for November 2022 – May 2023](#)

RESOLUTION NO. 2023-____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CITRUS HEIGHTS
AUTHORIZING THE CITY MANAGER TO EXECUTE AN AGREEMENT WITH RSG
NOT TO EXCEED \$60,000 FOR THE COMPLETION OF THE ANNEXATION
FEASIBILITY STUDY AND OUTREACH PROJECT**

WHEREAS, at the City Council Strategic Planning Retreat on May 10, 2022 a strategic goal was set to evaluate annexation opportunities in Citrus Heights;

WHEREAS, at the September 22, 2022 Council Meeting the City Council provided direction and feedback to proceed with evaluating the feasibility and conducting outreach related to four geographic areas for consideration;

WHEREAS, in January 2023, the City circulated a request for qualifications for selection of the most qualified consultants for the Annexation Feasibility Study and Outreach Project;

WHEREAS, standard City procurement procedures were followed for selection of the most qualified consultants;

WHEREAS, the City now desires to enter into a professional services agreement with RSG not to exceed \$60,000;

WHEREAS, the funding for the professional services agreement for invoices processed during the Fiscal Year 22/23 will be funded through the existing professional services budget out of the City Manager's Office department budget and the Fiscal Year 23/24 City Manager's Office department professional services budget will be proposed to capture the costs expenditures forecasted for Fiscal Year 23/24.

NOW, THEREFORE, BE IT RESOLVED AND ORDERED by the City Council of the City of Citrus Heights, the City Manager is hereby authorized to execute an agreement with RSG for the Annexation Feasibility Study and Outreach Project in a form approved by the City Attorney.

The City Clerk shall certify the passage and adoption of this Resolution and enter it into the book of original resolutions.

PASSED AND ADOPTED by the City Council of the city of Citrus Heights, California, this 27th day of April, 2023, by the following vote, to wit:

AYES:	Council Members:
NOES:	Council Members:
ABSTAIN:	Council Members:
ABSENT:	Council Members:

Tim Schaefer, Mayor

ATTEST:

Amy Van, City Clerk

PROPOSAL

**CITRUS HEIGHTS ANNEXATION
FEASIBILITY STUDY AND OUTREACH
PROJECT**

CITY OF CITRUS HEIGHTS

MARCH 14, 2023



CONTENTS

COMPANY OVERVIEW	1
Experience	2
Effective Redevelopment Dissolution	2
Helping Secure Financing	2
Studying Fiscal Impacts	3
Expanding Financial Capacity	3
Preparing Municipal Service Reviews and Special Studies	3
Evaluating Reorganization, Annexation or Incorporation Proposals.....	4
References.....	4
PROJECT APPROACH.....	5
Engagement Best Practices	5
Scope of Services	7
Preparation	7
Prepare Feasibility Study.....	7
Presentations and Outreach.....	9
Schedule.....	11
PROJECT EXPERIENCE.....	12
Annexation Fiscal Impact Analyses – City of Martinez.....	12
Annexation Fiscal Impact Analyses – City of Belmont.....	12
28 Cities Municipal Services Review – Riverside LAFCO.....	13
Municipal Service Review and Sphere of Influence Update for the Cities of La Mirada and Whittier – LA LAFCO	13
Four Cities Municipal Services Review – LA LAFCO	13
west and SouthWest Region Municipal Services Reviews – Orange County LAFCO	14
Bolsa Chica Annexation – City of Huntington Beach	14
Olympic Valley Comprehensive Fiscal Analysis – Placer LAFCO	14
PROJECT TEAM.....	15
PROJECT PRICING	19
Billing Rates & Fee Schedule	19
ADDENDUM	21



17872 GILLETTE AVE.
SUITE 350
IRVINE, CA 92614

714 541 4585
INFO@WEBRSG.COM
WEBRSG.COM

March 14, 2023

Via Electronic Mail

Casey Kempenaar, Community Development Director
City of Citrus Heights
6360 Fountain Square Drive
Citrus Heights, CA 95621

PROPOSAL FOR ANNEXATION FEASIBILITY STUDY AND OUTREACH PROJECT

Dear Mr. Kempenaar:

In response to your Request for Proposals ("RFP"), RSG Inc. ("RSG") is pleased to present this proposal for consulting services for an Annexation Feasibility Study and Outreach Project for the City of Citrus Heights ("City"). RSG understands the City is interested in evaluating the following 4 locations adjacent to the City limits for feasibility of annexation and outreach to and engage with effected property owners and residents:

1. Roseville Pointe
2. Greenback Gateway
3. Dewey Drive
4. Fair Oaks/Madison

RSG has prepared annexation studies for the following clients in the last 2 years: Belmont, Martinez, and Huntington Beach, while also preparing the comprehensive fiscal analysis for incorporation of a new city (Mountain House) in San Joaquin County. We have prepared dozens of fiscal impact studies for development projects that often involve many of the same types of analyses projecting tax revenues and service costs as an annexation. We also have led engagement discussions on two economic development strategies, one nonprofit strategic plan, and infill development projects.

RSG is proud to be an active member of the California Association of Local Agency Formation Commissions (CALAFCO), where I am honored to serve in the capacity as an Advisory member of their Legislative Committee. I have authority to bind RSG and may be contacted during the period of proposal evaluation. I have complete understanding of and ability to comply with all requirements of the RFP, including the ability to meet the City's insurance requirements. Should you wish to discuss any of the information presented please contact me directly at jsimon@webrsg.com or by phone at (714) 316-2120.

Respectfully,

Jim Simon, Principal
17872 Gillette Ave. Suite 350, Irvine CA 92614

COMPANY OVERVIEW

RSG, Inc. is a California-based, Subchapter "S" Corporation. Founded in 1979, the firm is currently managed by active Principals Jim Simon and Tara Matthews. We maintain three offices in California, including our main office in Irvine and two satellite offices in Berkeley and Vista.

RSG is a creatively charged consultant to California public agencies. We collaborate with the people responsible for creating vibrant places to accomplish their goals. The inspired leaders at RSG create stronger communities capable of achieving bolder futures by bringing more than four decades of native knowledge to each engagement. As diverse as the agencies we work with, our services span real estate, economic development, fiscal health, and housing initiatives.

MISSION STATEMENT

RSG creates solutions to enhance communities' physical, economic, and social future.

CORE VALUES

Our core values define who we are as people and the standards by which we provide services to our clients.



EXPERIENCE

For RSG, Fiscal Health is about more than just numbers – it's about community livelihood. Think of fiscal health as the oxygen of a community. A local government with a robust fiscal health is able to fully function to meet the needs of its residents and businesses, while on struggling must meet the same demands but with limited capability.

Either way, RSG strives to add clarity when performing our fiscal health services. Our staff recognizes value in presenting financial data that is not only accurate, but insightful to decision makers, be they investors in municipal financings, elected officials weighing the consequences in the policy choices available, or the public seeking transparency in a complex manner in which local services are funded.

Communities need to be served by their local government as this is not just a luxury, it is a right. Having worked with a variety of communities, we see those that suffer from a lack of resources strive to rise above their circumstances and find resolution. Underprivileged cities lack the financial resources required to help build and sustain communities capable of offering their residents amenities like municipal services, senior services, economic development programs and affordable housing, among other basic needs. Through our fiscal health services, we strive to pave the way for those communities and help them obtain access to the same services as communities who do not face those same struggles. Our overall goal is to help empower Cities by providing them with the tools they need to help their communities thrive and have access to the resources needed to secure sustainability and quality of life.

EFFECTIVE REDEVELOPMENT DISSOLUTION

With our extensive and deep background in redevelopment, RSG is proud that we are trusted advisors to more successor agencies than any other firm in the state. In this capacity, we work as an efficient extension of staff, providing technical, management, and administrative services. This includes preparation of PPAs and ROPS, as well as staff reports, resolutions, cash flow statements, and presentation material. We often present these items to decision makers on behalf of clients, making the burdensome and often confusing process easier on a finance department. In addition to efficiency, we also offer a wide variety of expertise in working with so many agencies enabling RSG to provide insights and suggestions to meeting a successor agency's specific and often unique needs effectively.

HELPING SECURE FINANCING

Often as an extension of our expertise with tax increment financing and successor agencies, RSG performs fiscal consulting and continuing disclosure services for many of our clients. Since 1979, RSG has served as an independent fiscal consultant on over 235 tax allocation bonds and similar financings, representing over \$5.8 billion in debt issued or refunded.

As one of our founders Kathy Rosenow once said, "Anyone with a computer can prepare revenue projections". We are experienced in preparing tax increment revenue projections that delineate taxing agency payments, administrative costs, project funds, and bonding capacity. RSG knows the nuances and importance of each assumption and variable. That can make a big difference when it comes to sizing a bond and getting the best interest rate and reducing costs of issuance.

After bonds are issued, RSG prepares continuing disclosure reports on behalf of our clients. Given our familiarity with the underlying data sources and required components, RSG can cost effectively ensure compliance with your financial reporting requirements. RSG also acts as a

Dissemination Agent, posting the Annual Report for the FY and if needed, filing a notice of significant events to the Electronic Municipal Market Access database.

STUDYING FISCAL IMPACTS

Fiscal stability is one of the key drivers for revenue and expenses available to communities. The road to achieving financial efficiency often starts with fiscal impact analysis and forecasting, be it for a city, a department or division, or a specific development project. RSG's financial projection services have been used to develop long-range fiscal studies to ensure that the General Plan build out is economically feasible, develop short-and-long range budget forecasts, and develop program strategies.

Fiscal impact analysis is used to inform communities about the implications of discretionary approvals of development proposals, provide a data-driven foundation for incentivizing investment when necessary, as well as empower decision makers to have a basis for community benefit negotiations, often needed more than ever to mitigate gentrification risks. Our models allow the public and private sector to collaborate on viable solutions where needed beyond the ribbon cutting.

EXPANDING FINANCIAL CAPACITY

Because not all communities enjoy the benefits of a robust economy all the time, RSG is asked to assist in finding new sources of financing for projects and entice more private investment into communities. RSG can also identify potential financing and funding sources for various projects and programs that need to be implemented. These activities include identifying and researching the feasibility of obtaining grants, creating programs and incentives for local investment, and negotiating and devising public-private partnerships.

Finally, RSG helps our clients understand today's "alphabet soup" of tax increment financing options: EIFD, CRIA, AHA, NIFTI, and others to ascertain which of these is right for your community. We prepare feasibility studies to estimate the potential capacity, costs, and benefits, while showcasing the need for critical partnerships with other taxing agencies to make these resources more bountiful. We draw upon our 4 decades of experience in tax increment financing plus expertise in the current financing tools to help you decide which of these may best fit your communities' needs.

PREPARING MUNICIPAL SERVICE REVIEWS AND SPECIAL STUDIES

RSG has provided cutting-edge solutions for local government agencies, including outsourcing, shared service studies, and long-range fiscal planning. We have helped LAFCOs develop policies for island annexations and have worked with cities on crafting a viable path in delivering services to areas in their sphere of influence. We have helped cities understand how they need to restructure the services they deliver, and the manner in which they evaluate how they will take discretionary actions in the future. With our assistance, our clients have been able to instill more fiscal discipline at all levels of their organization, become more effective, and have staff engaged in identifying solutions that meet the strategic needs of their community.

Throughout various project engagements, we have both participated in and observed how MSRs have unfolded, including changes to the MSR statute and how LAFCOs have implemented MSRs in a variety of manners. In some situations, a lack of growth pressure or lack of significant changes in service levels do not warrant an extensive review and a "checklist" approach is sufficient to reaffirm an existing SOI. In other situations, a comprehensive, in-

depth analysis of demographic trends, financial data, infrastructure capacity/conditions, rate structures, service extension barriers for “disadvantaged unincorporated communities,” and shared service delivery alternatives is warranted to lay the groundwork for SOI updates and/or imminent changes of (re)organization. And in other situations, there may be a political minefield and the MSR is a necessary tool that allows LAFCO to play independent facilitator and evaluator and bring parties together around common data and agreement points.

EVALUATING REORGANIZATION, ANNEXATION OR INCORPORATION PROPOSALS

Occasionally, how communities deliver services goes beyond the capacity of the agencies responsible for those services today, and local government and LAFCOs engage RSG to assist in the independent review of the fiscal and operational implications of proposals to annex, incorporate or reorganize local agencies. RSG has significant experience in providing extensive analysis of the potential municipal impacts associated with annexation and reorganization. RSG first seeks to understand the merits of the primary assumptions behind the prospect. Second, RSG reviews the major cost areas that are not a revenue offset, outlining more realistic approaches to projecting these costs. We conclude the study with final suggestions obtained from conducting a preliminary review of the costs and benefits associated with annexing or reorganizing.

RSG’s work products have led to many successful changes in local agency organization and withstood scrutiny of the public, decision makers, and even the State Controller.

REFERENCES

<p>Michael Chandler City Manager City of Martinez</p> <p>925.372.3517 mchandler@cityofmartinez.org</p>	<p>Ursula Luna-Reynosa Director of Com. Dev. City of Huntington Beach</p> <p>714.536.5554 ursula.luna-reynosa@surfcity-hb.org</p>	<p>Jennifer Rose Econ Dev & Hsg Mgr City of Belmont</p> <p>650.595.7453 jrose@belmont.gov</p>
--	---	---

PROJECT APPROACH

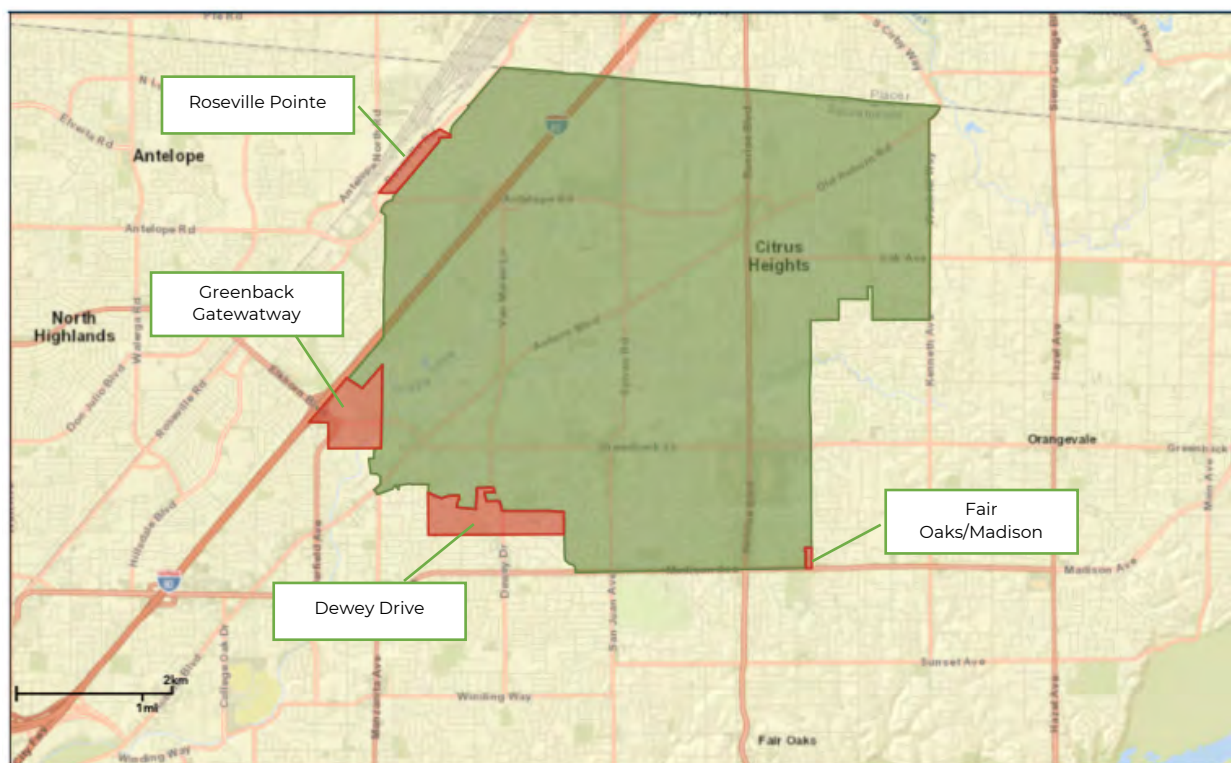
Pursuant to the RFP and the Addendum released by the Community Development Department, RSG understands that the City is seeking to evaluate the fiscal impact of annexations in 4 general areas outside the City's Sphere of Influence, including areas referred to as Roseville Pointe, Greenback Gateway, Dewey Drive, and Fair Oaks/Madison. The RFP did not establish precise boundaries for the study area in these 4 parts of the city, nor do they lie within the City's (or another city's) Sphere of Influence.

ENGAGEMENT BEST PRACTICES

The size and nature of the study area does affect not only the budget for preparing the feasibility study, but also impacts the type and extent of outreach activities. For example, the City's General Plan Policy focuses on nonresidential annexations, although most of the areas shown on the maps appear to be residential. Engagement with the business community is obviously very different from residents, and the extent and type of work needed around languages (translation at a single meeting versus separate meetings in different languages) is often dictated by the size of the respective populations among other factors.

While precise boundaries are not yet known at this time and would be determined as part of the process, RSG has developed a map based on the general description of the areas so that we can develop this scope of services and fee estimate. See Figure 1 below for the study areas which we mapped:

Figure 1: Preliminary Study Area Boundaries (Used for Scoping)



We then used ESRI Business Analyst Online to extract 2022 demographics for each of the four component areas of the study area and prepared a brief comparison to the City limits, as shown in the summary table below:

Figure 2: ESRI Business Analyst Study Area Profiles, 2022 Data

Area	Population	% Spanish Speaking	Median HH Income	Businesses
Fair Oaks/Madison	56	0%	\$57,569 ¹	13
Dewey Drive	1,428	0.35%	\$78,846	37
Greenback Gateway	970	0%	\$65,608	35
Roseville Pointe	706	0%	\$77,128	5
City Limits	87,708	2%	\$69,658	2,306

Based on the data for the areas we have compiled for the areas we believe the City desires to evaluate, we note that the areas have relatively low levels of Spanish speaking households and not a large number of businesses. This latter point is especially curious as one of the goals stated by the City Council's General Plan policy for annexation is to pursue nonresidential areas; it may be that the City has more information on the nature of these limited number of business and nonresidential properties that may help align to the Council's goals.

These study areas area also relatively small and in close proximity to the City; it is reasonable to anticipate that many of the residents in these outlying areas may shop, attend schools, and participate in activities in Citrus Heights already. It appears that some portions of the Fair Oaks/Madison area may be part of a LAFCO-designated disadvantaged unincorporated community based on some information we have viewed.

At the same time, some special districts may be providing critical services to these areas and the transition of these services may not necessarily be easy or supported by the community. Given the large size of unincorporated areas outside any city's sphere of influence surrounding Citrus Heights, some people within these unincorporated areas may prefer cityhood to annexation.

Of course, as part of the preparation of the feasibility study and consultation with staff, RSG would gain additional insight into the correct approach to these outside stakeholders and the study itself. **In general, we would anticipate starting with an area of similar size and in the general vicinity of what was identified in the RFP and then use the analysis to help inform**

¹ Sacramento LAFCO has not released an updated map of its disadvantaged unincorporated communities ("DUC") so RSG used the statewide DUC map available on the CALAFCO website to ascertain whether any of the study areas may fall within a DUC. It appears that at least one portion of this area may be within a DUC. We would recommend conferring with LAFCO to confirm DUC boundaries to ensure that the study appropriately addresses how the City should be evaluating annexation.

the City what portions of these areas should be considered for annexation from a policy and fiscal perspective as part of our study. Should there be material changes in the boundaries from what we have presented in the above analysis, RSG reserves the right to adjust the scope of services and budget.

RSG would deliver a single fiscal impact study that analyzes the impacts of annexation and divides the results among each component area for an approximation on how each contributes revenues and expenditures to the total. We have also anticipated two (2) in-person stakeholder engagement meetings and one (1) in-person City Council meeting in this budget.

SCOPE OF SERVICES

Details of our scope of services are provided below:

PREPARATION

1. Kickoff Meeting: RSG would initiate work upon receipt of a contract and notice to proceed. We propose a virtual kickoff meeting for which we would prepare an agenda, review the prior two studies that have been prepared on annexation previously, and develop a request for information from the City. The meeting would be attended by the entire RSG team for optimal efficiency and understanding of the client's goals and objectives.

At the conclusion of the meeting, RSG would circulate a list of actions and agreements, and commence assembly of other information needed to perform our study. RSG's project manager would provide the client regular updates on our progress, issues encountered (when/if they arise), and a milestone schedule for the client's information.

PREPARE FEASIBILITY STUDY

2. Data Compilation: RSG would request information from the City, County, and LAFCO necessary to assemble assumptions for our forecast. This would include GIS, land use/ownership, and public infrastructure and facility data. This would entail preparing a map of the study area (to be presented to RSG and formally approved by the City) and a request for information where appropriate that we would provide to each data provider. RSG would work closely with City staff to ensure an easy and efficient process that does not burden staff to the extent possible.

RSG would obtain from the City the current 2022-23 budget detail RSG would also pull from credible third-party sources data on existing and projected demographics and businesses within the study area, as well as the City as a whole (for comparison purposes).

3. Prepare Existing and Proposed Service Plan Matrix: Based on information collected above, RSG would develop a matrix of existing and proposed service providers within the study area, noting any key distinctions on each component area if applicable. This matrix would enable RSG to identify potentially impacted agencies and service contracts.

We would provide a draft of the matrix to City staff for information and any comments or questions. Follow-up research on these agencies would be warranted to understand the implications, if any, of annexation of affected districts.

4. Quantify Services within Unincorporated Areas from Providers: Working with affected agencies as well as data collected, RSG would aim to quantify the amount of public infrastructure and services provided by municipal service providers in the study area. These data would then be compared to city statistics to provide varying levels of assumptions on impacts for annexation and facilitate effective discussions with City departments or contractors assuming services.

Because a municipal service review has not been completed for at least a decade, RSG could not ascertain whether parts of the unincorporated study area have been served by the City in out-of-area service agreements, so annexation may not necessarily make as much of an impact to residents and property owners in these areas.

5. Growth Forecast: Based on existing land uses, permitted zoning, and anticipated projects in the planning pipeline, RSG would prepare a development forecast as a baseline to project population and fiscal growth in the study areas. From our initial review of aerial photography, new development within the study area may be limited to infill redevelopment as we did not see large areas of vacant land; as such the amount of new construction might be limited.

The duration of the forecast may be at the client's discretion, up to 10 years from a hypothetical assumption of the current year so that impacts may be illustrated relative to the current City budget.

6. Interview City Service Providers/Departments: With an understanding on existing levels of service, anticipated growth, and existing standards, RSG would conduct virtual interviews as necessary with affected departments including public safety, planning, parks, and other divisions. We would provide context of the impacts of new growth due to annexation based on the increase in population as well as services provided.

RSG would also discuss instances where annexation may result in cumulative impacts due to annexation of the study area to ensure an accurate representation of costs.

RSG would also engage the Administrative Services Department, and other departments to ensure we have an accurate understanding on revenues that may be collected from annexation of the study area, including any revenues that are anticipated to sunset or commence during the forecast period.

7. Develop Fiscal Impact Model (Revenues and Expenditures): Beginning with an assumed annexation date provided by City staff (probably fiscal year 2025-26), RSG would develop a forecast of recurring General Fund revenues and expenditures for the study area. The duration of the forecast would be based on input from the City (up to 10 years) and be based on conservative assumptions so as to not overstate the fiscal benefits of annexation, should there be any.
8. We would estimate revenues based on the existing master property tax transfer agreement between the City and County of Sacramento, and other applicable taxes

and fees levied pursuant to the Citrus Heights Municipal Code, including but not limited to the following:

- Real Property Transfer Tax (Municipal Code Section 86.1 - 86.25)
- Sales and Use Tax (Municipal Code Section 86.61 - 86.60)
- Transient Occupancy Tax (Municipal Code Section 86.75 - 86.100)
- Utility Users Tax (Municipal Code Section 86.116 - 86.140)
- Business Tax (Municipal Code Title 5)

9. Circulate Draft Fiscal Findings to Client for Review: A draft of our forecast would be transmitted to the client and reviewed with RSG's guidance to walk the client through our model and conclusions. We normally prepare a single page summary of our forecast, followed by department-level calculations of expenditures. We would also include a table illustrating the impact of the context our findings on the study area relative to the current City budget. As mentioned earlier, we would also break down the results into each of the four component areas of the study area for context.

Upon review with the client to receive questions, corrections, and other input, RSG would finalize the model and begin to prepare a report as described below.

10. Prepare Administrative Draft and Final Study for Client: A draft report, consisting of a cover page, table of contents and table of figures, maps, tables and charts would be developed by RSG and reviewed internally prior to transmittal of an administrative draft to the client. Our report structure generally consists of an introduction, executive summary, methodology, assumptions, and findings.

Following review of the administrative draft with the client, RSG would finalize the reports and provide the client an electronic PDF for their use.

PRESENTATIONS AND OUTREACH

11. Meetings and Presentations: For purposes of this proposal, we anticipate two (2) public workshops and one (1) City Council presentation, all of which would occur in-person in Citrus Heights. Additional meetings if requested by the client would be charged on a time and materials basis.
12. At this stage, given the limited information we have on the study areas aside from what we were able to assemble for purposes of preparing this proposal, it is difficult to make informed recommendations on the best way to engage stakeholders on annexation. We believe clarity will come as the study itself is undertaken. At this point, we anticipate the two in-person workshops would be attended by 3 members of our consultant team to assist with an effective execution of the workshops.

Preliminarily, it does seem that the character of the study area is largely residential, mostly of similar or higher incomes than the city as a whole, and with a relatively limited number of businesses. Spanish speaking residents are rather limited in the study area

as well. Unfortunately, we could not ascertain the number of Russian-speaking residents, who are represented in the City according to staff, so there may be some need for further understanding before making a conclusion on the language(s) to be used in any engagement activities at this time.

We believe two workshops should be sufficient to provide a forum to inform stakeholders (which may include not only annexation area representatives but residents and property owners of the City itself). Generally, it has been our experience that the City should first complete a draft of the study before engaging the public on a policy discussion on annexation. This ensures that the City has a clear message as to its intentions, both immediate and long term.

The manner in which the workshops may unfold but these can include preparation of handouts that provide basic information about what annexation is, how it works, and the impacts on residents, businesses, and taxes. We would also suggest an informative presentation regarding the reason(s) why the City is exploring this concept at this time – preferably coming from City staff and not consultants – followed by appropriate information on how annexation may work, situations where it is pursued and situations where it may not be pursued.

As mentioned earlier, residents may already feel they are part of Citrus Heights regardless of what the political boundaries of the city may be. They likely participate in the economy by shopping in local stores and patronizing other Citrus Heights businesses; but they may not understand that annexation does not necessarily increase city revenues from these activities which can be a point of contention among residents who desire annexation. The City must also be careful not to annex areas that are such a demand on services that it causes a structural deficit in the city as a whole. Certainly not every annexation must “pay” for itself, but there are real limits to what a city can do without facing the prospect of raising taxes or fees which is often a nonstarter in most communities.

Depending on the outcome of the study, the interests of the affected communities, and other factors, the workshop could also lead to breakout tables or charrette style discussions on specific topics. For an annexation, this type of activity is generally rare, but we have experience doing these types of events for other topics and can adapt that here if appropriate.

13. RSG has budgeted for one (1) in-person City Council presentation to share the results of our work. This includes preparing a written outline (essentially a form of a script) to develop how the presentation would be presented, preparing a supporting PowerPoint presentation (consistent with City specifications, if applicable), routing these to staff for internal review, walk through, and finalization. RSG would send two members of our consultant team to lead the presentation and respond to questions from the City Council or public as appropriate.

SCHEDULE

Milestone	Month
Contract Approval	April 2023
Project Kickoff with Client	May 2023
Data Collection and Analysis	June 2023
Preliminary Findings Shared with Client	July 2023
Draft Feasibility Study to Client	August 2023
Final Study Completed	August 2023
Public Workshops (2)	September 2023
City Council Presentation	October 2023

PROJECT EXPERIENCE

The projects below demonstrate the collective experience and expertise of the team members assembled for this proposal. We encourage you to contact our references or follow up with additional questions.

ANNEXATION FISCAL IMPACT ANALYSES – CITY OF MARTINEZ

RSG is finalizing an update and expansion of a prior annexation study for the City of Martinez. The current study evaluates the majority of the City's SOI consisting of four separate study areas within unincorporated Contra Costa County. Due to an unfavorable master property tax exchange agreement, annexation has been impeded previously and the City sought to see if circumstances had changed materially with the ongoing update. RSG studied several different property tax sharing scenarios to understand different annexation scenarios. RSG's projection considered the effect of city service standards into the SOI and the overall implications on the City's General Fund.

CONTACT: Michael Chandler, City Manager
AGENCY: City of Martinez
ADDRESS: 525 Heniretta St, Martinez, CA 94553
EMAIL: mchandler@cityofmartinez.org
PHONE: (925) 372-3517

ANNEXATION FISCAL IMPACT ANALYSES – CITY OF BELMONT

RSG has completed one and is currently working on a second fiscal impact study for the City of Belmont in San Mateo County. The fiscal impact studies assess the recurring revenue and costs associated with providing municipal services for infill redevelopment projects in the Harbor Industrial Area within the City's SOI and are instrumental in the negotiation of a sales tax split with the County. The first study was completed in 2018.

CONTACT: Jennifer Rose, Economic Development and Housing Manager
AGENCY: City of Belmont
ADDRESS: One Twin Pines Lane, Belmont, CA 94002
EMAIL: jrose@belmont.gov
PHONE: (650) 595-7453

28 CITIES MUNICIPAL SERVICES REVIEW – RIVERSIDE LAFCO

RSG prepared a MSR for the 28 cities in Riverside County. Our work entailed collection and analysis of budget, audit, and operational data, including developing agency profiles by function and service provider/model. The MSR addressed both the basic requirements under state law and also considered various policy focus areas such as several metrics on overall fiscal condition. RSG interviewed the 28 cities and drafted the Administrative Draft MSR which was provided to LAFCO staff for internal review, and RSG completed the public review draft for Commission consideration in 2022.

CONTACT: Crystal Craig, Assistant Executive Officer
AGENCY: Riverside LAFCO
ADDRESS: 6216 Brockton Avenue, Suite 111-B, Riverside, CA 92506
EMAIL: ccraig@lafco.org
PHONE: (951) 369-0631

MUNICIPAL SERVICE REVIEW AND SPHERE OF INFLUENCE UPDATE FOR THE CITIES OF LA MIRADA AND WHITTIER – LA LAFCO

RSG was retained in June 2019 by the Local Agency Formation Commission for the County of Los Angeles to provide Municipal Service Review and Sphere of Influence updates for the cities of La Mirada and Whittier. RSG reviewed each agency's SOI area in accordance with California Government Code Sections 56425 and 56430 and LAFCO's local guidelines. The MSR was designed to: (1) meet the requirements of the law for LAFCO to conduct periodic MSRs and SOI updates, specifically with respect to the following services: animal control, broadband, building/planning, law enforcement, library, lighting, parks & recreation, solid waste, streets/roads, storm water, and utilities (including gas, electricity/community choice aggregation). Our MSR/SOI updates did not address water, wastewater, and fire/emergency services as these were recently addressed in separate 2nd round updates for the cities.

CONTACT: Paul Novak, Executive Officer
AGENCY: Local Agency Formation Commission for the County of Los Angeles
ADDRESS: 80 South Lake Avenue, Pasadena, CA, 91101
EMAIL: pnovak@lalafco.org
PHONE: (626) 204-6500

FOUR CITIES MUNICIPAL SERVICES REVIEW – LA LAFCO

RSG was retained in 2022 by the Local Agency Formation Commission for the County of Los Angeles to provide Municipal Service Review and Sphere of Influence updates for the cities of Bell, Maywood, South El Monte, and Vernon. Our work has also included interviewing the four cities to understand service challenges and opportunities, and analyzing budget and audit data to make determinations about fiscal health. RSG is currently in the process of preparing the MSRs for public review.

CONTACT: Paul Novak, Executive Officer
AGENCY: Local Agency Formation Commission for the County of Los Angeles
ADDRESS: 80 South Lake Avenue, Pasadena, CA, 91101
EMAIL: pnovak@lalafco.org
PHONE: (626) 204-6500

WEST AND SOUTHWEST REGION MUNICIPAL SERVICES REVIEWS – ORANGE COUNTY LAFCO

RSG was retained in 2022 by the Local Agency Formation Commission for the County of Orange to provide Municipal Service Review and Sphere of Influence updates for thirteen cities and twelve special districts in the west and southwest portions of the County. The MSR's are designed to meet the requirements of the law for LAFCO to conduct periodic MSR's and SOI updates. RSG is currently in the process of preparing the MSR's for public review.

CONTACT: Carolyn Emery, Executive Officer
AGENCY: Local Agency Formation Commission for the County of Orange
ADDRESS: 2677 North Main Street, Suite 150, Santa Ana, CA 92705
EMAIL: cemery@oclafco.org
PHONE: (714) 640-5100

BOLSA CHICA ANNEXATION – CITY OF HUNTINGTON BEACH

RSG was retained in 2022 by the City of Huntington Beach to prepare a Fiscal Impact Study for the annexation of the Bolsa Chica Lowlands, an area primarily comprised of an ecological reserve. The fiscal impact study assessed the recurring revenue and costs associated with providing municipal services and taking on liability for the Study Area. RSG interviewed a variety of State, County, and local agencies to understand the impact of annexation on the City's fiscal position.

CONTACT: Ursula Luna-Reynosa, Director of Community Development
AGENCY: City of Huntington Beach
ADDRESS: 2000 Main Street, Huntington Beach, CA 92648
EMAIL: ursula.luna-reynosa@surfcity-hb.org
PHONE: (714) 536-5554

OLYMPIC VALLEY COMPREHENSIVE FISCAL ANALYSIS – PLACER LAFCO

RSG was retained by Placer LAFCO in 2015 to prepare a comprehensive fiscal analysis ("CFA") for the proposed incorporation of Olympic Valley, located in eastern Placer County near Lake Tahoe. The fiscal analysis entailed evaluation of a particularly unique community – one with a very small permanent resident population (less than 1,000 full-time residents) and a very large seasonal population (by some measures at least 10,000), coupled with a relatively substantial expansion of the Squaw Valley Resort with additional lodging, commercial, and recreational uses that was concurrently being processed by the County Planning Department. The fiscal analysis concluded that the Town would not likely be feasible for incorporation for many reasons, which led to several contentious meetings with a divided community. Unique to this process was a pre-emptive request for the CFA review prior to the public review draft being released to the public. The State Controller upheld the CFA findings after which the incorporation proponents withdrew their application for incorporation.

CONTACT: Kris Berry, Executive Officer
AGENCY: Placer LAFCO
ADDRESS: 110 Maple Street, Auburn, CA 95603
EMAIL: kberry@placer.ca.gov
PHONE: (530) 889-4097

PROJECT TEAM

RSG dedicates a Principal to each project assignment and creates a core group of project managers and staff who work on the individual assignments on a consistent basis throughout all stages of the contract engagement. Our staff is focused, committed, and passionate about the work we do. We conduct our engagements around our Core Values and are proud of it. We pride ourselves on our ability to appropriately allocate our time and resources to ensure that a project is completed on time and within budget.

This engagement will be led by Jim Simon, Principal-in-Charge. Jim will be assisted by RSG staff members Monroe Roush, Analyst, and Jasmine Lam, Research Assistant. Resumes follow this page. Other RSG staff may be assigned as needed. RSG discloses there are no subconsultants who will be involved in performing the approach to scope.

Jim Simon, Principal, would serve as engagement manager and oversee all aspects of our work product. Jim would be authorized to execute the contract on behalf of the firm and review billing prior to issuing invoices to the client.

Monroe Roush, Analyst, would serve as project manager and take lead on interviewing City departments, reviewing financial information, and drafting portions of the Fiscal Impact Study. Monroe would also prepare and coordinate meetings with the client as may be necessary.

Jasmine Lam, Research Assistant, would be responsible for preparing portions of the Fiscal Impact Study, including compiling and analyzing financial data, coordinating interviews with key departments, and document preparation.



JIM SIMON

Principal & President

714.316.2120
jsimon@webrsg.com

PROFILE

"With determination and imagination, I serve myself and others to discover our capacity for what is possible by designing solutions for a complex world so we can cherish and nurture our communities."

OUT & ABOUT

CALED 40 at 40 Honoree for contributions to California Economic Development

Co-Chair, CALED EDFRE Technical Committee

Member, CALED Legislative Committee

"Business Retention and Attraction" – Advanced Certification Program Instructor (CALED)

"Community Economic Development" – Keys Program

Housing California

Non-Profit Housing Association of Northern California (NPH)

Southern California Association of Non-Profit Housing (SCANPH)

California Association of Local Housing Finance Agencies (Cal-ALHFA)

San Diego Housing Federation (SDHF)

California Association of Local Agency Formation Commissions (CALAFCO)

ABOUT JIM

Inspired to improve the Golden State in his work, Jim delivers intelligence, innovation, and passion to projects requiring his unparalleled expertise in fiscal health, real estate, and economic development. For over 30 years, Jim is proud to have led projects that have resulted in the investment of over \$10 billion in private and public capital, transforming cities and communities across California. As President of RSG, Jim is helping to shape the next generation of the firm's legacy - leading RSG's team of inspired, creative, and insightful consultants that serve over 100 communities each year.

EDUCATION

Jim joined RSG in 1991 and has served as a Principal and shareholder since 2001. He received a BA in Business Administration with a concentration in entrepreneurial management from California State University, Fullerton.

In 2014, Jim was selected as an Advisory Board member of the California Association for Local Economic Development, where he serves as Co-Chair of CALED's Economic Development, Real Estate and Finance technical committee. Jim is also an Advisory member of the Legislative Committee for the California Association of LAFCOs (CALAFCO), and active in other professional organizations including NAIOP, ICSC, NPH, and SCANPH.

RECENT ENGAGEMENTS

Prepared fiscal impact analysis for several annexations proposals within city SOIs, including Martinez, San Carlos, Huntington Beach, and Belmont.

Served as engagement manager for the most recent incorporation comprehensive fiscal analysis (Olympic Valley, Placer County) in which RSG's work withstood substantial public scrutiny including DOF review.

Prepared the 2020 Municipal Services Review and SOI Update for the Consolidated Fire Protection District of Los Angeles County, the largest special district in California, for LA LAFCO.

Led the preparation of a MSR for the 28 cities in Riverside County, provided MSR and SOI updates for 13 cities and 12 special districts for Orange County LAFCO, and provided MSR and SOI updates for 4 cities for LA LAFCO.





MONROE ROUSH

Analyst

714.316.2195
mroush@webrsg.com

PROFILE

"I care deeply about supporting local governments in their work to build more equitable societies. Through the use of data analysis and research, I hope to provide communities with the resources they need to reach their full potential."

OUT & ABOUT

Housing California

Non-Profit Housing
Association of Northern
California (NPH)

Southern California
Association of Non-Profit
Housing (SCANPH)

California Association of Local
Housing Finance Agencies
(Cal-ALHFA)

San Diego Housing Federation
(SDHF)

California Association of Local
Agency Formation
Commissions (CALAFCO)

ABOUT MONROE

Originally from Denver, Colorado, Monroe has both a personal and academic background in sustainability. Her experiences in Denver and Orange County have magnified the importance of local government and motivate her to focus on equity at the community level.

During her time studying environmental science at Chapman University, Monroe conducted research about science communication and the ways the general public interacts with science. She also worked with the City of Costa Mesa for her thesis project to help develop considerations for creating an urban forestry plan in order to mitigate climate impacts.

EDUCATION

Monroe joined RSG in 2021. She holds a BS in Environmental Science and Policy with a minor in Political Science from Chapman University in Orange, California.

RECENT ENGAGEMENTS

Analyzed clients' financial statements and budgets in order to provide a fiscal impact analysis of reorganization for the San Bernardino LAFCO.

Analyzed tax roll data and collaborated with a variety of agencies to determine the potential impacts, both financial and governmental, of annexation in the City of Huntington Beach.

Analyzed Municipal Service Reviews (MSR) to understand prior determinations and identify determinations of interest.

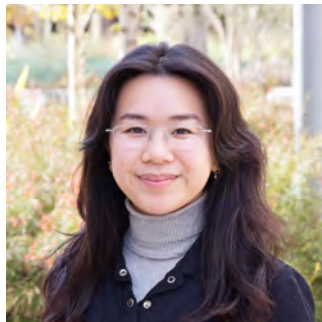
Collected information from City budgets and financial statements and tax roll data in order to understand and support City service providers.

Used ArcGIS Pro to identify oil extraction sites in the City of Huntington Beach in order to determine potential oil revenues for the City in the event of annexation.

Used ArcGIS Pro to identify available vacant land for development in the City of Montclair, and to help create an effective fee structure for inclusionary housing.

Reviewed clients' financial statements as related to their affordable housing projects to help ensure they comply with state and federal law.





JASMINE LAM

Research Assistant

714.576.7019
jlam@webrsg.com

PROFILE

"I strive to improve social equity through research and evidence-based recommendations to public institutions. I value working with RSG to help improve the socio-economic resources available to communities across California."

OUT & ABOUT

Housing California

Non-Profit Housing Association of Northern California (NPH)

Southern California Association of Non-Profit Housing (SCANPH)

California Association of Local Housing Finance Agencies (Cal-ALHFA)

San Diego Housing Federation (SDHF)

California Association of Local Agency Formation Commissions (CALAFCO)

ABOUT JASMINE

Jasmine joined RSG in 2022. She is working from RSG's Berkeley office based in the Bay Area, with a desire to improve housing conditions within California communities. She previously worked as a data analyst and research assistant for impact assessment studies sponsored by the United Nations' International Fund of Agricultural Development. Her expertise lies in synthesizing data-based, economic models to perform qualitative and quantitative analysis within the public policy sector.

EDUCATION

Jasmine is currently pursuing her Micro Master's in Data, Economic Development, and Policy from the Massachusetts Institute of Technology. Jasmine obtained a Bachelor of Science in Environmental Economics and Policy from UC Berkeley's College of Natural Resources alongside a Bachelor of Art in Applied Mathematics from UC Berkeley's College of Letters and Sciences. Her professional experiences and educational background equip her with the technical and interpersonal skills to communicate empirical solutions to extensions of government institutions.

RECENT ENGAGEMENTS

Assisted on calculations for a fiscal impact study for the city of Martinez. The calculations forecast recurring general fund revenue and expenditure impacts from annexation of unincorporated areas. The study is used to inform the City's decision on annexation feasibility.

Calculated negotiated pass-through payments for multiple agreements between the former Pleasant Hill Redevelopment Agency and affected taxing agencies. The calculations are reviewed by the Contra Costa County Auditor-Controller who administers the payments.

Assisted with a Subsidy Layering Review and underwriting a proposed affordable housing project in El Monte. Research and analyzed comparable development projects recently developed in the region to determine the reasonableness of line-by-line cost estimates in the developer pro forma.

Researched community benefit plans for multiple commercial and residential projects in Southern California counties. Compiled findings of terms agreed upon by developers and public agencies, such as Floor Area Ratio Payment plans. The research was used to inform negotiations for a development project in Jurupa Valley.



PROJECT PRICING

The assignment would be billed on a time and materials basis, with a total not-to-exceed fee of **\$59,890**, based on the approach to scope and billing policies herein. Additional services outside the scope of work may require a contract amendment.

A budget detail and workflow schedule is presented on the following page.

BILLING RATES & FEE SCHEDULE

Our Billing Rates are as follows:

Principal / Director	\$ 275
Senior Associate	\$ 200
Associate	\$ 185
Senior Analyst	\$ 150
Analyst	\$ 135
Research Assistant	\$ 125
Technician	\$100
Clerical	\$ 60

RSG does not charge clients for travel or mileage (except direct costs related to field work/surveys), parking, standard telephone/fax expenses, general postage, or incidental copies. However, we do charge for messenger services, overnight shipping/express mail costs and teleconferencing services. We also charge for copies of reports, documents, notices, and support material more than five (5) copies. These costs are charged back at the actual expense plus a 10% surcharge.

RSG issues monthly invoices payable upon receipt, unless otherwise agreed upon in advance. Invoices identify tasks completed to date, hours expended and the hourly rate.

Scope of Services Annexation Feasibility Study and Outreach Project City of Citrus Heights (March 2023)									
	Principal \$	Task Hours & Billing Rate			Total Hrs	Reimb.	Total Not to Exceed		
		Analyst \$	135 \$	Res. Asst. 125 \$					
Task 1									
Preparation	4	13	9	26			\$ 3,980		
Task 1.1	4	8	5	17			2,805		
Task 1.2	-	2	4	6			770		
Task 1.3	-	3	-	3			405		
Task 2									
Prepare Feasibility Study	21	80	130	231			\$ 32,825		
Task 2.1	-	6	14	20			2,560		
Task 2.2	4	12	16	32			4,720		
Task 2.3	5	20	16	41			6,075		
Task 2.4	6	20	50	76			10,600		
Task 2.5	1	2	2	5			795		
Task 2.5	4	16	24	44			6,260		
Task 2.5	1	4	8	13			1,815		
Task 3									
Presentations and Engagement	33	56	24	113		3,450	\$ 23,085		
Task 3.1	4	8	2	14		-	2,430		
Task 3.2	3	8	8	19		-	2,905		
Task 3.3	2	8	2	12		-	1,880		
Task 3.4	16	24	12	52		2,450	11,590		
Task 3.5	8	8	-	16		1,000	4,280		
GRAND TOTAL BUDGET	58	149	163	370		3,450	\$ 59,890		

ADDENDUM

Please see the following pages for a signed copy of Addendum No. 1 and No. 2, as required in the RFP.



City of Citrus Heights
Community Development Department

**Professional Services for the Citrus Heights Annexation Feasibility
Study and Outreach Project
Addendum No. 1
February 16, 2023**

TO ALL PROSPECTIVE PROPOSERS:

Please incorporate the following revisions as part of the request for proposals documents for the subject project.

THIS ADDENDUM FORMS A PART OF THE REQUEST FOR PROPOSALS DOCUMENT AND MODIFIES THE ORIGINAL AS NOTED HEREIN. BY SUBMISSION OF A STATEMENT OF PROPOSALS FOR THIS PROJECT, THE PROPOSER IS ACKNOWLEDGING THAT THE PROPOSER HAS CONFIRMED THAT HE OR SHE HAS RECEIVED ALL ADDENDA ISSUED AND HAS CONSIDERED SUCH IN THE PROPOSAL SUBMITTED

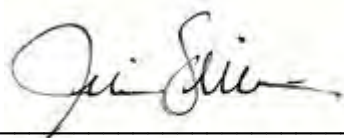
For further information, contact:

Casey Kempenaar, CDD Director
Telephone: (916) 727-4764
E-mail: ckempenaar@citrusheights.net

By: 
Casey Kempenaar, CDD Director

Dated: February 16, 2023

Proposer shall sign this Addendum and include this page as a part of your proposal.


Proposer's Signature



City of Citrus Heights
Community Development Department

**Professional Services for the Citrus Heights Annexation Feasibility
Study and Outreach Project
Addendum No. 2
February 28, 2023**

TO ALL PROSPECTIVE PROPOSERS:

Please incorporate the following revisions as part of the request for proposals documents for the subject project.

THIS ADDENDUM FORMS A PART OF THE REQUEST FOR PROPOSALS DOCUMENT AND MODIFIES THE ORIGINAL AS NOTED HEREIN. BY SUBMISSION OF A STATEMENT OF PROPOSALS FOR THIS PROJECT, THE PROPOSER IS ACKNOWLEDGING THAT THE PROPOSER HAS CONFIRMED THAT HE OR SHE HAS RECEIVED ALL ADDENDA ISSUED AND HAS CONSIDERED SUCH IN THE PROPOSAL SUBMITTED

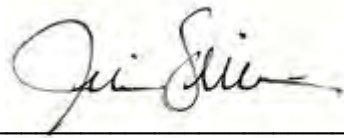
For further information, contact:

Casey Kempenaar, CDD Director
Telephone: (916) 727-4764
E-mail: ckempenaar@citrusheights.net

By: 
Casey Kempenaar, CDD Director

Dated: February 28, 2023

Proposer shall sign this Addendum and include this page as a part of your proposal.



Proposer's Signature

**CONSULTING SERVICES AGREEMENT BETWEEN
THE CITY OF CITRUS HEIGHTS AND
RSG**

(Standard Agreement)

THIS Agreement (“Agreement”) for consulting services is made by and between the City of CITRUS HEIGHTS (“City”) and RSG (“Consultant”) (together referred to as the “Parties”) as of April 28, 2023 (the “Effective Date”).

Section 1. SERVICES. Subject to the terms and conditions set forth in this Agreement, Consultant shall provide to City the services described in the Scope of Work attached as Exhibit A, and incorporated herein, at the time and place and in the manner specified therein.

- 1.1 **Term of Services.** The term of this Agreement shall begin on the Effective Date and shall end on April 28, 2024 or the date the Consultant completes the services specified in Exhibit A, whichever occurs first, unless the term of the Agreement is otherwise terminated or extended, as referenced herein.
- 1.2 **Standard of Performance.** Consultant shall perform all services required pursuant to this Agreement according to the standards observed by a competent practitioner of the profession in which Consultant is engaged.
- 1.3 **Assignment of Personnel.** Consultant shall assign only competent personnel to perform services pursuant to this Agreement. In the event that City, in its sole discretion, at any time during the term of this Agreement, requests in writing the reassignment of any such persons to ensure Consultant performs services in accordance with the Standard of Performance, Consultant shall, immediately upon receiving City’s request, reassign such persons.
- 1.4 **Time.** Consultant shall devote such time to the performance of services pursuant to this Agreement as may be reasonably necessary to meet the standard of performance provided herein above and to satisfy Consultant’s obligations hereunder.

Section 2. COMPENSATION. City hereby agrees to pay Consultant a sum not to exceed Fifty-nine thousand eight hundred and ninety \$(59,890), as set forth in Exhibit B, attached hereto and incorporated herein for services to be performed and reimbursable expenses incurred under this Agreement. This dollar amount is not a guarantee that the City will pay that full amount to the Consultant, but is merely a limit of potential City expenditures under this Agreement.

Consultant and City acknowledge and agree that compensation paid by City to Consultant under this Agreement is based upon Consultant’s estimated costs of providing the services required hereunder, including salaries and benefits of employees and subcontractors of Consultant.

Consequently, the parties further agree that compensation hereunder is intended to include the costs of contributions to any pensions and/or annuities to which Consultant and its employees, agents, and subcontractors may be eligible. City therefore has no responsibility for such contributions beyond compensation required under this Agreement.

2.1 Invoices. Consultant shall submit invoices, not more often than once a month during the term of this Agreement, based on the cost for services performed and reimbursable costs incurred prior to the invoice date. Invoices shall contain the following information, unless waived by the City Manager, or his or her designee:

- Serial identifications of progress bills; i.e., Progress Bill No. 1 for the first invoice, etc.;
- The beginning and ending dates of the billing period;
- A Task Summary containing the original contract amount, the amount of prior billings, the total due this period, the balance available under the Agreement, and the percentage of completion;
- At City's option, for each work item in each task, a copy of the applicable time entries or time sheets shall be submitted showing the name of the person doing the work, the hours spent by each person, a brief description of the work, and each reimbursable expense;
- The total number of hours of work performed under the Agreement by Consultant and each employee, agent, and subcontractor of Consultant performing services hereunder;
- The Consultant's signature.

2.2 Monthly Payment. City shall make monthly payments, based on invoices received, for services satisfactorily performed, and for authorized reimbursable costs incurred. City shall pay undisputed invoices that comply with the above requirements within 30 days from the receipt of the invoice.

2.3 Final Payment. Consultant shall submit its final invoice within 60 days of completing its services. Consultant's failure to submit its final invoice within this 60 day period shall constitute Consultant's waiver of any further billings to, or payments from, City.

2.4 Reimbursable Expenses. Reimbursable expenses, if any, are specified in Exhibit B and included in the total compensation referenced in Section 2. Expenses not listed in Exhibit B are not chargeable to, or reimbursable by, City.

2.5 Payment of Taxes. Consultant is solely responsible for the payment of all federal, state and local taxes, including employment taxes, incurred under this Agreement.

- 2.6 Authorization to Perform Services.** The Consultant is not authorized to perform any services or incur any costs whatsoever under the terms of this Agreement until receipt of a written authorization from the City Manager, or his or her designee.

Section 3. FACILITIES AND EQUIPMENT. Except as set forth herein, Consultant shall, at its sole cost and expense, provide all facilities and equipment that may be necessary to perform the services required by this Agreement

Section 4. INSURANCE REQUIREMENTS. Before beginning any services under this Agreement, Consultant, at its own cost and expense, shall procure the types and amounts of insurance specified herein and maintain that insurance throughout the term of this Agreement. The cost of such insurance shall be included in the Consultant's bid or proposal. Consultant shall be fully responsible for the acts and omissions of its subcontractors or other agents.

- 4.1 Workers' Compensation.** Consultant shall, at its sole cost and expense, maintain Statutory Workers' Compensation Insurance and Employer's Liability Insurance for any and all persons employed directly or indirectly by Consultant in the amount required by applicable law. The requirement to maintain Statutory Workers' Compensation and Employer's Liability Insurance may be waived by the City upon written verification that Consultant is a sole proprietor and does not have any employees and will not have any employees during the term of this Agreement.

4.2 Commercial General and Automobile Liability Insurance.

- 4.2.1 General requirements.** Consultant, at its own cost and expense, shall maintain commercial general and automobile liability insurance for the term of this Agreement in an amount not less than \$2,000,000 per occurrence and \$4,000,000 aggregate, combined single limit coverage for risks associated with the work contemplated by this Agreement.

- 4.2.2 Minimum scope of coverage.** Commercial general coverage shall be at least as broad as Insurance Services Office Commercial General Liability occurrence form CG 0001 (most recent edition) covering comprehensive General Liability on an "occurrence" basis. Automobile coverage shall be at least as broad as Insurance Services Office Automobile Liability form CA 0001 (most recent edition) covering any auto (Code 1), or if Consultant has no owned autos, hired (code 8) and non-owned autos (Code 9). No endorsement shall be attached limiting the coverage.

- 4.2.3 Additional requirements.** Each of the following shall be included in the insurance coverage or added as a certified endorsement to the policy:

- a. The Commercial General and Automobile Liability Insurance shall cover on an occurrence basis.
- b. City, its officers, officials, employees, agents, and volunteers shall be covered as additional insureds for liability arising out of work or operations on behalf of the Consultant, including materials, parts, or equipment furnished in connection with such work or operations; or automobiles owned, leased, hired, or borrowed by the Consultant. Coverage can be provided in the form of an endorsement to the Consultant's insurance at least as broad as CG 20 10 11 85, or both CG 20 10 10 01 and CG 20 37 10 01.
- c. For any claims related to this Agreement or the work hereunder, the Consultant's insurance covered shall be primary insurance as respects the City, its officers, officials, employees, agents, and volunteers. Any insurance or self-insurance maintained by the City, its officers, officials, employees, agents or volunteers shall be excess of the Consultant's insurance and non-contributing.
- d. The policy shall cover inter-insured suits and include a "separation of Insureds" or "severability" clause which treats each insured separately.
- e. Consultant agrees to give at least 30 days prior written notice to City before coverage is canceled or modified as to scope or amount.

4.3 Professional Liability Insurance.

4.3.1 General requirements. Consultant, at its own cost and expense, shall maintain for the period covered by this Agreement professional liability insurance for licensed professionals performing work pursuant to this Agreement in an amount not less than \$1,000,000 per occurrence or claim covering the Consultant's errors and omissions.

4.3.2 Claims-made limitations. The following provisions shall apply if the professional liability coverage is written on a claims-made form:

- a. The retroactive date of the policy must be shown and must be before the date of the Agreement.
- b. Insurance must be maintained and evidence of insurance must be provided for at least five (5) years after completion of the Agreement or the work.

- c. If coverage is canceled or not renewed and it is not replaced with another claims-made policy form with a retroactive date that precedes the date of this Agreement, Consultant must purchase an extended period coverage for a minimum of five (5) years after completion of work under this Agreement.
- d. A copy of the claim reporting requirements must be submitted to the City for review prior to the commencement of any work under this Agreement.

4.4 **All Policies Requirements.**

4.4.1 **Submittal Requirements.** Consultant shall submit the following to City prior to beginning services:

- a. Certificate of Liability Insurance in the amounts specified in this Agreement; and
- b. Additional Insured Endorsement as required for the General Commercial and Automobile Liability Policies.

4.4.2 **Acceptability of Insurers.** All insurance required by this Agreement is to be placed with insurers with a Bests' rating of no less than A:VII.

4.4.3 **Deductibles and Self-Insured Retentions.** Insurance obtained by the Consultant shall have a self-insured retention or deductible of no more than \$100,000.

4.4.4 **Wasting Policies.** No policy required herein shall include a “wasting” policy limit (i.e. limit that is eroded by the cost of defense).

4.4.5 **Waiver of Subrogation.** Consultant hereby agrees to waive subrogation which any insurer or contractor may require from Consultant by virtue of the payment of any loss. Consultant agrees to obtain any endorsements that may be necessary to effect this waiver of subrogation, but this provision applies regardless of whether or not the City has received a waiver of subrogation endorsement from the insurer.

The Workers' Compensation policy shall be endorsed with a waiver of subrogation in favor of the City for all work performed by the Consultant, its employees, agents, and subcontractors.

4.4.6 Subcontractors. Consultant shall include all subcontractors as insureds under its policies or shall furnish separate certificates and endorsements for each subcontractor. All coverages for subcontractors shall be subject to all of the requirements stated herein, and Consultant shall ensure that City, its officers, officials, employees, agents, and volunteers are covered as additional insured on all coverages.

4.4.7 Excess Insurance. If Consultant maintains higher insurance limits than the minimums specified herein, City shall be entitled to coverage for the higher limits maintained by the Consultant.

4.5 Remedies. In addition to any other remedies City may have if Consultant fails to provide or maintain any insurance policies or policy endorsements to the extent and within the time herein required, City may, at its sole option: 1) obtain such insurance and deduct and retain the amount of the premiums for such insurance from any sums due under the Agreement; 2) order Consultant to stop work under this Agreement and withhold any payment that becomes due to Consultant hereunder until Consultant demonstrates compliance with the requirements hereof; and/or 3) terminate this Agreement.

Section 5. INDEMNIFICATION AND CONSULTANT'S RESPONSIBILITIES.

5.1 General Requirement. To the fullest extent permitted by law, Consultant shall indemnify, defend with counsel acceptable to City, and hold harmless City and its officers, officials, employees, agents and volunteers (collectively, "Indemnitees") from and against any and all liability, loss, damage, claims, expenses, and costs, including without limitation, attorney's fees, costs and fees of litigation, (collectively, "Liability") of every nature arising out of or in connection with Consultant's performance of the services under this Agreement, or its failure to comply with any of its obligations contained in this Agreement, or its failure to comply with any applicable law or regulation, except such Liability caused by the sole negligence or willful misconduct of City.

Acceptance by City of insurance certificates and endorsements required under this Agreement does not relieve Consultant from liability under this indemnification and hold harmless clause. This indemnification and hold harmless clause shall apply to any damage or claims for damages whether or not such insurance policies shall be determined to apply.

5.2 PERS Indemnification. In the event that Consultant or any employee, agent, or subcontractor of Consultant providing services under this Agreement is determined by a court of competent jurisdiction or the California Public Employees Retirement System (PERS) to be eligible for enrollment in PERS as an employee of City, Consultant shall indemnify, defend, and hold harmless City

for the payment of any employee and/or employer contributions for PERS benefits on behalf of Consultant or its employees, agents, or subcontractors, as well as for the payment of any penalties and interest on such contributions, which would otherwise be the responsibility of City.

Section 6. STATUS OF CONSULTANT.

- 6.1 Independent Contractor.** At all times during the term of this Agreement, Consultant shall be an independent contractor and shall not be an employee of City.
- 6.2 Consultant Not an Agent.** Except as City may specify in writing, Consultant shall have no authority, express or implied, to act on behalf of City in any capacity whatsoever as an agent. Consultant shall have no authority, express or implied, pursuant to this Agreement to bind City to any obligation whatsoever.

Section 7. LEGAL REQUIREMENTS.

- 7.1 Governing Law.** The laws of the State of California shall govern this Agreement.
- 7.2 Compliance with Applicable Laws.** Consultant and any subcontractors shall comply with all laws applicable to the performance of the work hereunder. Consultant shall also, to the extent required by the California Labor Code, pay not less than the latest prevailing wage rates as determined by the California Department of Industrial Relations.
- 7.3 Licenses and Permits.** Consultant represents and warrants to City that Consultant and its employees, agents, and any subcontractors have, and will maintain at their sole cost and expense, all licenses, permits, qualifications, and approvals of whatsoever nature that are legally required to practice their respective professions. In addition to the foregoing, Consultant and any subcontractors shall obtain and maintain during the term of this Agreement valid business licenses from City.
- 7.4 Nondiscrimination and Equal Opportunity.** Consultant shall not discriminate, on the basis of a person's race, religion, color, national origin, age, physical or mental handicap or disability, medical condition, genetic information, marital status, sex, sexual orientation, gender or gender identity, against any employee, applicant for employment, subcontractor, bidder for a subcontract, or participant in, recipient of, or applicant for any services or programs provided by Consultant under this Agreement. Consultant shall comply with all applicable

federal, state, and local laws, policies, rules, and requirements related to equal opportunity and nondiscrimination in employment, contracting, and the provision of any services that are the subject of this Agreement, including but not limited to the satisfaction of any positive obligations required of Consultant thereby.

Section 8. TERMINATION AND MODIFICATION.

- 8.1 Termination.** Upon ten days' prior written notice, City may cancel this Agreement at any time and without cause upon such written notification to Consultant. In the event of termination, Consultant shall be entitled to compensation for services performed to the effective date of termination; City, however, may condition payment of such compensation upon Consultant delivering to City any or all documents, photographs, computer software, video and audio tapes, and other materials provided to Consultant or prepared by or for Consultant or the City in connection with this Agreement.
- 8.2 Amendments.** The parties may amend this Agreement only by a writing signed by the parties hereto.
- 8.3 Assignment and Subcontracting.** City and Consultant recognize and agree that this Agreement contemplates personal performance by Consultant and is based upon a determination of Consultant's unique personal competence, experience, and specialized personal knowledge. Moreover, a substantial inducement to City for entering into this Agreement was and is the professional reputation and competence of Consultant. Consultant may not assign this Agreement or any interest therein without the prior written approval of the City Manager, or his or her designee. Consultant shall not subcontract any portion of the performance contemplated and provided for herein, other than to the subcontractors noted in the proposal, without prior written approval of the City Manager, or his or her designee.
- 8.4 Survival.** All obligations arising prior to the termination of this Agreement and all provisions of this Agreement allocating liability between City and Consultant, including but not limited to the provisions of Section 5, shall survive the termination of this Agreement.
- 8.5 Options upon Breach by Consultant.** If Consultant materially breaches any of the terms of this Agreement, City's remedies shall include, but not be limited to, the following:
- 8.5.1** Immediately terminate the Agreement;

- 8.5.2 Retain the plans, specifications, drawings, reports, design documents, and any other work product prepared by Consultant pursuant to this Agreement;
- 8.5.3 Retain a different consultant to complete the work described in Exhibit A not finished by Consultant; or
- 8.5.4 Charge Consultant the difference between the cost to complete the work described in Exhibit A that is unfinished at the time of breach and the amount that City would have paid Consultant pursuant to Section 2 if Consultant had completed the work.
- 8.5.5 The remedies mentioned in this Agreement are not exclusive of any other right, power or remedy permitted by law. The City's failure or delay in exercising any remedy shall not constitute a waiver of such remedy or preclude the further exercise of City's rights.

Section 9. KEEPING AND STATUS OF RECORDS.

- 9.1 **Records Created as Part of Consultant's Performance.** All final versions of reports, data, maps, models, charts, studies, surveys, photographs, memoranda, plans, studies, specifications, records, files, or any other documents or materials, in electronic or any other form, that Consultant prepares or obtains pursuant to this Agreement and that relate to the matters covered hereunder shall be the property of the City. Consultant hereby agrees to deliver those documents to the City upon termination of the Agreement, and the City may use, reuse or otherwise dispose of the documents without Consultant's permission. It is understood and agreed that the documents and other materials, including but not limited to those described above, prepared pursuant to this Agreement are prepared specifically for the City and are not necessarily suitable for any future or other use. City and Consultant agree that, until final approval by City, all data, plans, specifications, reports and other documents are confidential drafts and will not be released to third parties by Consultant without prior written approval of City.
- 9.2 **Consultant's Books and Records.** Consultant shall maintain any and all records or documents evidencing or relating to charges for services or expenditures and disbursements charged to the City under this Agreement for a minimum of 3 years, or for any longer period required by law, from the date of final payment to the Consultant to this Agreement. All such records shall be maintained in accordance with generally accepted accounting principles and shall be made available for inspection, audit, and/or copying at any time during regular business hours, upon oral or written request of the City. Pursuant to Government Code Section 8546.7, the Agreement may be subject to the

examination and audit of the State Auditor for a period of 3 years after final payment under the Agreement.

Section 10 MISCELLANEOUS PROVISIONS.

- 10.1 Attorneys' Fees.** If a party to this Agreement brings any action, including an action for declaratory relief, to enforce or interpret the provision of this Agreement, the prevailing party shall be entitled to reasonable attorneys' fees in addition to any other relief to which that party may be entitled. The court may set such fees in the same action or in a separate action brought for that purpose.
- 10.2 Venue.** In the event that either party brings any action against the other under this Agreement, the parties agree that trial of such action shall be vested exclusively in the state courts of California in Sacramento County or in the United States District Court for the Eastern District of California.
- 10.3 Severability.** If a court of competent jurisdiction finds or rules that any provision of this Agreement is invalid, void, or unenforceable, the provisions of this Agreement not so adjudged shall remain in full force and effect. The invalidity in whole or in part of any provision of this Agreement shall not void or affect the validity of any other provision of this Agreement.
- 10.4 No Implied Waiver of Breach.** The waiver of any breach of a specific provision of this Agreement does not constitute a waiver of any other breach of that term or any other term of this Agreement.
- 10.5 Successors and Assigns.** The provisions of this Agreement shall inure to the benefit of and shall apply to and bind the successors and assigns of the parties.
- 10.6 Conflict of Interest.** Consultant may serve other clients, but none whose activities within the corporate limits of City or whose business, regardless of location, would place Consultant in a "conflict of interest," as that term is defined in the Political Reform Act, codified at California Government Code Section 81000 *et seq.*
- Consultant shall not employ any City official in the work performed pursuant to this Agreement. No officer or employee of City shall have any financial interest in this Agreement that would violate California Government Code Sections 1090 *et seq.*
- 10.7 Solicitation.** Consultant agrees not to solicit business at any meeting, focus group, or interview related to this Agreement, either orally or through any written materials.

- 10.8 Notices.** Any notice, demand, request, consent or approval that either party is required to give the other pursuant to this Agreement, shall be in writing and may be given by either (i) personal service, or (ii) certified United States mail, postage prepaid, return receipt requested,. Notice shall be effective upon personal delivery or delivery to the addresses specified below, as reflected on the receipt of delivery or return receipt, as applicable.

Consultant : RSG
 Jim Simon, Principal
 17872 Gillette Ave. Suite 350
 Irvine CA 92614

City: City of Citrus Heights
 6360 Fountain Square Drive
 Citrus Heights, CA 95621
 ATTN: City Manager

- 10.9 Professional Seal.** Where applicable in the determination of the City Manager, or his or her designee, the first page of a technical report, first page of design specifications, and each page of construction drawings shall be stamped/sealed and signed by the licensed professional responsible for the report/design preparation. The stamp/seal shall be in a block entitled "Seal and Signature of Registered Professional with report/design responsibility."

- 10.10 Integration.** This Agreement, including the scope of work attached hereto and incorporated herein as Exhibits A and B represents the entire and integrated agreement between City and Consultant and supersedes all prior negotiations, representations, or agreements, either written or oral. To the extent there are any inconsistencies between this Agreement, the Exhibits, and Consultant's proposal, the Agreement shall control. To the extent there are any inconsistencies between the Exhibits and the Consultant's Proposal, the Exhibits shall control.

Exhibit A Scope of Services
Exhibit B Compensation Schedule

- 10.11 Counterparts.** This Agreement may be executed in multiple counterparts, each of which shall be an original and all of which together shall constitute one agreement.

- 10.12 Construction of Agreement.** Each party hereto has had an equivalent opportunity to participate in the drafting of the agreement and/or to consult with legal counsel. Therefore, the usual construction of an agreement against the drafting party shall not apply hereto.

10.13 No Third Party Beneficiaries. This Agreement is made solely for the benefit of the parties hereto, with no intent to benefit any third parties.

SIGNATURES ON FOLLOWING PAGE

The Parties have executed this Agreement as of the Effective Date.

CITY OF CITRUS HEIGHTS

CONSULTANT

Ashley J. Feeney, City Manager

Jim Simon, Principal

Attest:

Amy Van, City Clerk

Approved as to Form:

Ryan R. Jones, City Attorney

EXHIBIT A
SCOPE OF SERVICES

the City what portions of these areas should be considered for annexation from a policy and fiscal perspective as part of our study. Should there be material changes in the boundaries from what we have presented in the above analysis, RSG reserves the right to adjust the scope of services and budget.

RSG would deliver a single fiscal impact study that analyzes the impacts of annexation and divides the results among each component area for an approximation on how each contributes revenues and expenditures to the total. We have also anticipated two (2) in-person stakeholder engagement meetings and one (1) in-person City Council meeting in this budget.

SCOPE OF SERVICES

Details of our scope of services are provided below:

PREPARATION

1. Kickoff Meeting: RSG would initiate work upon receipt of a contract and notice to proceed. We propose a virtual kickoff meeting for which we would prepare an agenda, review the prior two studies that have been prepared on annexation previously, and develop a request for information from the City. The meeting would be attended by the entire RSG team for optimal efficiency and understanding of the client's goals and objectives.

At the conclusion of the meeting, RSG would circulate a list of actions and agreements, and commence assembly of other information needed to perform our study. RSG's project manager would provide the client regular updates on our progress, issues encountered (when/if they arise), and a milestone schedule for the client's information.

PREPARE FEASIBILITY STUDY

2. Data Compilation: RSG would request information from the City, County, and LAFCO necessary to assemble assumptions for our forecast. This would include GIS, land use/ownership, and public infrastructure and facility data. This would entail preparing a map of the study area (to be presented to RSG and formally approved by the City) and a request for information where appropriate that we would provide to each data provider. RSG would work closely with City staff to ensure an easy and efficient process that does not burden staff to the extent possible.

RSG would obtain from the City the current 2022-23 budget detail RSG would also pull from credible third-party sources data on existing and projected demographics and businesses within the study area, as well as the City as a whole (for comparison purposes).

3. Prepare Existing and Proposed Service Plan Matrix: Based on information collected above, RSG would develop a matrix of existing and proposed service providers within the study area, noting any key distinctions on each component area if applicable. This matrix would enable RSG to identify potentially impacted agencies and service contracts.

We would provide a draft of the matrix to City staff for information and any comments or questions. Follow-up research on these agencies would be warranted to understand the implications, if any, of annexation of affected districts.

4. Quantify Services within Unincorporated Areas from Providers: Working with affected agencies as well as data collected, RSG would aim to quantify the amount of public infrastructure and services provided by municipal service providers in the study area. These data would then be compared to city statistics to provide varying levels of assumptions on impacts for annexation and facilitate effective discussions with City departments or contractors assuming services.

Because a municipal service review has not been completed for at least a decade, RSG could not ascertain whether parts of the unincorporated study area have been served by the City in out-of-area service agreements, so annexation may not necessarily make as much of an impact to residents and property owners in these areas.

5. Growth Forecast: Based on existing land uses, permitted zoning, and anticipated projects in the planning pipeline, RSG would prepare a development forecast as a baseline to project population and fiscal growth in the study areas. From our initial review of aerial photography, new development within the study area may be limited to infill redevelopment as we did not see large areas of vacant land; as such the amount of new construction might be limited.

The duration of the forecast may be at the client's discretion, up to 10 years from a hypothetical assumption of the current year so that impacts may be illustrated relative to the current City budget.

6. Interview City Service Providers/Departments: With an understanding on existing levels of service, anticipated growth, and existing standards, RSG would conduct virtual interviews as necessary with affected departments including public safety, planning, parks, and other divisions. We would provide context of the impacts of new growth due to annexation based on the increase in population as well as services provided.

RSG would also discuss instances where annexation may result in cumulative impacts due to annexation of the study area to ensure an accurate representation of costs.

RSG would also engage the Administrative Services Department, and other departments to ensure we have an accurate understanding on revenues that may be collected from annexation of the study area, including any revenues that are anticipated to sunset or commence during the forecast period.

7. Develop Fiscal Impact Model (Revenues and Expenditures): Beginning with an assumed annexation date provided by City staff (probably fiscal year 2025-26), RSG would develop a forecast of recurring General Fund revenues and expenditures for the study area. The duration of the forecast would be based on input from the City (up to 10 years) and be based on conservative assumptions so as to not overstate the fiscal benefits of annexation, should there be any.
8. We would estimate revenues based on the existing master property tax transfer agreement between the City and County of Sacramento, and other applicable taxes

and fees levied pursuant to the Citrus Heights Municipal Code, including but not limited to the following:

- Real Property Transfer Tax (Municipal Code Section 86.1 - 86.25)
- Sales and Use Tax (Municipal Code Section 86.61 - 86.60)
- Transient Occupancy Tax (Municipal Code Section 86.75 - 86.100)
- Utility Users Tax (Municipal Code Section 86.116 - 86.140)
- Business Tax (Municipal Code Title 5)

9. Circulate Draft Fiscal Findings to Client for Review: A draft of our forecast would be transmitted to the client and reviewed with RSG's guidance to walk the client through our model and conclusions. We normally prepare a single page summary of our forecast, followed by department-level calculations of expenditures. We would also include a table illustrating the impact of the context our findings on the study area relative to the current City budget. As mentioned earlier, we would also break down the results into each of the four component areas of the study area for context.

Upon review with the client to receive questions, corrections, and other input, RSG would finalize the model and begin to prepare a report as described below.

10. Prepare Administrative Draft and Final Study for Client: A draft report, consisting of a cover page, table of contents and table of figures, maps, tables and charts would be developed by RSG and reviewed internally prior to transmittal of an administrative draft to the client. Our report structure generally consists of an introduction, executive summary, methodology, assumptions, and findings.

Following review of the administrative draft with the client, RSG would finalize the reports and provide the client an electronic PDF for their use.

PRESENTATIONS AND OUTREACH

11. Meetings and Presentations: For purposes of this proposal, we anticipate two (2) public workshops and one (1) City Council presentation, all of which would occur in-person in Citrus Heights. Additional meetings if requested by the client would be charged on a time and materials basis.
12. At this stage, given the limited information we have on the study areas aside from what we were able to assemble for purposes of preparing this proposal, it is difficult to make informed recommendations on the best way to engage stakeholders on annexation. We believe clarity will come as the study itself is undertaken. At this point, we anticipate the two in-person workshops would be attended by 3 members of our consultant team to assist with an effective execution of the workshops.

Preliminarily, it does seem that the character of the study area is largely residential, mostly of similar or higher incomes than the city as a whole, and with a relatively limited number of businesses. Spanish speaking residents are rather limited in the study area

as well. Unfortunately, we could not ascertain the number of Russian-speaking residents, who are represented in the City according to staff, so there may be some need for further understanding before making a conclusion on the language(s) to be used in any engagement activities at this time.

We believe two workshops should be sufficient to provide a forum to inform stakeholders (which may include not only annexation area representatives but residents and property owners of the City itself). Generally, it has been our experience that the City should first complete a draft of the study before engaging the public on a policy discussion on annexation. This ensures that the City has a clear message as to its intentions, both immediate and long term.

The manner in which the workshops may unfold but these can include preparation of handouts that provide basic information about what annexation is, how it works, and the impacts on residents, businesses, and taxes. We would also suggest an informative presentation regarding the reason(s) why the City is exploring this concept at this time – preferably coming from City staff and not consultants – followed by appropriate information on how annexation may work, situations where it is pursued and situations where it may not be pursued.

As mentioned earlier, residents may already feel they are part of Citrus Heights regardless of what the political boundaries of the city may be. They likely participate in the economy by shopping in local stores and patronizing other Citrus Heights businesses; but they may not understand that annexation does not necessarily increase city revenues from these activities which can be a point of contention among residents who desire annexation. The City must also be careful not to annex areas that are such a demand on services that it causes a structural deficit in the city as a whole. Certainly not every annexation must “pay” for itself, but there are real limits to what a city can do without facing the prospect of raising taxes or fees which is often a nonstarter in most communities.

Depending on the outcome of the study, the interests of the affected communities, and other factors, the workshop could also lead to breakout tables or charrette style discussions on specific topics. For an annexation, this type of activity is generally rare, but we have experience doing these types of events for other topics and can adapt that here if appropriate.

13. RSG has budgeted for one (1) in-person City Council presentation to share the results of our work. This includes preparing a written outline (essentially a form of a script) to develop how the presentation would be presented, preparing a supporting PowerPoint presentation (consistent with City specifications, if applicable), routing these to staff for internal review, walk through, and finalization. RSG would send two members of our consultant team to lead the presentation and respond to questions from the City Council or public as appropriate.

EXHIBIT B
COMPENSATION SCHEDULE

PROJECT PRICING

The assignment would be billed on a time and materials basis, with a total not-to-exceed fee of **\$59,890**, based on the approach to scope and billing policies herein. Additional services outside the scope of work may require a contract amendment.

A budget detail and workflow schedule is presented on the following page.

BILLING RATES & FEE SCHEDULE

Our Billing Rates are as follows:

Principal / Director	\$ 275
Senior Associate	\$ 200
Associate	\$ 185
Senior Analyst	\$ 150
Analyst	\$ 135
Research Assistant	\$ 125
Technician	\$100
Clerical	\$ 60

RSG does not charge clients for travel or mileage (except direct costs related to field work/surveys), parking, standard telephone/fax expenses, general postage, or incidental copies. However, we do charge for messenger services, overnight shipping/express mail costs and teleconferencing services. We also charge for copies of reports, documents, notices, and support material more than five (5) copies. These costs are charged back at the actual expense plus a 10% surcharge.

RSG issues monthly invoices payable upon receipt, unless otherwise agreed upon in advance. Invoices identify tasks completed to date, hours expended and the hourly rate.

Scope of Services Annexation Feasibility Study and Outreach Project City of Citrus Heights (March 2023)									
	Principal \$	Task Hours & Billing Rate			Total Hrs	Reimb.	Total Not to Exceed		
		Analyst \$	135 \$	Res. Asst. 125 \$					
Task 1									
Preparation	4	13	9	26			\$ 3,980		
Task 1.1	4	8	5	17			2,805		
Task 1.2	-	2	4	6			770		
Task 1.3	-	3	-	3			405		
Task 2									
Prepare Feasibility Study	21	80	130	231			\$ 32,825		
Task 2.1	-	6	14	20			2,560		
Task 2.2	4	12	16	32			4,720		
Task 2.3	5	20	16	41			6,075		
Task 2.4	6	20	50	76			10,600		
Task 2.5	1	2	2	5			795		
Task 2.5	4	16	24	44			6,260		
Task 2.5	1	4	8	13			1,815		
Task 3									
Presentations and Engagement	33	56	24	113		3,450	\$ 23,085		
Task 3.1	4	8	2	14			2,430		
Task 3.2	3	8	8	19			2,905		
Task 3.3	2	8	2	12			1,880		
Task 3.4	16	24	12	52		2,450	11,590		
Task 3.5	8	8	-	16		1,000	4,280		
GRAND TOTAL BUDGET	58	149	163	370		3,450	\$ 59,890		

CERTIFICATE OF COMPLIANCE WITH LABOR CODE § 3700

I am aware of the provisions of Section 3700 of the Labor Code which require every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code, and I will comply with such provisions before commencing the performance of the work of this contract.

CONSULTANT

By: _____

Title: _____

2699908.6



CITY OF CITRUS HEIGHTS

CITY COUNCIL STAFF REPORT MEMORANDUM

DATE: April 27, 2023

TO: Mayor and City Council Members
Ashley J. Feeney, City Manager

FROM: Casey Kempenaar, Community Development Director
Alison Bermudez, Senior Planner
Eric Singer, Associate Planner

SUBJECT: **Zoning Code Updates**

Summary and Recommendation

On occasion, refinements to the Zoning Code are necessary to clarify existing standards, implement new ones, reflect changes in law, and address changing business types and their activities. Staff proposes to modify various sections of the Zoning Code to implement necessary refinements.

The proposed Zoning Code updates were presented to the Planning Commission on February 8, 2023. The Planning Commission recommended unanimously that the City Council approve the proposed amendments as shown in Attachment 1A.

The following motions are recommended:

- Motion 1: Move to determine the proposed amendments are exempt from the California Environmental Quality Act (CEQA) under Section 15061(b)(3) of the Guidelines; and
- Motion 2: Move to introduce for first reading, read by title only and waive the full reading of Ordinance 2023-_____, as shown in Attachment 1, an Ordinance of the City Council of the City of Citrus Heights amending various sections of Chapter 106 of the Citrus Heights Municipal Code (Zoning Code Section)

Fiscal Impact

There is no fiscal impact associated with this action.

Subject: Zoning Code Updates

Date: April 27, 2023

Page 2 of 3

Background and Analysis

On occasion, refinements to the Zoning Code are necessary to clarify existing standards, implement new ones, reflect changes in law, and address changing business types and their activities. Staff proposes to modify various sections of the Zoning Code to implement necessary refinements. The approval of these amendments does not approve any development project. Rather, they amend and clarify certain sections of the Zoning Code.

Attachment 1A includes a complete list of the proposed amendments with underline/strikeout text. While many of the proposed changes are minor, special attention should be given to the key areas discussed below where the changes are more significant.

Importantly, several of the proposed changes are related to new statewide housing bills that the City Council was briefed on at the January 26th meeting. Incorporation of state housing laws into the Zoning Code is required to ensure consistency with state law and ongoing Housing Element compliance. Lack of compliance with state law can result in revocation of housing related funding, reduced grant competitiveness and legal challenges.

Housing Law Related Changes

- **Affordable Housing Incentives (Density Bonus)** Due to changes in state law, the Zoning Code has to now include language that defines the maximum allowed density in any particular zone as “Base Density.” Additionally, two new density bonuses must now be allowed for any project classified as a “Very Low Vehicle Travel Area.” These bonuses include unlimited density and a 33 foot height increase for any 100% low income residential project pursuant to Assembly Bill 2334.
- **Parking Requirements** Per Assembly Bill 2097 the City cannot require parking for any “residential, commercial or other development project” within ½ mile of high-quality public transit. Areas within one-half mile of a high-quality transit corridor are identified in the Metropolitan Transportation Plan/Sustainable Communities Strategy (MTP/SCS) map, provided by SACOG (see Attachment 2 Planning Commission Staff Report). A high-quality transit corridor has fixed route bus service with service intervals of 15 minutes or less during peak commute hours which includes the Sunrise Boulevard corridor. These rules do not apply to requirements for ADA parking spaces, EV charging spaces, or existing grandfathered contracts with a city to provide public parking.
- **Accessory Dwelling Units (ADU)** Changes have been made to ADU and JADU laws which clarify and expand on previous legislation. The two major changes that apply to the Zoning Code include:
 - Clarification that front yard setbacks cannot be applied to an attached or detached ADU if it would prohibit the construction of an ADU that is at least 800 square feet with 4-foot side and rear yard setbacks. Essentially, if a property cannot physically accommodate an ADU of at least 800 square feet in a rear or side yard,

Subject: Zoning Code Updates**Date: April 27, 2023****Page 3 of 3**

it may be placed within a front yard setback area. The maximum square footage for an ADU remains the same at 1,200 square feet.

- An increase in allowed height limits from 16 to 18 feet (plus an additional two feet to accommodate roof pitch to align with roof pitch of primary dwelling unit for a total of 20 feet) for detached ADUs. Attached ADUs are currently permitted at the same height of the primary unit.

Other Zoning Changes

- **Temporary Uses** – This Section is being updated for clarity and compliance with recent legislation. For compliance with the SB 946 (Safe Sidewalk Vending Act), vending on the public sidewalk is exempt from the Temporary Use Permit. However, the requirement for a City Business License remains. Other changes to the Temporary Use Section include clarifying language regarding time limits, toilet and handwashing facilities, and safe vending locations.
- **School – Elementary, Middle, Secondary** The Zoning Code allows schools to be permitted in most of the commercial and residential zoning categories. Currently, the Business and Professional Zone (BP) does not allow schools as an allowed use. Given changing dynamics around office uses, the ability to allow schools affords new opportunity to fill vacant office space. The proposed change would allow schools within the BP Zone with a Use Permit, identical to the Shopping Center, Limited Commercial, General Commercial and most residential zones. The Use Permit would require Planning Commission review and approval for any proposed schools in the BP Zone.

February 8 Planning Commission Meeting

The proposed amendments to the Zoning Code were presented to the Planning Commission at the February 8th Planning Commission meeting. The Planning Commission reviewed the proposed changes discussed above as well as the complete list of changes presented as Exhibit A. The Planning Commission voted unanimously to accept the amendments as presented.

Environmental Review

This project is categorically exempt from the California Environmental Quality Act (CEQA Guidelines Section 15061(b) (3)) in that adoption of the proposed Ordinance will not result in any impacts on the physical environment; and under the general rule that the proposed amendments to the Municipal Code do not have the potential to have a significant effect on the environment.

Attachments

1. Ordinance No. 2023-_____ an Ordinance of the City Council of the City of Citrus Heights amending various sections of Chapter 106 of the Citrus Heights Municipal Code (Zoning Code Section)
 - Exhibit A: Redline Strikeout of Zoning Code
2. Planning Commission Staff Report (without attachments)

ORDINANCE NO. 2023-_____**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CITRUS HEIGHTS AMENDING VARIOUS SECTIONS OF CHAPTER 106 OF THE CITRUS HEIGHTS MUNICIPAL CODE (ZONING CODE SECTION)****THE CITY OF CITRUS HEIGHTS DOES ORDAIN AS FOLLOWS:**Section 1: Purpose and Authority

The purpose of this Ordinance is to amend the Citrus Heights Zoning Code as shown in Exhibit A amending various sections of the Zoning Code, relating to Affordable Housing Incentives, Parking Requirements, Accessory Dwelling Units, Temporary Vending, and other minor changes.

Section 2: Findings

- The proposed amendments to the Affordable Housing Incentives section is consistent with the General Plan.
- The proposed amendments to the Parking Requirements section is consistent with the General Plan.
- The proposed amendments to the Accessory Dwelling Units section is consistent with the General Plan.
- The proposed amendments to the Temporary Vending section is consistent with the General Plan.
- The proposed added definition for Public Transit is consistent with the General Plan.
- The proposed amendments will not be detrimental to the public, interest, health, safety, convenience, or welfare of the City.

Section 3: Environmental Determination

The Council finds that the proposed amendments are exempt from the California Environmental Quality Act (CEQA) under Section 15061(b)(3) of the Guidelines.

Section 4: Action

The City Council hereby amends the Zoning Code of the City of Citrus Heights as described within Exhibit A herein, and as discussed within the Staff Report, which is incorporated by reference.

Section 5: Severability

If any section of this Ordinance is determined to be unenforceable, invalid, or unlawful, such determination shall not affect the enforceability of the remaining provisions of this Ordinance.

Section 6: Effective Date and Publication

This Ordinance shall take effect thirty (30) days after its adoption, provided it is published in full or in summary within fifteen (15) days after its passage, in a newspaper of general circulation and circulated in the City of Citrus Heights.

PASSED AND ADOPTED by the City Council of the City of Citrus Heights this ____ day of ____, 2023 by the following vote:

AYES:	Councilmembers:
NOES:	Councilmembers:
ABSENT:	Councilmembers:
ABSTAIN:	Councilmembers:

Tim Schaefer, Mayor

ATTEST:

Amy Van, City Clerk

Exhibit:

A. Redline Strikeout of Zoning Code

	S	Permit requirement set by Specific Use Regulations						
	—	Use not allowed						
LAND USE (1)	PERMIT REQUIRED BY DISTRICT							Specific Use Regulations
	BP	LC	SC	GC	AC	CR	MP	

INDUSTRY, MANUFACTURING & PROCESSING, WHOLESALING

Artisan/Craft Product manufacturing	MUP	MUP	P	P	MUP	—	P	
Contract construction service - Indoor	—	—	—	P	—	—	P	
Contract construction service - Outdoor storage	—	—	—	MUP	—	—	MUP	
Contract construction service - Outdoor work area	—	—	—	UP	—	—	UP	
Manufacturing/processing - Light	—	—	—	UP	—	—	P	
Manufacturing/processing - Medium intensity	—	—	—	—	—	—	—	
Manufacturing/processing - Heavy	—	—	—	—	—	—	—	
Medical marijuana cultivation	S	S	S	S	S	S	S	50-702
Non-medical marijuana cultivation	S	S	S	S	S	S	S	50-802
Recycling - Small collection facility	—	MUP	MUP	MUP	—	—	MUP	106.42.190
Storage - Outdoor	—	—	—	UP	—	—	UP	106.42.170
Storage - Personal storage facility (mini-storage)	—	UP	—	UP	—	—	MUP	
Storage - RVs, boats	—	—	—	UP	—	UP	—	
Storage - Warehouse, indoor storage	—	—	—	P	—	—	P	
Wholesaling and distribution	—	—	—	P	—	—	P	

RECREATION, EDUCATION & PUBLIC ASSEMBLY USES

Adult entertainment business	—	S	—	S	—	—	S	106.40
Bingo parlor	—	—	—	UP	—	—	—	10.81 - 10.100
Card room	—	—	UP	UP	—	—	—	10.26 - 10.54
Commercial recreation facility - Indoor, Minor	—	P	P	P	—	P	P	
Commercial recreation facility - Indoor, Major	—	UP	UP	UP	—	MUP	UP	
Commercial recreation facility - Outdoor	UP	—	—	UP	—	MUP	UP	
Conference/convention facility	UP	—	UP	UP	—	UP	—	
Fitness/health facility	UP	P	P	P	—	P	UP	
Golf Course	—	—	—	UP	—	MUP	UP	
Library, museum	P	P	P	P	—	—	—	
Meeting facility, public or private	UP	UP	UP	UP	—	—	UP	
Park, playground	P	P	P	P	—	P	UP	
School - College, university	UP	UP	UP	UP	—	—	—	
School - Elementary, middle, secondary	UP	UP	UP	UP	—	—	—	
School - Specialized education/training - Minor	P	P	P	P	—	—	P	
School - Specialized education/training -Major	UP	UP	UP	UP	—	—	UP	
Sports and entertainment assembly facility	—	—	UP	MUP	—	MUP	MUP	
Studio - Art, dance, martial arts, music, etc.	S	P	P	P	—	—	S	106.26.030.C
Theater	—	—	MUP	MUP	—	MUP	—	

Key to Zone Symbols

BP	Business and Professional Office	AC	Auto Commercial
LC	Limited Commercial	CR	Commercial Recreation
SC	Shopping Center	MP	Industrial/Office Park
GC	General Commercial	Notes: (1) See Article 8 for land use definitions.	

106.30.040 - Creekside Development and Flood Hazard Mitigation

A. Purpose. The requirements of this Section shall apply to all proposed development within designated creekside properties and shall comply with all requirements of Chapter 42 of the City's Municipal Code (Floods). This Section provides standards that are intended to:

1. Protect the natural, scenic, and recreational value of waterway and riparian resources within the City, including the provision of adequate buffer areas between creeks and adjacent development;
2. Ensure that development either avoids areas subject to inundation by a 100-year flood or more frequent flooding event, or is located and/or designed and protected so that it will not be damaged by flooding, or increase the hazard of flooding on other properties;
3. Protect new development from erosion caused by the meandering nature of the creek system; and
4. Protect the water quality of the creeks.

B. Applicability. The requirements of this Section apply to:

1. **Creekside properties.** Proposed development, other than public works or infrastructure, on any site adjacent to or crossed by a watercourse that is shown on the map in Figure 3-1; and

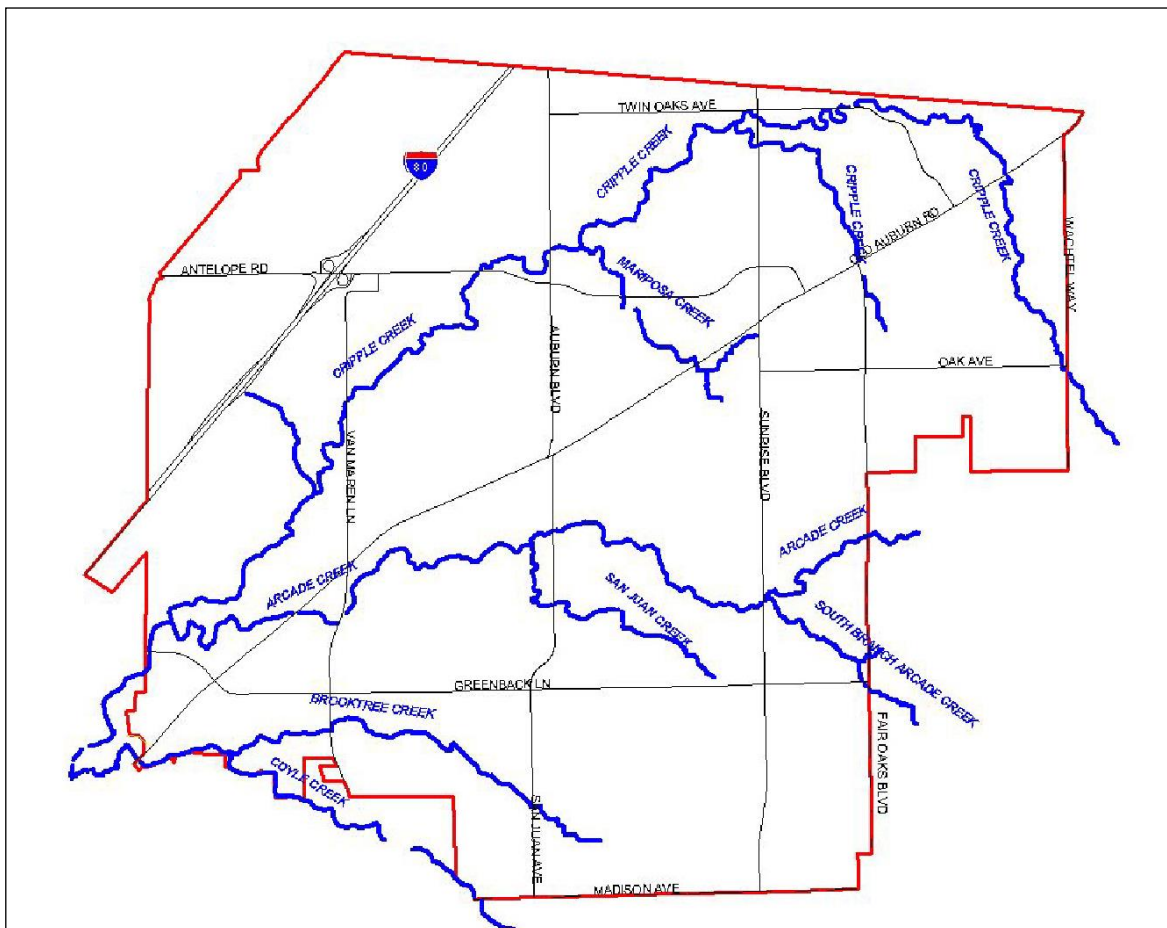


Figure 3-1 - Creeks Where Section 106.30.040 Applies

- 2. Properties within areas subject to flooding.** All properties shown on the Flood Insurance Rate Maps (FIRM) prepared by the Federal Emergency Management Agency (FEMA) as being partly or entirely located in an area subject to flooding by a 100-year flood or more frequent flooding event, and other areas known to the City to be subject to flooding. These areas shall be referred to in this Section as "flood hazard areas."
- C. Streambed analysis required.** A planning permit application for a project subject to this Section shall include a site-specific streambed analysis prepared by a hydrologist, civil engineer, or other qualified professional approved by the City to identify the precise boundary/top of bank of the waterway. The Director may waive this requirement if it is determined that the project, because of its size, location, or design will not have a significant impact on the waterway, or that sufficient information already exists and further analysis is not necessary. A required streambed analysis shall include all information and materials required by the Department and/or the City Engineer.
- D. Subdivision requirements.** Each new parcel proposed adjacent to a designated tributary shall be designed to provide the lot area shown in the following table for the applicable zone, located outside the 100-year floodplain of the tributary.

Zoning District	Minimum Net Lot Area
RD-1	0.50 acres
RD-2	0.25 acres
RD-3, RD-4	7,500 sf
RD-5, RD-7	Entire lot or 5,000 sf, whichever is less
RD-10 and above	Entire area except for common open space and landscape areas
Commercial and Industrial zones	Entire area except for landscaping

E. Development standards.

- 1. Location of proposed development.** Proposed structures and other development shall comply with the more restrictive of the following requirements.
- a. Creek setback for resource preservation.** Each proposed structure shall be set back a distance of 2.5 times the height of the stream bank plus 30 feet, as measured from the top of the stream bank outward.
- (1) The City may require additional setbacks to preserve existing vegetation or other significant environmental resources along any waterway.
 - (2) The City may require erosion protection to be placed at creek bends, drainage outfalls, and other locations that are subject to erosion, or where bank steepness indicates that severe erosion is taking, or may take place.
 - (3) A setback required by the applicable zoning district adjacent to a creekside path or open space area shall be measured from the boundary of the path or open space on the side away from the creek.
 - (4) A path or trail may be located within a creekside setback; however, no structure, road, parking access, parking space, paved area, or swimming pool shall be constructed within a creek or creekside setback area.

- ## Article 3 - Site Planning & Project Design Standards

- b. Authorized for flood control purposes by the proper permits issued by the California State Department of Fish and Game, and all other applicable State and Federal agencies having authority over the creek.
- 4. **Use of permeable surfaces.** Proposed development should incorporate permeable surfaces (for example, wood decks, sand-joined bricks, and stone walkways) where feasible, to minimize off-site flows and facilitate the absorption of water into the ground.
- 5. **Creek bank stabilization.** Development or land use changes that increase impervious surfaces or sedimentation may result in channel erosion. This may require measures to stabilize creek banks.
 - a. Creek rehabilitation is the preferred method of stabilization, with the objective of maintaining the natural character of the creek and riparian area. Rehabilitation may include enlarging the channel at points of obstruction, clearing obstructions at points of constriction, limiting uses in areas of excessive erosion, and restoring riparian vegetation.
 - b. Concrete channels ~~are not allowed~~, and Other other mechanical stabilization measures shall not be allowed unless no other alternative exists.
 - c. If bank stabilization requires other than rehabilitation or vegetative methods, hand-placed stone or rock rip-rap are the preferred methods.
- 6. **Physical and visual access.**
 - a. Public access and visibility to creeks should be provided, if feasible, through the use of single-loaded frontage roads adjacent to creeks, but outside of the creek setback. Structures or lots that back-up to creeks or creek frontage roads are discouraged.
 - b. The provision of multipurpose creekside trails and public open space is encouraged. Open space areas should include planting for riparian enhancement with native shrubs and trees, paths and trails, lighting, benches, play and exercise equipment, and trash receptacles outside of the riparian habitat area, where appropriate.
 - c. Where streets are not used, frequent access to creekside trails and public open space should be provided at least every 300 feet, and may occur at the end of cul-de-sacs.
- 7. **Best management practices (BMPs) for storm water quality.** Development along creekside areas shall be designed to minimize impacts to storm water quality.
 - a. Drainage swales and runoff should be filtered through grassy swales or other BMPs acceptable to the City Engineer to remove street oils, sediments and other site specific storm water environmental hazards.
 - b. Fertilizer or pesticide usage is discouraged. Plants and trees for landscape areas should be selected that can survive without fertilizers or pesticides. Long-term ponding of water from landscape irrigation shall be avoided.
 - c. Retention/detention basins will require mosquito abatement.
- F. **Warning – Liability denied.** The degree of flood protection required by this Section is considered reasonable for regulatory purposes and is based on scientific and engineering considerations. Larger floods can and will occur on rare occasions. Flood heights may be increased by manmade or natural causes. This Section does not imply that land outside the areas of special flood hazards or uses permitted within the areas will be free from flooding or flood damages. This Section shall not create liability on the part of the City or by any officer or employee for any flood damages that result from reliance on this Section or any administrative decision lawfully made under this Section.

CHAPTER 106.32 - AFFORDABLE HOUSING INCENTIVES

Sections:

- 106.32.010 - Purpose
- 106.32.020 - Eligibility for Bonus, Incentives, or Concessions
- 106.32.030 - Allowed Density Bonuses
- 106.32.040 - Allowed Incentives or Concessions
- 106.32.050 - Parking Requirements in Density Bonus Projects
- 106.32.060 - Bonus and Incentives for Housing with Child Care Facilities
- 106.32.070 - Continued Availability
- 106.32.080 - Location and Type of Designated Units
- 106.32.090 - Processing of Bonus Requests
- 106.32.100 - Density Bonus Agreement
- 106.32.110 - Control of Resale
- 106.32.120 - Judicial Relief, Waiver of Standards

106.32.010 - Purpose

As required by Government Code Section 65915, this Chapter offers density bonuses, and incentives or concessions for the development of housing that is affordable to the types of households and qualifying residents identified in Section 106.32.020 (Eligibility for Bonus, Incentives, or Concessions). This Chapter is intended to implement the requirements of Government Code Section 65915, et seq., and the Housing Element of the General Plan. If conflicts occur between requirements of this Chapter of the Zoning Code and Government Code Section 65915 through 65918, the requirements of Government Code Section 65915 through 65918 shall apply.

106.32.020 - Eligibility for Bonus, Incentives, or Concessions

In order to be eligible for a density bonus and other incentives or concessions as provided by this Chapter, a proposed housing development shall comply with the following requirements, and satisfy all other applicable provisions of this Zoning Code, except as provided by Section 106.32.040 (Allowed Incentives or Concessions).

A. Resident requirements. A housing development proposed to qualify for a density bonus shall be designed and constructed so that it includes at least any one of the following:

1. 10 percent of the total number of proposed units are for lower income households, as defined in Health and Safety Code Section 50079.5;
2. Five percent of the total number of proposed units are for very low income households, as defined in Health and Safety Code Section 50105;
3. The project is a senior citizen housing development as defined in Civil Code Sections 51.3 and 51.12, or is a mobile home park that limits residency based on age requirements for housing older persons in compliance with Civil Code Sections 798.76 or 799.5; or
4. 10 percent of the total dwelling units are for persons and families of moderate income, as defined in Health and Safety Code Section 50093, provided that all units in the development are offered to the public for purchase.
5. 10 percent of the total units of a housing development are for transitional foster youth, as defined in Section 66025.9 of the Education Code, disabled veterans, as defined in Section 18541 of the Government Code,

or homeless persons, as defined in the federal McKinney-Vento Homeless Assistance Act (42 U.S.C. Sect. 11301 et seq.) are for very low income households, as defined in Health and Safety Code Section 50105.

6. 20 percent of the total units for low income college students in housing dedicated for full-time students at accredited colleges meeting the requirements of Government Code 65915.
 7. The project donates at least one acre of land to the city for very low income units, and the land has appropriate general plan designation, zoning, permits and approvals, and access to public facilities needed for such housing per Government Code Section 65915.
- B. Applicant selection of basis for bonus.** For purposes of calculating the amount of the density bonus in compliance with Section 106.32.030 (Allowed Density Bonuses), below, the applicant who requests a density bonus shall elect whether the bonus shall be awarded on the basis of Subsections A.1., 2., 3., 4., 5., 6., or 7. above.
- C. Bonus units shall not qualify a project.** A density bonus granted in compliance with Section 106.32.030 (Allowed Density Bonuses), below, including "total units," "total dwelling units," or "total rental beds" shall not be included when determining the number of housing units that is equal to the percentages required by Subsection A.
- D. Minimum project size to qualify for density bonus.** The density bonus provided by this Chapter shall be available only to a housing development of five or more dwelling units.
- E. Condominium conversion projects.** A condominium conversion project for which a density bonus is requested shall comply with the eligibility and other requirements in Government Code Section 65915.5.

106.32.030 - Allowed Density Bonuses

The amount of a density bonus allowed in a housing development shall be determined by the Council in compliance with this Section. For the purposes of this Chapter, "density bonus" means a density increase over the otherwise maximum allowable residential density ("base density") under the applicable zoning district and designation of the Land Use Element of the General Plan as of the date of application by the applicant to the City. If the base density under the zoning designation is inconsistent with the General Plan or any Specific Plan, the greater density shall apply. If a range of densities are permitted, the maximum numbers of units will be allowed.

- A. Density bonus.** A housing project that complies with the eligibility requirements in Subparagraphs 106.32.020.A.1 shall be entitled to density bonuses as follows, unless a lesser percentage is proposed by the applicant.
- 1. Bonus for units for low, very low, and moderate income households, land donations, senior citizen developments, transitional foster youth housing, disabled veterans housing, homeless persons housing, or student housings.** A housing development that is eligible for a bonus in compliance with one of the criteria listed in Section 106.32.020.A shall be entitled to a density bonus calculated as follows:

Affordable Unit Percentage**	Very Low Income Density Bonus	Low Income Density Bonus	Moderate Income Density Bonus***	Land Donation Density Bonus	Senior****	Foster Youth/Disabled Vets/Homeless	College Students
5%	20%	--	--	--	20%	--	--
6%	22.5%*	--	--	--	20%	--	--
7%	25%	--	--	--	20%	--	--
8%	27.5%	--	--	--	20%	--	--
9%	30%	--	--	--	20%	--	--
10%	32.5%	20%	5%	15%	20%	20%	--
11%	35%	21.5%	6%	16%	20%	20%	--
12%	38.75%	23%	7%	17%	20%	20%	--
13%	42.5%	24.5%	8%	18%	20%	20%	--
14%	46.25%	26%	9%	19%	20%	20%	--
15%	50%	27.5%	10%	20%	20%	20%	--
16%	50%	29%	11%	21%	20%	20%	--
17%	50%	30.5%	12%	22%	20%	20%	--
18%	50%	32%	13%	23%	20%	20%	--
19%	50%	33.5%	14%	24%	20%	20%	--
20%	50%	35%	15%	25%	20%	20%	35%
21%	50%	38.75%	16%	26%	20%	20%	35%
22%	50%	42.5%	17%	27%	20%	20%	35%
23%	50%	46.25%	18%	28%	20%	20%	35%
24%	50%	50%	19%	29%	20%	20%	35%
25%	50%	50%	20%	30%	20%	20%	35%
26%	50%	50%	21%	31%	20%	20%	35%
27%	50%	50%	22%	32%	20%	20%	35%
28%	50%	50%	23%	33%	20%	20%	35%
29%	50%	50%	24%	34%	20%	20%	35%
30%	50%	50%	25%	35%	20%	20%	35%
31%	50%	50%	26%	35%	20%	20%	35%
32%	50%	50%	27%	35%	20%	20%	35%
33%	50%	50%	28%	35%	20%	20%	35%
34%	50%	50%	29%	35%	20%	20%	35%
35%	50%	50%	30%	35%	20%	20%	35%
36%	50%	50%	31%	35%	20%	20%	35%
37%	50%	50%	32%	35%	20%	20%	35%
38%	50%	50%	33%	35%	20%	20%	35%
39%	50%	50%	34%	35%	20%	20%	35%
40%	50%	50%	35%	35%	20%	20%	35%
41%	50%	50%	38.75%	35%	20%	20%	35%
42%	50%	50%	42.5%	35%	20%	20%	35%
43%	50%	50%	46.25%	35%	20%	20%	35%
44%	50%	50%	50%	35%	20%	20%	35%
100%*****	80%	80%	80%	35%	20%	20%	35%

*All density bonus calculations resulting in fractions are rounded up to the next whole number

Affordable unit percentage is calculated excluding units added by a density bonus *Moderate income density bonus applies to for sale units, not to rental units

****No affordable units are required for senior units

*****Applies when 100% of the total units (other than manager's units) are restricted to very low, lower, and moderate income (maximum 20% moderate)

- a. **Increased bonus.** The increase in the table above shall be in addition to any increase in density required by Subsections A.1, up to a maximum combined mandated density increase of 35 percent if an applicant seeks both the increase required in compliance with a land donation, as well as the bonuses provided by any other qualifying category as described in Subsection A.1.
- b. **Eligibility for increased bonus.** An applicant shall be eligible for the increased density bonus provided by this Subsection if all of the following conditions are met.
 - (1) The applicant donates and transfers the land no later than the date of approval of the final subdivision map, parcel map, or residential development application.
 - (2) The developable acreage and zoning classification of the land being transferred are sufficient to permit construction of units affordable to very low income households in an amount not less than 10 percent of the number of residential units of the proposed development.
 - (3) The transferred land is at least one acre, or of sufficient size to permit development of at least 40 units, has the appropriate General Plan designation, is appropriately zoned for development as affordable housing, and is or will be served by adequate public facilities and infrastructure. The land shall have appropriate zoning and development standards to make the development of the affordable units feasible.
 - (4) No later than the date of approval of the final subdivision map, parcel map, or of the residential development, the transferred land shall have all of the permits and approvals, other than Building Permits, necessary for the development of the very low income housing units on the transferred land, except that the City may subject the proposed development to subsequent design review to the extent authorized by Government Code Section 65583.2(l) if the design is not reviewed by the City before the time of transfer.
 - (5) The transferred land and the affordable units shall be subject to a deed restriction ensuring continued affordability of the units consistent with Section 106.32.070 (Continued Availability), below, which shall be recorded on the property at the time of dedication.
 - (6) The land is transferred to the City or to a housing developer approved by the City. The City may require the applicant to identify and transfer the land to the approved housing developer.
 - (7) The transferred land shall be within the boundary of the proposed development or, if the City agrees, within one-quarter mile of the boundary of the proposed development.
 - (8) The proposed source of funding for the very low income units shall be identified not later than the date of approval of the final subdivision map, parcel map, or residential development application.
 - (9) Any development in an area designated as a Very Low Vehicle Miles Traveled Area as defined in Government Code 65915 are eligible for the following benefits:
 - 1. A height increase of three stories or 33 feet for projects that are 100% lower income units in addition to the four incentives/concessions already allowed. Manager's unit(s) are allowed and up to 20% may be for moderate income households.
 - 4-2. Unlimited density.

- B. **Greater or lesser bonuses.** The City may choose to grant a density bonus greater than provided by this Section for a development that meets the requirements of this Section, or grant a proportionately lower density bonus than required by this Section for a development that does not comply with the requirements of this Section.

CHAPTER 106.36 - PARKING AND LOADING

Sections:

- 106.36.010 - Purpose
- 106.36.020 - Applicability
- 106.36.030 - General Parking Regulations
- 106.36.040 - Number of Parking Spaces Required
- 106.36.050 - Disabled/Handicapped Parking Requirements
- 106.36.060 - Bicycle Parking
- 106.36.070 - Motorcycle Parking
- 106.36.080 - Reduction of Parking Requirements
- 106.36.090 - Parking Design and Development Standards
- 106.36.100 - Loading Space Requirements
- 106.36.110 - Trip Reduction

106.36.010 - Purpose

The requirements of this Chapter are intended to ensure that sufficient but not excessive off-street parking facilities are provided for all uses, and that parking facilities are properly designed, attractive, and located to be unobtrusive while meeting the needs of the specific use. The City discourages providing parking in excess of that required by this Chapter.

106.36.020 - Applicability

Each land use and structure shall provide off-street parking and loading areas in compliance with this Chapter. This Chapter shall also apply to changes to, or expansion of a land use or structure. A land use shall not be commenced and a structure shall not be occupied until the improvements required by this Chapter are completed and approved by the Director.

106.36.030 - General Parking Regulations

- A. **Timing of installation.** A new or altered structure shall not be occupied, and a new land use not requiring a structure shall not be established, until all off-street parking and loading facilities required by this Chapter are in place and approved by the City.
- B. **Permanent facilities required.** Each required parking and loading space shall be permanently available, marked, and maintained for parking or loading purposes for the use it is intended to serve. The approval of a Temporary Use Permit (Section 106.62.030) may allow the temporary use of a parking or loading space for other purposes.
- C. **Unrestricted facilities required.** An owner, lessee, tenant, or other person who controls the operation of a site with required parking or loading spaces shall not prevent, prohibit, or restrict authorized persons from using the spaces without the prior approval of the Director.
- ~~D. D.~~ **Truck or Trailer Parking.** The parking of a motor vehicle used for commercial or industrial purposes and rated more than one (1) ton capacity and trailers used for commercial or industrial purposes shall not be parked or stored in any residential zone except when loading, unloading, or rendering service.

B.E. State-mandated exemptions. Per Government Code 65863.2, parking is not required for any residential, commercial, or other development project within ½ mile of public transit (see Section 106.80.020 for definition of "public transit"). These rules do not apply to requirements for ADA parking spaces, EV charging spaces, or existing grandfathered contracts with the city to provide public parking.

106.42.010 - Purpose and Applicability

- A. Purpose.** This Chapter provides site planning, development, and/or operating standards for certain land uses that are allowed by Article 2 (Zoning Districts and Allowable Land Uses) within individual or multiple zoning districts, and for activities that require special standards to mitigate their potential adverse impacts.
- B. Applicability.** The land uses and activities covered by this Chapter shall comply with the provisions of the Sections applicable to the specific use, in addition to all other applicable provisions of this Zoning Code.
- 1. Where allowed.** The uses that are subject to the standards in this Chapter shall be located only where allowed by Article 2 (Zoning Districts and Allowable Land Uses).
 - 2. Planning permit requirements.** The uses that are subject to the standards in this Chapter shall be authorized by the planning permit required by Article 2 (Zoning Districts and Allowable Land Uses), except where a planning permit requirement is established by this Chapter for a specific use.
 - 3. Development standards.** The standards for specific uses in this Chapter supplement and are required in addition to those in Articles 2 (Zoning Districts and Allowable Land Uses) and 3 (Site Planning and Project Design Standards).
 - a. The applicability of the standards in this Chapter to the specific land uses listed is determined by Article 2 (Zoning Districts and Allowable Land Uses).
 - b. In the event of any conflict between the requirements of this Chapter and those of Articles 2 (Zoning Districts and Allowable Land Uses) or 3 (Site Planning and Project Design Standards), the requirements of this Chapter shall control.

106.42.015 – Accessory Dwelling Units

This Section establishes standards for accessory dwelling units and junior accessory dwelling units. An accessory dwelling unit may be created by conversion of floor area in a pre-existing primary dwelling unit, by an addition thereto, or created within a new or existing residential accessory structure. Except as otherwise specified by this Chapter, all accessory dwelling units shall comply with all provisions applicable to a primary dwelling unit. Nothing in this Chapter shall provide an exception to the requirements of the Building Code.

- A. Allowed Location.** An accessory dwelling unit is allowed on any property developed with residential living unit(s).
- B. Limitation on number of units.** No more than one accessory dwelling unit shall be located on a parcel developed with a single dwelling except the parcel may also have one junior accessory dwelling unit provided the junior accessory dwelling unit complies with Section 106.42.105.D.8. Accessory dwelling units are not included when calculating the density of a parcel.
- C. Relationship to primary use.**
- 1. Design, style.** An accessory dwelling unit shall be incidental to the primary single-family residential use of the site in terms of location and appearance and shall not alter the character of the primary structure. The architectural style, exterior materials, and colors of the accessory dwelling unit shall be compatible with the primary dwelling unit.
 - 2. Timing of construction.** An accessory dwelling unit may be constructed simultaneously with or after the primary dwelling. In addition, an existing dwelling that complies with the development standards for accessory

dwellings in Subsection D below, may be considered an accessory dwelling unit, and a new primary unit may be constructed which would then be considered the primary dwelling unit.

3. **Term of Rentals.** Accessory dwelling units or junior accessory dwelling units shall not be rented for periods of less than thirty one (31) days. This provision shall not apply to accessory dwelling units lawfully constructed prior to January 1, 2020.
- D. **Development standards.** The following standards apply to all newly constructed accessory dwelling units unless an exception is provided in Section 106.42.015.D.9.
1. **Setback requirements.** An accessory dwelling unit shall comply with the setback requirements of the applicable zoning district except that the side and rear yard setbacks may be four feet.
 2. **Height limit.** An attached accessory dwelling unit shall comply with the height limits of the applicable zoning district except that a detached accessory dwelling unit shall not exceed a maximum height of ~~16-18 feet, plus an additional two feet to accommodate roof pitch to align with roof pitch of the primary dwelling unit, except when~~Where the accessory dwelling unit is above a detached residential accessory structure, ~~in which case it~~ shall not exceed 25 feet in height.
 3. **Allowed floor area.**
 - a. The floorspace of an attached accessory dwelling unit shall not exceed 60 percent of the floorspace of the primary dwelling or 1,200 square feet, whichever is less. Regardless of the size of the primary dwelling, an attached accessory dwelling unit shall be allowed the minimum size as follows:
 - (1) 850 square feet for an accessory dwelling with zero to one bedrooms; or
 - (2) 1,000 square feet for an accessory dwelling with two or more bedrooms.
 - b. The floorspace of a detached accessory dwelling unit shall not exceed 1,200 square feet, regardless of the size of the primary dwelling.
 - c. For purposes of computing the floorspace of an accessory dwelling unit, all enclosed areas accessed from within the accessory dwelling unit shall be included. For purposes of computing the floorspace of the primary dwelling, all living area shall be included when calculating the floorspace of the primary dwelling.
 4. **Off-street parking requirements.** Additional off-street parking is not required for an accessory dwelling unit.
 5. **Separate entrance required.** An attached accessory dwelling unit shall have an entrance separate from the entrance to the primary dwelling.
 6. **Window placement.** An accessory dwelling unit that is 15 feet or less from a residential unit on an adjacent parcel shall not have windows that directly face windows in the other unit. A detached accessory dwelling unit located closer than 10 feet to a side lot line or 20 feet from a rear lot line shall have no second floor windows facing the side or rear except obscured glass or clerestory windows, unless the review authority determines that other types of windows will not significantly interfere with the privacy of residents on adjacent parcels.

- 7. Junior Accessory Dwelling Unit:** As an alternative to the standard accessory dwelling units, a parcel with a single dwelling may have one junior accessory dwelling in addition to a standard accessory dwelling unit.
- a. A unit is considered a junior accessory dwelling unit provided each of the following standards are met:
 - (1) The unit is created within the walls of the proposed or existing single-family residence, including attached garages.
 - (2) The unit does not exceed 500 square feet in size.
 - (3) The unit has at least an efficiency kitchen. The efficiency kitchen shall be removed if the junior accessory unit ceases.
 - (4) The unit has bathroom facilities that are either separate from or shared with the residence in which the unit is contained.
 - (5) The unit has exterior access separate from the entrance to the dwelling in which it is contained.
 - b. Either the junior accessory dwelling unit or the residence in which the junior dwelling unit is contained must be occupied by the owner. Owner-occupancy shall not be required if the owner is another governmental agency, land trust, or housing organization.
 - c. Prior to the issuance of the building permit, the owner shall show proof of a recorded deed restriction. The deed restriction, which shall run with the land including the transfer of ownership, will prohibit the following:
 - (1) The junior accessory dwelling unit shall not be sold separately from the single dwelling.
 - (2) The junior accessory dwelling unit shall be restricted in size and attributes as describe in Government Code 65852.22.
- 8. Exceptions.** An accessory dwelling unit shall be allowed as follows, regardless of whether the development standards contained in this section can be met.
- a. For lots with single-family dwelling, one of the following:
 - (1) One interior accessory dwelling unit or one junior accessory dwelling unit per lot constructed within an existing or proposed single-family or accessory structure, including the construction of up to a one hundred fifty (150) square foot expansion beyond the same physical dimensions as the existing accessory dwelling structure to accommodate ingress and egress. The accessory dwelling unit or junior accessory dwelling unit must have exterior access and side and rear setbacks sufficient for fire safety. If the unit is a junior accessory dwelling unit, it must also comply with the requirements of section 106.042.015.5.; or
 - (2) One new, detached accessory dwelling unit with a minimum four-foot side and rear setbacks, up to eight hundred (800) square feet and ~~no more than sixteen (16) feet high~~that meets the height requirements of Section 106.42.010(D)(2) on a lot with an existing or proposed single family dwelling. A junior accessory dwelling unit may also be built within the existing or proposed dwelling of such residence in connection with the accessory dwelling unit.
 - (2)(3) Front yard setbacks shall not be applied to an attached or detached ADU if it would prohibit the construction of an ADU that is at least 800 square feet with 4-foot side and rear yard setbacks.

- b. For lots with an existing multi-family dwelling:
- (1) Accessory dwelling units may be constructed in areas that are not used as livable space within an existing multi-family dwelling structure (i.e., storage rooms, boiler rooms, passageways, attics, basements, or garages), provided the spaces meet state building standards for dwellings. The number of interior accessory dwelling units permitted on the lot shall not exceed twenty-five percent (25%) of the current number of units of the multi-family complex on the lot and at least one such unit shall be allowed. Units constructed pursuant to this subsection shall not exceed eight hundred (800) square feet in floor area; and
 - (2) Up to two (2) detached accessory dwelling units may be constructed, provided they meet the height requirements of Section 106.42.010(D)(2)~~are no taller than sixteen (16) feet, and they have at least four (4) feet of side and rear yard setbacks~~. Units constructed pursuant to this subsection shall not exceed eight hundred (800) square feet in floor area. For the purpose of this subsection, a structure with two or more attached dwellings on a single lot is considered a multi-family dwelling structure. Multiple detached single-unit dwelling on the same lot are not considered multi-family.

E. **Zoning Clearance.** The Director shall issue the Zoning Clearance in compliance with Section 106.62.020.

7. Parking requirements.

- a. No additional parking space shall be required for customers of a small collection facility located in the established parking lot of the primary use.
- b. Use of parking spaces by the patrons and the attendant shall not reduce available parking spaces below the minimum number required for the primary use unless a parking study, determined to be acceptable by the Director, shows that existing capacity is not fully utilized during the time the recycling facility would be on the site.

106.42.200 - Residential Accessory Uses and Structures

This Section provides standards for residential accessory uses and structures, where allowed by Article 2 (Zoning Districts and Allowable Land Uses). These requirements do not apply to accessory dwelling units, which are instead regulated by Section 106.42.015 (Accessory Dwelling Units).

- A. Relationship to primary use.** An accessory use and/or structure shall be incidental to the primary residential use of the site, and shall not alter the character of the primary use.
- B. Timing of installation.** An accessory structure shall only be constructed concurrent with or after the construction of the primary structure on the same site, unless construction in advance of a primary structure is authorized through Minor Use Permit approval.
- C. Attached structures.** An accessory structure attached to the primary structure shall comply with all zoning district requirements applicable to the primary structure, including height limits and site coverage; and shall also comply with any applicable requirements of Subsection E below, for the specific type of structure.
- D. Detached structures.** An accessory structure that is detached from the primary structure shall comply with the following standards, except where Subsection E below, establishes a different requirement for a specific type of accessory structure. A residential accessory structure may be located between the primary dwelling and a street only with Design Review approval.

1. Setback requirements.

- a. **Front setback.** An accessory structure shall not be located within a required front setback except as may otherwise be provided by Subsection E below.
- b. **Side and rear setbacks.** An accessory structure ~~not exceeding 16 feet in height~~ shall maintain interior side and rear setbacks of at least five feet; except that the Director may authorize a minimum side and/or rear setback of three feet. ~~An accessory structure with a height greater than 16 feet shall increase the setback one foot for each foot above 16 feet. (i.e., an 18-foot high structure shall be set back seven feet.)~~
- c. **Separation between structures.** An accessory structure shall maintain at least a five-foot separation from other accessory structures and the primary dwelling unit.
- d. **Double-frontage lot.** An accessory structure shall not occupy the front half of a parcel, or either front quarter of a double-frontage lot, unless it is setback at least 75 feet from any street lot line.
- e. **Reverse corner lot.** On a reverse corner lot that abuts a key lot, no accessory structure shall be located less than 12.5 feet from the street property line. See Figure 4-3.
- f. **Garages accessible from an alley.** Where an accessory garage is accessible to vehicles from an alley, it shall be located not less than 25 feet from the opposite side of the alley.

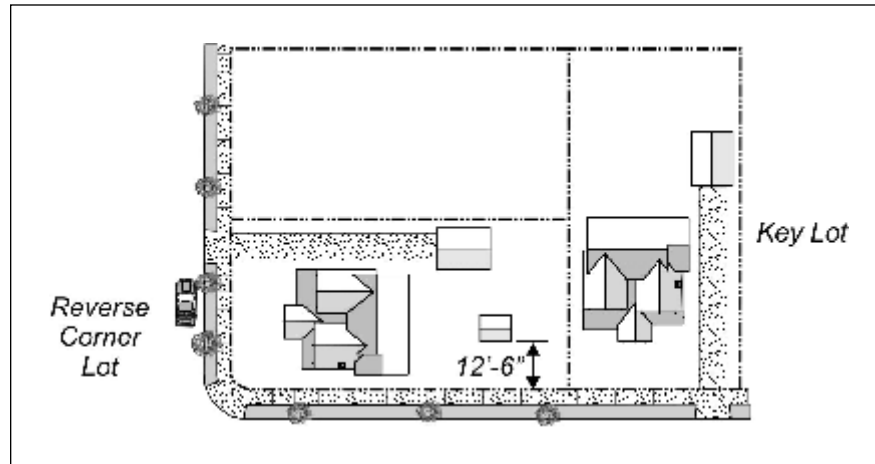


Figure 4-3 - Accessory Structure on Reverse Corner Lot

2. **Height limit.** An accessory structure shall not exceed a maximum height of 16 feet. ~~An accessory structure with a height greater than 16 feet shall increase the required five foot setback one foot for each foot above 16 feet (i.e., an 18-foot high structure shall be set back seven feet.) An accessory structure that is unable to meet the setback requirement previously described may have a height greater than 16 feet authorized by Minor Use Permit approval, except where an accessory dwelling unit is located above a detached garage or other accessory structure, or a height greater than 16 feet is authorized through Minor Use Permit approval.~~
 3. **Lot coverage.** Residential accessory structures shall be included when calculating lot coverage requirements of Section 106.24.060 (Residential District Site Planning and Building Standards).
 - a. The combined square footage of all accessory structures shall not exceed 2,400 square feet unless authorized through Minor Use Permit approval.
- E. Standards for specific accessory uses and structures.** The following requirements apply to the specific types of accessory structures listed, in addition to the requirements of Subsection D above, as applicable.
1. **Patio covers.** A patio cover that is attached to or detached from the primary dwelling, and open on at least three sides, may be located within the required rear setback subject to the following:
 - a. The five-foot separation from the primary dwelling unit required by Subparagraph D.1.c (Separation between structures), above does not apply;
 - b. The structure shall comply with the coverage and size limitations of Subparagraph D.3 (Coverage and size limitations), above; and
 - c. No part of a detached patio cover shall be closer than five feet to a rear property line, five feet to interior side, and 12.5 feet to street side property line.
 2. **Carports.** The five-foot separation from the primary dwelling unit required by Subparagraph D.1.c (Separation between structures), above does not apply to a carport. Design review is required for a carport located between the front property line and the residence.
 3. **Swimming pools.** A non-commercial swimming pool is an allowed accessory use in any zoning district, provided that no swimming pool shall be located within a required front or side setback, closer than three feet to any property line, or within three feet of a dwelling unit as measured to the surface of the water. No swimming pool shall be located within a utility easement.

3. The exterior roofing surface shall be shingle, shake or tile types of roofing either in natural form or simulated from such materials as metal, plastic or concrete. Specifically excluded are built-up, roll roofs and corrugated, sheet or skin metal or plastic panels.
- B. Facade width.** No dwelling shall have a smallest projected facade width of less than 20 feet, not including a garage. For the purposes of this Section "smallest facade width" means the smallest dimension attained by the parallel projection of the outside, insulated, enclosing walls of the building when projected from every direction.
- C. Kitchens.** No single dwelling shall have more than one full kitchen.

106.42.225 – Small Lot Housing Product Projects

This Section provides standards for the design of single family detached units or duplexes on individual lots when located within the RD-10 through RD-30, BP, GC, SC, and LC zoning districts. The intent of these standards is to allow smaller lots for housing than would otherwise be allowed or allow the development of detached homes on multi-family lots. Development standards for Multi-unit housing (apartments) are provided in Section 106.42.150.

- A. Minimum Lot Area and Minimum Lot Width.** The minimum lot area and/or minimum lot width may be determined by the review authority, provided the overall development site complies with the minimum parcel size and that the total number of dwellings is in compliance with the maximum density for the applicable zone.
- B. Building separation.** Buildings proposed on the site shall be separated by a minimum of 8 feet. Separation for pedestrian oriented stoops, entry features and front porches less than 15 feet in height may be reduced to 5 feet.
- C. Architectural standards.** Each dwelling shall comply with the following architectural requirements:
1. Exterior siding material shall be high quality wood, stucco, stone or masonry, including wood/stone/masonry veneers. Siding shall extend below the top of the foundation or to the finished ground, whichever is applicable. Low grade wood siding shall be prohibited.
 2. Blank walls are discouraged. All sides of each detached dwelling unit shall provide windows to allow natural lighting into each dwelling. Window placement should consider privacy of adjacent units and private outdoor space.
- D. Semi-Private Outdoor Areas.** Each unit shall provide a minimum of 250 square feet of semi-private outdoor area for each unit. The outdoor area shall provide a minimum usable dimension of 10 feet. The review authority may reduce these requirements where necessary to accommodate the minimum density identified for the site by the Housing Element, provided that project design has first incorporated smaller unit sizes.
- E. Access drive and parking space location.**
1. Each access drive shall be located at least 10 feet from any habitable space and 4 feet from any portion of a garage or porch, measured in any direction from the edge of the drive (including vertical angle measurement), and no closer than three feet from a fence, patio, trellis, etc.
 2. Parking spaces shall be located at least 6 feet from any structure measured in any direction from the edge of parking space (including vertical angle measurement).
 3. Garage doors shall either be a minimum of 6 feet from the edge of the access drive or more than 20 feet from the access drive. If the driveway to the garage is 20 or more feet in depth, the driveway may be counted as a parking space.

7. **Garage sales.** No parcel may have more than three sales per year, and no sale may exceed two consecutive days.
 8. **Public park events.** Organizations selling goods or merchandise on park property with prior written authorization from the Sunrise Recreation and Park District.
 9. **Public property.** Activities conducted on public property including parks, schools or property under control of the City.
 10. **Sidewalk Vending.** Vendor shall maintain a valid City business license and comply at all times with all other applicable City and governmental requirements, including the Americans with Disabilities Act (e.g. path of travel requirements).
 11. **Special Event or Sale.** Special event or sale that is held within a completely enclosed building and would be permitted under the applicable land use table.
 12. **Temporary work trailers.** A trailer or mobile home used as a construction office, or a temporary work site for employees of a business, provided that:
 - a. The use is authorized by a Building Permit for the trailer, and the Building Permit for the permanent structure;
 - b. The use is appropriate because:
 - (1) The trailer or mobile home will be in place during the construction of a subdivision, or the construction or remodeling of a permanent commercial or manufacturing structure for a maximum of one year, or upon expiration of the Building Permit for the permanent structure, whichever first occurs; or
 - (2) The applicant has demonstrated that the temporary work site is a short-term necessity for a maximum of one year, while a permanent work site is being obtained; and
 - c. The trailer is removed prior to final building inspection or the issuance of a certificate of occupancy for the permanent structure.
 13. **Vending On Demand.** Vendor shall maintain a valid City business licenses, County health permit, and comply at all times with all other applicable City and governmental requirements.
- C. Allowed temporary uses.** A Temporary Use Permit may authorize the following temporary activities within the specified time limits. Other temporary or short-term activities that do not fall within the categories defined below shall instead comply with the planning permit requirements and development standards that otherwise apply to the property.
1. **Auto and RV sales.** The temporary outdoor sales of autos, mobile homes, boats, and RV's may occur on any paved site within a GC, SC, AC, or commercial SPA zone for a period of three consecutive days every three months not to exceed 12 days in a calendar year. The temporary sale may be set up one day prior to the three-day sale and taken down one day following the sale.
 2. **Construction staging areas – off-site.** Off-site contractors' staging area for an approved construction project subject to the following development standards:
 - a. **Appearance/safety.** The Contractor shall erect and maintain temporary fencing and/or screening as needed to keep the site safe. Perimeter fencing shall be setback a minimum of five feet from the curb/sidewalk or street in the case of no sidewalks, to allow passage by pedestrians. The City may

(3) No signage whatsoever shall be allowed on containers.

14. Vending. Vending may be authorized in commercial zones with the approval of a Temporary Use Permit subject to the following standards:

- a. **Appearance and storage.** The vendor shall maintain the area within which vending activities occur in a clean, safe, sanitary, and dust-controlled condition. Unless authorized through the Temporary Use Permit, the vendor shall remove all evidence of vending and leave the site in a clean state at the close of each business day.
- b. **Location on particular roadways.** Vending ~~may be~~ is restricted or prohibited along specific roadways, or portions thereof, which, as a result of limited parking, limited line-of-sight, traffic control impacts, high traffic flow, or other reasons specified, are determined to be unsafe for vending. This may include restrictions against operating during peak traffic hours, as determined by the City.
- c. **Obstructions, hazards.** No vendor shall obstruct vehicular traffic, bicycle traffic, sidewalk pedestrian traffic, or accessibility to vehicles parked adjacent to the curb, and shall not create public health or safety hazards. No vending activity shall occur within the traffic safety visibility area described in Section 106.30.060.E (Height Limit at Street Corners).
- d. **Proximity to other items.** No vending shall occur within 10 feet of a fire hydrant, fire escape, building entrance, bus stop, loading zone, handicapped parking space or access ramp, fire station driveway, or police station driveway. A greater distance or separation from other uses may be required, under the permit, in order to preserve line-of-sight, or for other safety reasons. The vending shall not damage landscaped areas.
- e. **Residential zoning districts.** With the exception of food products, vending shall not be permitted in a residential zone.
- f. **Rights-of-way.** Vending shall not be permitted in a roadway median, or within any other public right-of-way unless authorized by the City.
- g. **Permit display.** Each vendor shall maintain a copy of the Temporary Use Permit and Business License at the location of vending.
- h. **Signs.** Portable signage shall be removed daily. At no time are signs allowed to be placed within the public right-of-way, on a sidewalk, or in a location that would impede vehicular or pedestrian traffic.
- i. **Tables.** Tables for use by customers are prohibited unless authorized through the Temporary Use Permit. The vendor must be able to demonstrate that areas proposed for the use of tables, i.e. a plaza, open space area, or similar area has adequate room to not interfere with on-site travel movements. Sites using tables must demonstrate that adequate restroom facilities are available for use by customers.
- j. **Time Limits.** Stationary vending is intended to be a temporary activity and may not occur in a single location more than 180 days within a twelve month period ~~—~~ unless authorized through Minor Use Permit approval.
- k. **Toilet and handwashing facilities.** Vendors that remain in place more than one hour must be situated within two hundred feet travel distance of a legally approved and permitted toilet and handwashing facility for use by the vendor. Temporary toilet and handwashing facilities are subject to review and approval by the Community Development Director. Criteria for review include duration, location,

appearance and visibility from the public right-of-way. Vendors that remain in place more than four hours must demonstrate that adequate restroom facilities are available for use by customers.

- I. **Vending vehicles or devices.** The width, length, and height of all vendor vehicles and devices shall be subject to review as a part of consideration of the Temporary Use Permit. The City's review shall include but not be limited to color, materials, and appearance of the vending vehicle or device; shade umbrellas; accessories (including ice chests and trash receptacles); and maneuvering necessary for set-up and takedown. All vehicles shall comply with the California Vehicle Code and California Health and Safety Code.
 - m. **Other applicable regulations.** Each vendor shall comply at all times with all applicable City and other governmental requirements, including without limitation, health permit, the Americans with Disabilities Act, health and safety regulations, this Zoning Code.
- D. **Development standards.** The Director may establish the following standards based on the type of temporary use using the requirements of the applicable zoning district, and Articles 3 (Site Planning and Project Design Standards) and 4 (Standards for Specific Land Uses) for guidance:
- 1. Measures for removal of the activity and site restoration, to ensure that no changes to the site would limit the range of possible future land uses otherwise allowed by this Zoning Code;
 - 2. Limitation on the duration of approved "temporary structures," so that they shall not become permanent or long-term structures; and
 - 3. Other requirements as appropriate to minimize any adverse impacts of the use.

106.42.250 – Two-Unit Housing Development

This Section provides standards for housing developments of no more than two units, where allowed by this section. The provisions of this section supersede any contrary provisions in the Citrus Heights Municipal Code to the contrary.

- A. **Allowed Locations.** A housing development in compliance with this Section shall be approved ministerially if it meets the following requirements:
- 1. The parcel is located within a single-family residential zone.
 - 2. The parcel is not located in any of the following areas and does not fall within any of the following categories:
 - a. A special flood hazard area subject to inundation by the 1 percent annual chance flood (100-year flood) as determined by the Federal Emergency Management Agency (FEMA) in any official maps published by FEMA. If an applicant is able to satisfy all applicable federal qualifying criteria in order to provide that the site satisfies this subparagraph and is otherwise eligible for streamlined approval under this section, the city shall not deny the application on the basis that the applicant did not comply with any additional permit requirement, standard, or action adopted by the city that is applicable to that site. A development may be located on a site described in this subparagraph if either of the following are met:
 - i. The site has been subject to a Letter of Map Revision prepared by FEMA and issued to the city; or
 - ii. The site meets FEMA requirements necessary to meet minimum flood plain management criteria of the Nation Flood Insurance Program as further spelled out in

Definitions

E

Drug Store, Pharmacy. A retail store that sells prescription drugs, over-the-counter medications, and other related products.

Duplex. A structure containing two dwelling units, including a structure where both units are under single ownership, and a structure where each unit is separately owned (a "half-plex").

Dwelling, Dwelling Unit, or Housing Unit. A room or group of internally connected rooms that have sleeping, cooking, eating, and sanitation facilities, but not more than one kitchen, which constitute an independent housekeeping unit, occupied by or intended for one household on a long-term basis.

E. Definitions, "E."

Easement. A grant of one or more of the property rights by the property owner to and/or for the use by the public, a corporation or another person or entity.

Efficiency Kitchen. A kitchen which contains a sink with a drain and cooking facilities with appliances. Food preparation counter and storage cabinets are of reasonable size in relation to the size of the unit.

Emergency Shelter. A facility for the temporary overnight shelter of indigents operated by a public or non-profit agency. This includes but is not limited to other interim interventions such as a navigation center, bridge housing, and respite or recuperative care. Does not include charitable food distribution, which is not regulated by this Zoning Code.

Environmental Impact Report (EIR). An informational document used to assess the physical characteristics of an area and to determine what effects will result if the area is altered by a proposed action, prepared in compliance with the California Environmental Quality Act (CEQA).

Equestrian Facility. A commercial facility for horses, donkeys, and/or mules, examples of which include horse ranches, boarding stables, riding schools and academies, horse exhibition facilities (for shows or other competitive events), and barns, stables, corrals and paddocks accessory and incidental to these uses. Does not include the simple pasturing of horses, donkeys, and/or mules, which is instead included in "Animal Keeping" as regulated by Section 106.42.030.

Equipment Rental. A service establishment that may offer a wide variety of household and business equipment, furniture, and materials for rental. Does not include construction equipment rental, which is separately defined.

F. Definitions, "F."

Fence. A constructed, un-roofed barrier of wood, metal, masonry, or other material as allowed by this Zoning Code, that is intended to enclose, separate, define, secure, protect, and/or screen one or more areas of a site. Includes masonry walls.

1. **Open Wire Fence.** A fence through which fenced areas remain visible because of the wire mesh used for the fence. Includes chain link fencing, deer fencing, etc.
2. **Safety Fence.** A fence constructed to prevent access to a hazard or hazardous area.
3. **Razor or Concertina Wire.** Sharp fencing materials that are designed to lacerate animals or unauthorized persons attempting to climb or cross the fence through other than a gate.

Farm Supply and Feed Store. A retail business selling supplies for use in soil preparation and maintenance, the planting and harvesting of crops, the keeping and raising of farm animals, and other operations and processes pertaining to farming and ranching. Does not include the sale, rental, or repair of farm machinery and equipment, which is instead included in the definition of "Construction and Heavy Equipment Sales and Rental."

Definitions

Q

typesetting, engraving, photoengraving and electrotyping. This use also includes establishments that publish newspapers, books and periodicals; establishments manufacturing business forms and binding devices. "Quick printing" services are included in the definition of "Business Support Services."

Private Residential Recreation Facility. A privately-owned, non-commercial outdoor recreation facility provided for residential project or neighborhood residents, including swimming pools, swim and tennis clubs, park and sport court facilities. Does not include golf courses, which are separately defined. This is not considered a separate land use requiring Minor Use Permit approval in compliance with Article 2 (Zoning Districts and Allowable Land Uses) if approved at the same time as the overall project of which it is part.

Produce Stand. A temporary business established and operated for a specific time, selling raw, unprocessed fruits, vegetables, nuts, and other produce in its raw or natural state, and that is accessory to an on-site or adjacent agricultural operation.

Project Arborist. An arborist providing consulting services for tree permit(s) as a condition of construction, development, or redevelopment project

Property Line. See "Lot Line".

Proposed Project. A proposed new structure, new addition to an existing structure, or area of other new site development; these do not include the alteration of any portion of an existing structure other than an addition.

Protected Zone of a Tree. The radius of the protected zone is a circle equal to the trunk diameter in inches converted to feet. (For example, the radius of the protected zone of a tree with a trunk diameter of six inches is six feet.) Trunk diameter is measured at 54 inches above the ground.


Public Auction, Flea Market. The sale of used and/or new merchandise by individual vendors in a temporary or permanent facility. An indoor swap meet or flea market occupies a building typically designed for retail sales with tables, booths, or other spaces for the individual vendors.

Public Safety Facility. A facility operated by a public agency including fire stations, other fire prevention and fire fighting facilities, police and sheriff substations and headquarters, including interim incarceration facilities. May include ambulance dispatch facilities on the same site.

Public Transit. A major transit stop, i.e., an existing rail or bus rapid transit station; a ferry terminal serviced by bus or rail service; or the intersection of two or more major bus routes with a frequency of service interval of 15 minutes or less during morning and afternoon peak commute periods, including major transit stops included in an applicable regional transportation plan.

Q. Definitions, "Q."

Qualifying Resident. For the purposes of Chapter 106.32 (Affordable Housing Incentives), a senior citizen or other person eligible to reside in senior citizen housing.

 <div style="text-align: center;"> <h1>STAFF REPORT</h1> <p>Community Development Department Planning Division 6360 Fountain Square Dr. Citrus Heights, CA 95621 www.citrusheights.net (916) 727-4740</p> </div>		Hearing Date: February 8, 2023	
		File Number: PLN-23-01	
		Application Type: Zoning Ordinance Update	
		Assessor's Parcel Number(s): Citywide	
		Prepared by: Eric Singer, Assistant Planner esinger@citrusheights.net	
Project Name: Zoning Code Update – Various Chapters			
Project Address: N/A			
Gross Acreage: N/A		Net Acreage: N/A	
Current Zoning: N/A		Proposed Zoning: N/A	
Surrounding Zoning:		Surrounding Land Use Designation	
Actual Use:			
On-site:	Not Applicable Citywide		
North:			
South:			
West:			
East:			
Environmental Status: <div style="display: flex; justify-content: space-between;"> <div> <input checked="" type="checkbox"/> Exempt Section 15061(b)(3) <input type="checkbox"/> Negative Declaration <input type="checkbox"/> Mitigated Negative Declaration </div> <div> <input type="checkbox"/> Previous Negative Declaration <input type="checkbox"/> Environmental Impact Report <input type="checkbox"/> Previous Environmental Impact Report </div> </div>			
Planning Department Recommendations: <input checked="" type="checkbox"/> Recommend approval and forward to the City Council for final action <input type="checkbox"/> Approve with conditions <input type="checkbox"/> Denial			
Applicant:	City of Citrus Heights Planning Division	Property Owner:	Citywide Ordinance

REQUEST

The Planning Division requests the Planning Commission review the attached proposed Zoning Code Amendments. The proposed amendments include changes to various chapters of the Zoning Code including Affordable Housing Incentives, Parking Requirements, Accessory Dwelling Unit (ADU) regulations, and Temporary Uses to remain in compliance with current state law. The Planning Commission's decision will be forwarded to the City Council for final action.

SUMMARY RECOMMENDATION

The Planning Division recommends the Planning Commission make the following motions:

Motion 1: Recommend the City Council adopt a Resolution to find the proposed amendments are exempt from the California Environmental Quality Act (CEQA) under Section 15061(b)(3) of the Guidelines in that adoption of the proposed Ordinance will not result in any impacts on the physical environment; and

Motion 2: Recommend the City Council adopt an Ordinance amending sections of Chapter 106 of the City of Citrus Heights Municipal Code (Zoning Code Section) as shown in Exhibit A.

BACKGROUND

The City's land use and zoning regulations are contained in Title 106 (Zoning) of the City's Municipal Code (hereinafter referred to as the Zoning Code). The Zoning Code carries out the policies of the General Plan by providing standards and guidelines for the continuing orderly development of the City.

On occasion, refinements to the Zoning Code are necessary to clarify existing standards, implement new ones, reflect changes in law, and address changing business types and their activities. Staff proposes to modify various section of the Zoning Code to reflect changes in state law as well as make necessary refinements, including changes to Affordable Housing Incentives, Parking Requirements, Accessory Dwelling Unit (ADU) regulations, and Temporary Uses. The approval of these amendments does not approve any development project. Rather, they amend and clarify the certain sections of the Zoning Code for consistency with state law.

PROJECT DESCRIPTION

This staff report includes a table of the proposed changes. The table lists the code section number, the topic and a brief discussion of the change. Exhibit A includes a complete list of the zoning amendments in underline/strikeout text format.

While many of the proposed changes are minor, special attention should be given to the key areas discussed below where the changes are more significant.

- **Affordable Housing Incentives (Density Bonus)** Due to changes in state law, the Zoning Code has to now include language that defines the maximum allowed density in any particular zone as "Base Density." Additionally, two new density bonuses must now be allowed for any project classified as a "Very Low Vehicle Travel Area." These bonuses include unlimited density and a 33 foot height increase for any 100% low income residential project pursuant to Assembly Bill 2334.
- **Parking Requirements** Per Assembly Bill 2097 that updates Government Code 65863.2, the City cannot require parking for any "residential, commercial or other development project" within ½ mile of public transit. Areas within one-half mile of a high-quality transit corridor are identified in the Metropolitan Transportation Plan/Sustainable Communities Strategy (MTP/SCS) map, provided by SACOG (see Figure 1). A high-quality transit corridor has fixed route bus service with service

intervals of 15 minutes or less during peak commute hours. These rules do not apply to requirements for ADA parking spaces, EV charging spaces, or existing grandfathered contracts with a City to provide public parking.

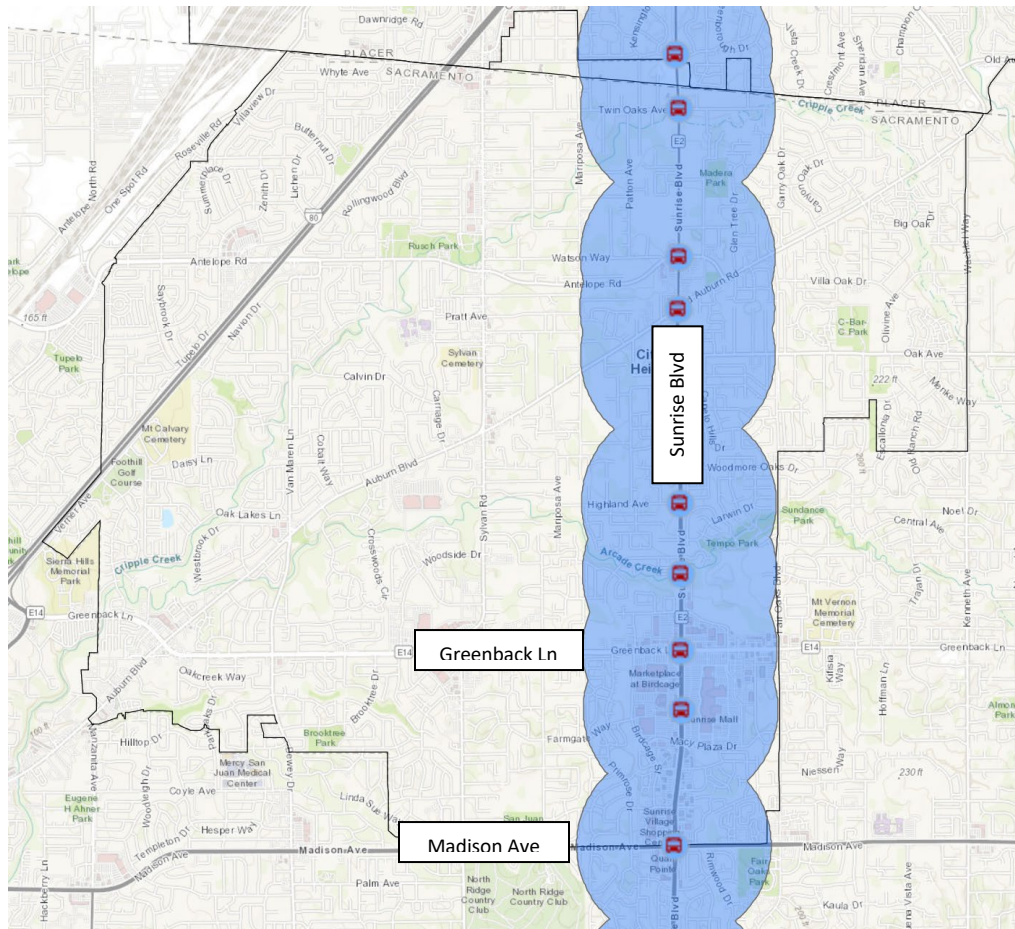


Figure 1: SACOG MTP/SCS Major Transit Stop Map

- **Accessory Dwelling Units** Changes have been made to ADU and JADU laws which clarify and expand on previous legislation. The two major changes that apply to the Zoning Code include:
 - Clarification that front yard setbacks cannot be applied to an attached or detached ADU if it would prohibit the construction of an ADU that is at least 800 square feet with 4-foot side and rear yard setbacks.
 - An increase in allowed height limits from 16 to 18 feet (plus an additional two feet to accommodate roof pitch to align with roof pitch of primary dwelling unit for a total of 20 feet) for detached ADUs. Attached ADUs are currently permitted at the height of the primary unit.
- **Temporary Vending Time Limits** Per Senate Bill 946, the City may not impose any time restrictions on temporary vending operations (food trucks, carts, mobile merchandise stands, etc.) within the public right-of-way. The City currently has a 180 day per calendar year limit on temporary vending, with longer time allowed through Minor Use Permit approval. The language in this section has been revised to clarify that the time limit for temporary vending on private property does not apply to vending in the right-of-way.

SUMMARY OF ALL CHANGES

The table below includes all the changes proposed for the Zoning Code Update.

Article 2 – Zoning Code Districts and Allowable Land Uses		
<i>Code Section</i>	<i>Topic</i>	<i>Change</i>
106.26.030	Allowed Land Uses for Commercial Zoning Districts	Now allow for a school (elementary, middle, or high school) in the BP (Business Professional) zoning district with approval of a Use Permit.
Article 3 – Site Planning and Project Design Standards		
<i>Code Section</i>	<i>Topic</i>	<i>Change</i>
106.30.040(E)	Creekside Development Standards	Cleans up language in various sections for clarification purposes
106.32.030	Allowed Density Bonuses	Includes definition of “base density” and clarifies that if there are any conflicts between the maximum allowed density outlined within the Zoning Code and General Plan or any Specific Plan, the greater density shall apply.
106.32.030(A)(1)(b)	Eligibility for Increased Bonuses	Adds additional density bonuses for any developments within a Very Low VMT Area per definition outlined in Government Code 65915 (See Attachment 1 for map).
106.36.030(E)	General Parking Regulations	Adds language regarding additional state-mandated parking exemptions per Govt. Code 65863.2, where no parking is required for any development within ½ mile of public transit.
Article 4 – Standards for Specific Land Uses		
<i>Code Section</i>	<i>Topic</i>	<i>Change</i>
106.42.010(D)(2)	Accessory Dwelling Unit Height Limits	Increases the height limit allowed for accessory dwelling units from 16 to 18 feet, plus an additional two feet to accommodate roof pitch to align with roof pitch of primary dwelling unit.
106.42.020(D)(8)	ADU Setbacks	Clarification that front yard setbacks cannot be applied to an attached or detached ADU if it would prohibit the construction of an ADU that is at least 800 square feet with 4-foot side and rear yard setbacks. Also cleans up language regarding height limits for ADUs to align with new standards.
106.42.200(D)(2)	Accessory Structure Height Limits	Cleans up language that clarifies allowance for an accessory structure over 16 feet in height with increased side and rear setbacks.
106.42.225	Small Lot Housing Product Projects	Clarifies that small lot housing projects may be either single-family or duplex units
106.42.250(C)(14)	Temporary Vending	Removes 180 day limit per calendar year on temporary vending per Senate Bill 946. Also clarifies mobile toilet and handwashing facilities for use by temporary vendors are subject to review and approval from the Community Development Director.

Article 8 – Glossary		
Code Section	Topic	Change
106.80.020	Definitions of Specialized Terms and Phrases	Added definitions for the following terms: ➤ Public Transit Expanded definitions for the following terms: ➤ Emergency shelter

CONCLUSION

The proposed Zoning Code amendment is consistent with the General Plan and will not be detrimental to the public interest, health, safety, convenience, or welfare of the city. The proposed modifications are intended to update the Zoning Code based on changing trends, new legal requirements or best practices; therefore, staff recommends approval of the amendments.

ENVIRONMENTAL DETERMINATION

This project is categorically exempt from the California Environmental Quality Act (CEQA Guidelines Section 15061(b)(3)) in that adoption of the proposed Ordinance will not result in any impacts on the physical environment; and under the general rule that the proposed amendments to the Municipal Code do not have the potential to have a significant effect on the environment.

RECOMMENDATION

The Planning Division recommends the Planning Commission make the following motions:

Motion 1: Recommend the City Council adopt a Resolution to find the proposed amendments are exempt from the California Environmental Quality Act (CEQA) under Section 15061(b)(3) of the CEQA Guidelines; and

Motion 2: Recommend the City Council adopt an Ordinance amending sections of Chapter 106 of the City of Citrus Heights Municipal Code (Zoning Code Section) as shown in Exhibit A.

Exhibit A: Redline of Zoning Code Text

Attachment 1: SB 743 Map of “Very Low VMT” Areas



CITY OF CITRUS HEIGHTS

CITY COUNCIL STAFF REPORT MEMORANDUM

DATE: April 27, 2023

TO: Mayor and City Council Members

FROM: Ashley J. Feeney, City Manager
Amy Van, City Clerk

SUBJECT: Citrus Heights Education Committee

Summary and Recommendation

At the March 23, 2023 City Council meeting, the City Council approved, by majority vote, the formation of a limited term Citrus Heights Education Committee (CHEC) to examine the feasibility of a Citrus Heights school district. The City Council further directed the City Council Education & Community Programs Ad Hoc 2x2 Committee to develop a work plan, timeframe and committee composition to be presented to the City Council for consideration and approval.

Staff recommends the City Council review and discuss the Ad Hoc 2x2 Committee's recommended work plan for the CHEC and provide direction to staff.

Background and Analysis

The City Council Education & Community Program 2x2 Committee met and developed the CHEC's work plan, timeframe, and composition as outlined below.

Citrus Heights Education Committee Work Plan and Timeframe

GOAL: To examine the feasibility of creating a new Citrus Heights school district

ACTIVITIES:

- Analyze schools within the city boundaries of Citrus Heights inclusive of test scores, attendance records, athletic and extracurricular school activity opportunities and participation levels, and capacity at Citrus Heights schools versus actual enrollment
- Research the steps and process of becoming a school district
- Provide examples of other similar school district formations (in-process or recent action)
- Assess the capability of the City to create a school district
- Assess the budgetary needs and available resources to pursue school district formation
- Report Progress
- Recommendations

Subject: Citrus Heights Education Committee

Date: April 27, 2023

Page 2 of 2

COMMITTEE COMPOSITION:

The CHEC is proposed to be comprised of seven (7) seats as follows: one (1) appointee by each Councilmember (does not need to reside in their Council District), and two (2) at-large committee members.

TIMELINE:

If approved the selection process and work program timeline are proposed as follows:

DATE	ACTION
April 28	Application released and posted on the City's website; conduct community outreach
May 12	Applications due to the City
May 15	Applications would be sent to Council for review
May 25 Council Mtg.	Committee members appointed by City Council
June – October	Committee meetings to be held over a five-month period, or other schedule as determined by the City Council
November 9 Council Mtg.	The Committee's work program is expected to culminate in a policy recommendation to Council in November.

Attachment 1 includes the proposed application questions as recommended by the City Council 2x2 Committee.

Fiscal Impact

The fiscal impact of a committee would involve staff time assisting to coordinate scheduling for meetings and other administrative support. The City Manager's office would seek to contract with a consultant to assist with the facilitation of the CHEC similar to what was done with the exploration of forming a city police department. If there is a desire to move beyond the CHEC's examination assignment, projected costs associated with any future recommended actions (such as moving ahead with formation actions) will be identified and estimated as part of the report prepared by the CHEC.

Attachments

1. Citrus Heights Education Advisory Committee Application and Questionnaire



**City of Citrus Heights
Application for Citrus Heights
Education Committee**

Statement of Purpose:

The City Council is creating a Citrus Heights Education Committee (CHEC) for the purpose of examining the feasibility of creating a new Citrus Heights school district.

Committee Activities:

- Analyze schools within the city boundaries of Citrus Heights inclusive of test scores, attendance records, athletic and extracurricular school activity opportunities and participation levels, and capacity at Citrus Heights schools versus actual enrollment
- Research the steps and process of becoming a school district
- Provide examples of other similar school district formations (in-process or recent action)
- Assess the capability of the City to create a school district
- Assess the budgetary needs and available resources to pursue school district formation
- Report Progress
- Recommendations

Time Requirements:

It is anticipated that the CHEC will be conducting its Work Program primarily between June and October 2023. The CHEC will develop a meeting schedule; some or all of the meetings will be held on weeknight evenings.

Directions:

Please fill out the following information and answer the questions as completely as possible. If you have received this document electronically, you may email your completed form by **Friday, May 12, 2023 by 5:00 p.m. to: cityclerk@citrusheights.net**, or you can deliver your application to the Amy Van, City Clerk, Citrus Heights City Hall, 6360 Fountain Square Drive, Citrus Heights.

Selection Process:

- Applications are due by Friday, May 12, 2023 by 5:00 PM.
- Council Members will review each application and the appointment of CHEC members will be placed on the May 25, 2023 Council meeting agenda.

CITY OF CITRUS HEIGHTS
6360 Fountain Square Drive
Citrus Heights, CA 95621

(916) 725-2448
(916) 725-5799 Fax
www.citrusheights.net

APPLICATION FOR APPOINTMENT

NOTE: Your application/biographical information will be copied for the City Council and made available to the press and public.

PERSONAL DATA			
NAME:		PHONE:	
EMAIL ADDRESS:			
ADDRESS:		CITY:	STATE: ZIP:
		HOW LONG HAVE YOU LIVED IN CITRUS HEIGHTS?	
ARE YOU PRESENTLY SERVING ON A CITY COMMISSION OR BOARD?		<input type="checkbox"/> YES <input type="checkbox"/> NO	
IF YES, WHICH COMMISSION OR BOARD?			

EMPLOYMENT/EXPERIENCE
EMPLOYER:
OCCUPATION (If retired, please indicate former occupation or profession):
EDUCATION:
WHAT SKILLS, TRAINING, OR EXPERIENCES DO YOU FEEL YOU HAVE THAT WOULD BENEFIT THIS BOARD OR COMMISSION?

Application Information Questions (Please limit your answers to the space provided)

1. Have you or a close family member worked or volunteered for the San Juan Unified School District or School, or any other School District or School? If so, please explain your professional and/or volunteer role and experience in the School District or School.

2. Please explain your reasons for your interest in participating in the Education Committee.

3. Describe your professional and/or personal background that you believe would be relevant for your participation on the Education Committee.

4. Have you ever had any direct experience with education/school district in Citrus Heights? If so, do you think your experience may influence your participation on the Education Committee? Please explain.

5. Do you volunteer with any other organizations that you think might conflict with your ability to be available to serve on the Education Committee?

6. Is there any other information you would like to share that will assist the City Council to consider your application for selection to the Education Committee?

I DECLARE, UNDER PENALTY OF PERJURY, THAT ALL STATEMENTS IN THIS APPLICATION ARE TRUE AND COMPLETE TO THE BEST OF MY KNOWLEDGE AND BELIEF.

Signature of Applicant

Date

Please return application to:

**City of Citrus Heights
City Clerk's Office
6360 Fountain Square Drive
Citrus Heights, CA 95621**



CITY OF CITRUS HEIGHTS

CITY COUNCIL STAFF REPORT MEMORANDUM

DATE: April 27, 2023

TO: Mayor and City Council Members
Ashley J. Feeney, City Manager

FROM: Meghan Huber, Economic Development & Community Engagement Director

SUBJECT: **Approval of Sunrise MarketPlace Property-Based Improvement District 2022 Annual Report**

Summary and Recommendation

The Sunrise MarketPlace Property-Based Improvement District (PBID) is required by law to provide an annual report to the City Council. The PBID Board of Directors approved the 2022 Sunrise MarketPlace Annual Report on April 13, 2023, and are ready to present this report to the City Council.

Staff recommends the City Council adopt Resolution No. 2023-_____ a Resolution of the City Council of the City of Citrus Heights approving the Sunrise MarketPlace 2022 Annual Report.

Fiscal Impact

There is no fiscal impact associated with this action.

Background and Analysis

The City Council approved the formation of the Sunrise MarketPlace PBID in 1999 and the most recent renewal in July 2021. Sunrise MarketPlace is an important partner of the City to achieve shared economic development goals.

Summary of Sunrise MarketPlace (SMP) Accomplishments

- Eighteen new businesses opened in 2022, with five additional businesses scheduled to open in 2023
- Received \$100,000 in American Rescue Plan funds from the County
- The City of Citrus Heights awarded \$5,000 from the public art grant
- Secured two grants from SMUD totaling \$35,000

Subject: Approval of Sunrise MarketPlace Property and Business Improvement District 2022 Annual Report

Date: April 27, 2023

Page 2 of 2

- Clean & Safety Programs accounted for 474 bags of trash removal
- Social media increased to 13,118 Facebook Followers and 2,046 Instagram Followers
- Newsletter subscribers increased to 10,153, and Business subscriptions increased to 416
- Community events such as Brews in the Burbs and others increased overall awareness of the marketplace
- Supported local Citrus Heights organizations and programs that improve our community including a Thanksgiving Day Food Drive

The PBID is required to prepare an annual report and present it to the City Council for review and approval. The Sunrise MarketPlace Board of Directors approved the 2022 Annual Report at their board meeting on April 13, 2023. The meeting was noticed and held in accordance with the Brown Act.

Attachments

1. Resolution 2023-____, a Resolution of the City Council of the City of Citrus Heights approving the Sunrise MarketPlace 2022 Annual Report
 - a. Sunrise MarketPlace 2022 Annual Report

RESOLUTION NO. 2023- ____**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CITRUS HEIGHTS, CALIFORNIA, APPROVING THE SUNRISE MARKETPLACE 2022 ANNUAL REPORT**

WHEREAS, The City Council approved the formation of the Sunrise MarketPlace PBID in 1999 and the most recent renewal in July 2021;

WHEREAS, the Sunrise MarketPlace Board of Directors approved the Sunrise MarketPlace 2022 Annual Report on April 13, 2023; and

WHEREAS, the Sunrise MarketPlace 2022 Annual Report is incorporated as part of this Resolution and is on file with the City Clerk.

NOW THEREFORE BE IT RESOLVED AND ORDERED The City Council of the City of Citrus Heights does approve the Sunrise MarketPlace 2022 Annual Report.

The City Clerk shall certify the passage and adoption of this Resolution and enter it into the book of original resolutions.

PASSED AND ADOPTED by the City Council of the City of Citrus Heights, California, this 27th day of April, 2023 by the following vote, to wit:

AYES: **Council Members:**
NOES: **Council Members:**
ABSTAIN: **Council Members:**
ABSENT: **Council Members:**

Tim Schaefer, Mayor

ATTEST:

Amy Van, City Clerk

Attachment

Sunrise MarketPlace 2022 Annual Report

OPENED IN 2022

Adventure Oak School - Greenfaire Village
Burger King
Citrus Heights Cafe & Grill
Chuze Fitness - MarketPlace at Birdcage
Folsom Palace
Firehouse Subs - Sunrise Village
Headies Smoke & Vape Shop
Jersey Mike's Subs
JoAnn *relocated/remodeled*
Naija Cuisine - Sunrise Mall
Popeyes Louisiana Kitchen
Raising Cane's Chicken Fingers
Royal Stage Christian Performing Arts - Sunrise Mall
Smart Tech Ready - Sunrise Mall
Starbucks - Sunrise Village
T&Z Toys - Sunrise Mall
Toys R Us - Inside Macy's

OPENED OR COMING SOON IN 2023

CSL Plasma - Former Dimple Records Building
Fitness Center - Sunrise Village
National Vision Center
Grocer - Sunrise Village
Pet Food Express - Marketplace at Birdcage

2022 BOARD OF DIRECTORS

OFFICERS

Tiffany Clement
Chair
Merlone Geier
Sunrise Village
Don Tollefson
Treasurer
Batteries Plus
Kimberly Kelley
Secretary
InterCal Real Estate

Greg Bazarnik
Macy's
Brooke Boldin-Mallory
Namdar Realty
Sunrise Mall
Christy DeCelle
Beach Hut Deli
Andy Gianulias
Greenback Associates

Ted Mitchell
Property Owner
Colby Young
Gerrity Group
Marketplace at Birdcage
Wayne Wasulko
7920 Alta Sunrise Office Bldg.

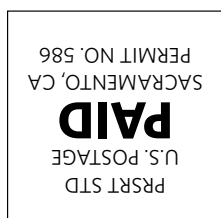
STAFF

Kathilynn Carpenter
Executive Director
kathilynn@sunrisemarketplace.com
Lisa Cordell
Marketing & Special Projects Manager
lisa@sunrisemarketplace.com
Mikhaila Freas
Marketing Assistant
mikhaila@sunrisemarketplace.com

CITY COUNCIL LIAISONS

Bret Daniels
Vice Mayor
Jane Lopez-Taft
Councilmember

ITEM 13





SUNRISE MARKETPLACE

SHOP DINE DO PLAY

2022 ANNUAL REPORT

MESSAGE FROM THE CHAIR



BY **TIFFANY CLEMENT**

Chair - Sunrise MarketPlace board of directors

Property Manager - Merlone Geier / Sunrise Village

Most of our businesses survived the pandemic with assistance from the government and Sunrise MarketPlace (SMP). One result of the pandemic has been an increase in crime and property-related vandalism. Two challenges make it difficult to deal with these issues. One, Prop 47 reduced some crimes from felonies to misdemeanors. Shoplifters know to keep it under \$950. Two, the City of Citrus Heights does not manage the justice system, nor does it operate its own jail. The County Jail system is currently under a consent decree for overcrowding and substandard living conditions. Currently, we are unable to arrest for misdemeanors such as shoplifting below \$950, trespassing, property damage, etc.

The County prioritizes felonies and will not take these arrests. This is understandable but leaves us to deal with these issues that so negatively impact our businesses. The police department is operating under the same constraints. While we have no control over the County or the jail system, we can do our best to manage the environment in the District. More than \$300,000 of the District's budget is devoted to making sure the

area is clean, safe, and attractive. For more information on our security and maintenance programs see pages two and three of this report. SMP also continues to create awareness and bring consumers to the District through advertising, special events, promotions, and public art.



SMP MOVES INTO NEW OFFICE

SMP's office has been located inside Sunrise Mall since 2010. Having outgrown the small office, a new space was secured at the Greenfaire Village Center at the NW corner of Fair Oaks and Greenback. The new office features a well-equipped conference room that businesses are welcome to utilize. The room can host 20- 25 people. We will be hosting seminars throughout the year on issues relevant and helpful to businesses including sessions with Officer Schouten. To schedule conference space contact Mikhaila Freas at: mikhaila@sunrisemarketplace.com

SMP LEVERAGES ASSESSMENT FOR ADDITIONAL FUNDING

The District is funded through a portion of property taxes equaling \$836,000. Staff leveraged this assessment to obtain grants. In 2022, SMP received \$100,000 in American Rescue Plan funds from the County and a \$5,000 public art grant from the City of Citrus Heights. In 2023, SMP secured two grants from SMUD totaling \$35,000. Staff is applying for a grant from the County as well as an Economic Development grant from the City.

PROGRAMS & SERVICES

CLEAN & SAFE PROGRAMS

SMP CONTINUES TO STEP UP SECURITY



Why Security?

SMP has primarily been a marketing and event-oriented District. During and post-pandemic, SMP has experienced an increase in crime, especially property damage, trespassing, and theft. At the same time, the police department has fewer officers on patrol. While the County jail issues make arrests difficult, we can keep them from establishing camps in the District by moving them from private property.

The Program

SMP has contracts with the Citrus Heights Police Department for a dedicated, full-time officer. Officer Jeff Schouten patrols the District Tuesday through Friday 10:00 AM to 8:00 PM. To fill in gaps, when Officer Schouten is off, SMP also contracts with NorCal Security for armed, private security. While days and hours for NorCal vary depending on need, they currently patrol the District 5-6 days a week including Saturday and Sunday. It is important to note that this program is not meant to replace center or business security and should not be viewed as a business's sole source of security.

The Results

LogicTree IT, located in SMP, developed a special app for SMP that allows NorCal to track locations and types of incidents. This data allows us to track the types of incidents and proactively strategize solutions. In 2022, security officers responded to 1,008 incidents including more than 600 transient interactions. Other incidents included:

- Theft prevention
- Calling in theft activity
- Stolen vehicles
- Spotting suspicious vehicles & persons
- Notifying owners of abandoned vehicles
- Transient related activity & trespassing
- Business clearing
vacant buildings & removing transients
- Drug-related calls
- Disturbances
- Juvenile activity
- Arson

Nor-Cal also executed several "burns", visiting businesses and patrolling parking lots to deter theft. They have recovered thousands of dollars in merchandise. Nor-Cal assists our maintenance porter in removing homeless camps, calling in graffiti, illegal dumping, and other property damage. Nor-Cal and Officer Schouten also provide valuable customer service such as medical and car assistance.

New Ordinance:

SMP requested CHPD review semi-truck and trailer parking on commercial roads in the District after receiving complaints from businesses about signage and lane blockage. City Council approved the ordinance which prohibits commercial vehicle parking on public streets.



CHPD Officer Schouten:

While Nor-Cal focuses on dealing with our regular transient population and other incidents, Officer Schouten focuses on theft and other larger crimes. He works with asset protection professionals to improve their effectiveness and their report writing skills which will lead to more air-tight convictions. Officer Schouten participates in the CHP Organized Retail Theft Task Force which is working on solutions to mitigate boosters and other large, organized theft in California.

Jeff Schouten

Citrus Heights Police Officer

916.709.6418

Tuesday - Friday 10 AM - 8 PM



ITEM 13 KEEPING THE DISTRICT CLEAN

City Wide Property Services continues to provide clean-up services to better maintain the public right-of-way. The Porter removes illegally dumped items, homeless camps, abandoned shopping carts, cleans graffiti, and picks up trash. An assigned porter patrols the District Monday through Friday, four hours per day.

To report dumping, graffiti, or trash clean up phone or text Kathilynn Carpenter (916) 769-5615.

APRIL - DECEMBER 2022

474 BAGS OF TRASH
REMOVED

14 FURNITURE & MATTRESSES
REMOVED

175 MISCELANIOUS ITEMS
REMOVED

902 SHOPPING CARTS
REMOVED

141 GRAFFITI REMOVAL

8 HAZARDOUS MATERIALS
REMOVED



CITY OF CITRUS HEIGHTS BEAUTIFICATION CREW

For debris in the public right away *not on private property* businesses can call:

General Services at 916.727.4770

Email: ServiceRequestGSD@citrusheights.net

Online: citrusheights.net/381/Service-Requests or

Text: "Service Request" to 844.92.HELLO

MARKETING & EVENTS

SOCIAL MEDIA

SMP continues to utilize its social media platforms to promote the businesses in the District as well as events, contests, and other topics of importance. The consumer-facing platforms bring attention to the District in an attempt to draw more individuals to shop, dine, do, and play.




FACEBOOK


13,118 Followers
+ 166 from last year's 12,952

9,668 Engagements
- 6,451 from last year's 16,119

NEWSLETTERS



CONTESTS & EVENTS



FIND THE POT OF GOLD
WIN A \$500 GIFT CARD

HEAD TO SHOPSMPCOM | ENTER TO WIN!
Lucky is back! 🍀
Happy Lucky the Leprechaun is searching for his pot of Gold! 🍀
Each week we will hide Lucky's Pot of Gold somewhere on our WEBSITE! It is your job to find it! Click through our website, <https://www.shopsmpc.com>, and search for the Pot of Gold once you have found it, click on it and follow the prompt! One lucky winner will win a \$500 Gift Card to a predetermined business in the District. The winner will be announced on Monday, March 13, 2023.
Week #2 Close: After a big day of searching the District, Lucky has a habit of having a burger for lunch!

[Enter to Win Here](#)

10,153 Consumer Subscribers

416 Business Subscribers

Distributed 29 Business and 33
Consumer newsletters

**Visit shopsmp.com
to sign up for newsletters**

Open Rate: 30%
(Outperformed Industry rate 21.33%)

Click Rate: 2.8%
(Outperformed Industry rate 1.33%)

Total Open: 83,362



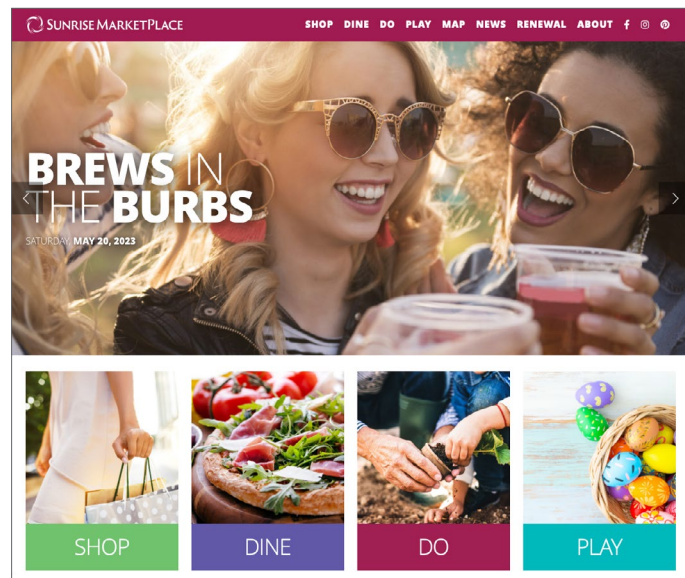
INSTAGRAM

2,046 Followers
+ 348 from last year's 1698

23,351 Engagements
+ 11,729 from last year's 11,622

WEBSITE

ShopSMP.com continues to be a resource for our businesses and consumers. Each business located in the District is represented in our Business Directory. We encourage all of our businesses to check their listing and send us updates.



SHOP DINE DO PLAY

SPECIAL EVENTS IN THE DISTRICT

BREWS IN THE BURBS

On Saturday, May 21, 2022, Sunrise MarketPlace transformed the Sunrise Mall parking lot into a backyard hangout to showcase the best Craft Beer and Wine in the Northern California area. The event featured craft beer tastings, live music from Thunder Cover, food trucks, a 98 Rock playground with backyard games, and activities provided by Flat Stick Pub. The 2022 Brews in the Burbs was successful, increasing all areas in comparison to the first event in 2019:

- **Digital Campaign Impressions of over 400K**
- **Radio Campaign Delivered to over 500K Listeners**
- **Gross Ticket Sales increased by 79%**
- **Tickets Sold Increased by 25% over 1000 in attendance**
- **At-the-door sales increased by 51 %**
- **Vendor Attendance increased by 25%**



STRANGER THINGS SKATE

On November 10th, Sunrise MarketPlace teamed up with Sunrise Rollerland for a Stranger Things Skate Party. The night consisted of skating, Stranger Things theme music, costume contest, a glitter tattoo artist, photo booth, and games and prizes. Both skating sessions sold out selling over 200 tickets. The event brought new customers to the rink.

MAGICAL MOMENTS

- **Laser Light Show** - On November 18th, Sunrise MarketPlace brought back Magical Moments-Laser Light Show. The event consisted of three laser shows, laser tag bounce houses, classic car show, food trucks, and SMP booth giveaways attracting over 1000 attendees to the Sunrise Mall.
- **Nutcracker Ballet** - On December 15th, Sunrise MarketPlace teamed up with the Sunrise Mall and the Sac Civic Ballet for the Nutcracker. The event had two magical showings of the classic tale, story time with Elf On A Shelf characters, Nutcracker characters, photobooth, and a Nutcracker book giveaway for the first 100 children. The event attracted over 200 guests to watch this magical show.



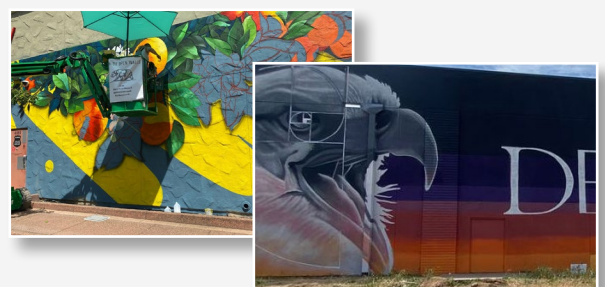
EVENTS SMP SUPPORTED

- **Citrus Height Farmers Market**
- **MarketPlace at Birdcage Makers Market**
- **Citrus Town Center Funtopia Events**
- **Sunrise Mall Back To School Event**
- **Cappuccino Cruisers Spring Fever Car Show benefiting Shriners Hospital**

ART IN SMP

Three new murals popped up in the District as a part of the Wide Open Walls annual event. SMP worked to secure grant funding to assist with the cost of the three murals.

Contact Lisa Cordell at lisa@sunrisemarketplace.com if you are interested in a mural at your property.



COMMUNITY SUPPORT



SMP ALSO SUPPORTED THESE ORGANIZATIONS:

- Citrus Heights HART
- Single Mom Strong
- Sacramento Self-Help Housing
- Citrus Heights Police Activities League (PAL)
- Citrus Heights Rotary
- Citrus Heights Chamber of Commerce
- City of Citrus Heights
- Sunrise Parks & Recreation

SMP supported local Citrus Heights organizations and programs that improve our community.



THANKSGIVING FOOD DRIVE

On November 12th, SMP teamed up with 101.5 KHITS for our 3rd Annual Turkey & Fixins Food Drive. We collected 677 items for the Sunrise Christian Food Bank.



DEEP ROOTS OF UKRAINE TACTICAL GEAR DRIVE

SMP teamed up with Deep Roots of Ukraine for a tactical gear drive on April 16th and was able to collect over 4000 items – primarily medical supplies.

ECONOMIC DEVELOPMENT

SMP will continue to work closely with property owners to secure tenants for vacancies. Being in the District is an added-value location. Hundreds of thousands of dollars are allocated to marketing businesses and to providing clean and safe services.

"We looked at several office buildings in the area, one of the reasons we purchased 7920 Alta Sunrise was due to being in the Sunrise MarketPlace; we see many advantages to the services they provide." - Mark Cimino, CEO, of Cimino Care

CITY CORNER

SMP OVERLAY BAN

In 2022, the City placed restrictions on the types of businesses allowed in the District. The overlay zone (encompassing the entire District) prohibits auto-intense uses such as gas stations, car washes, auto repair, and similar uses.

More information is available on the City's website/Planning Division at citrusheights.net/1183/Sunrise-MarketPlace-Overlay-Zone-Proposal



SHOPPING CART ORDINANCE

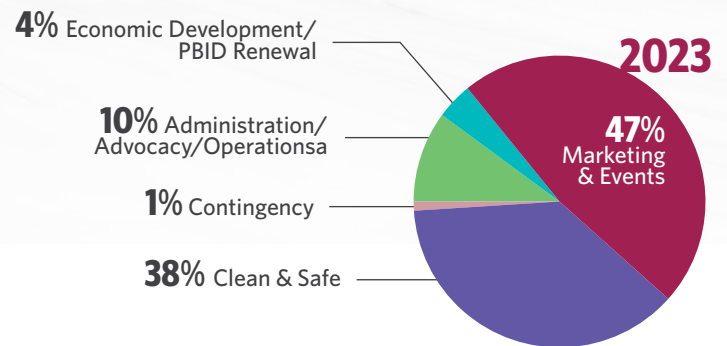
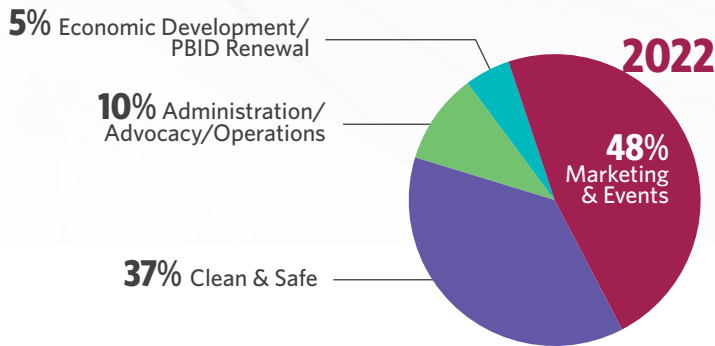
In December 2022, the City adopted an ordinance regulating abandoned shopping carts and the unauthorized use of shopping carts.

- **The unauthorized possession of a shopping cart is a citable offense.**
- **Each shopping cart shall be marked for identification.**
- **Businesses with more than 5 carts must submit a Shopping Cart Plan to prevent theft.**

The shopping cart application form can be found on the City's website/Planning Division at: citrusheights.net/1195/Shopping-Cart-Ordinance-Adopted

Sunrise MarketPlace will continue to pick up and return abandoned shopping carts.

ITEM 13 FINANCIALS



FINANCIAL REPORT

2022 ACTUAL INCOME

Surplus/Deficit	\$356,179
Assessment Income	\$826,074
Total Assessment Income	\$1,182,253
Grants/Sponsorships	\$72,382
Other Income	\$475
In-Kind Contributions <i>non-cash</i>	\$50,000
Total Non-Assessment Income	\$72,857
TOTAL	\$1,255,110

2022 ACTUAL EXPENSES 2021

Admin/Advocacy/Operations	\$104,272	10%
Economic Development/PBID Renewal	\$47,875	5%
Marketing & Events	\$475,495	48%
Clean & Safe	\$374,007	37%
Contingency	-	0%

TOTAL	\$1,001,649	100%
SURPLUS	\$253,461	

2023 BUDGET - INCOME

Surplus/Deficit	\$253,461
Assessment Income	\$846,000
Total Assessment Income	\$1,099,461
Grants/Sponsorships	\$186,740
Other Income	\$72
In-Kind Contributions <i>non-cash</i>	-
Total Non-Assessment Income	\$186,812
TOTAL	\$1,318,152

2022 BUDGET - EXPENSES 2022

Admin/Advocacy/Maintenance	\$117,952	10%
Economic Development/PBID Renewal	\$43,231	4%
Marketing & Events	\$534,050	47%
Clean & Safe	\$420,233	38%
Contingency	\$15,000	1%

TOTAL	\$1,130,466	100%
SURPLUS	\$155,807	



CITY OF CITRUS HEIGHTS

CITY COUNCIL STAFF REPORT

MEMORANDUM

DATE: April 27, 2023

TO: Mayor and City Council Members
Ashley J. Feeney, City Manager

FROM: Regina Cave, General Services Director

SUBJECT: Sound Wall Beautification – Proposed Locations and Recommendations

Summary and Recommendation

At the May 10, 2022 Strategic Planning Meeting, the City Council established an objective to evaluate options for sound wall beautification. In October 2022, the City Council directed staff to proceed with identifying and evaluating sound wall locations, determining best approach, and proceeding with a Request for Bids (RFB).

Staff recommends the City Council adopt Resolution No. 2023 ____ A Resolution of the City Council of the City of Citrus Heights, California, Authorizing the General Services Department to Release a Request for Bids for Sound Wall Beautification and Approving the Allocation of \$155,000 in American Rescue Plan Act (ARPA) Funds to Support this Project.

City Council Strategic Goal/Objective

This staff report aligns with the following Citrus Heights City Council Strategic Plan Objective, and is incorporated into the City's Focus Area Work Plan:

Goal: Maintain Public Infrastructure and Enhance Alternative Modes of Transportation

Objective: Present to City Council for consideration sound wall locations recommended for repainting; make recommendations on funding source and seek authorization to release an RFP.

Fiscal Impact

The estimated total cost for this proposed project is approximately \$155,000, including a contingency of 10%. Staff recommendation is to allocate ARPA funds to support this project, as the proposed improvements are for the greater good and provide benefits to the general public. None of the proposed project locations have committed funding sources or are included as part of the regular maintenance in any of the eleven existing Landscape Maintenance Assessment Districts. The project will commence in 2023 to allow sufficient time to de-obligate and reallocate any unused funds prior to December 2024, per the ARPA guidelines.

Subject: Sound Wall Locations and Recommendations**Date: April 27, 2023****Page 2 of 5**

The table below provides a history of ARPA allocations to date along with the remaining balance that is to be allocated by December 2024 with the expenditures occurring by December 2026:

ARPA FUNDING ALLOCATION SUMMARY		
	Total City Allocation	\$15,676,972
6/24/2021	Rehire public safety to pre-pandemic levels FY 2021/22	(\$1,570,105)
6/24/2021	Rehire public safety to pre-pandemic levels FY 2022/23	(\$2,811,775)
1/13/2022	Small Business COVID Recovery Grant	(\$281,111)
6/23/2022	Beautification Crew Pilot Program	(\$875,000)
6/23/2022	Community Block Party Trailer – Community Engagement	(\$50,000)
6/23/2022	Police Fleet Vehicles and Equipment	(\$1,400,00)
6/23/2022	Police Department Communications Center Critical Needs	(\$600,000)
9/22/2022	Community Projects Grant Program**	(\$50,000)
10/27/2022	ERP System and Technology Updates	(\$1,198,350)
12/8/2022	Infrastructure Financing Strategies for Sunrise Tomorrow	(\$40,000)
12/8/2022	REAP 2.0 Higher Impact Transformative Allocation*	(\$1,000,000)
1/26/2023	Patriotic Event	(\$80,000)
2/23/2023	Citrus Heights Cares Campaign – Beautification	(\$47,000)
3/23/2023	Business Attraction Incentive Program**	(\$1,000,000)
4/27/2023	Sound Wall Beautification	(\$155,000)
Total Allocation Remaining		\$4,673,631

* Dependent on successful award of grant

**Dependent on program subscription

Background and Analysis

At the May 10, 2022 Strategic Planning Meeting, the City Council established an objective to evaluate options for sound wall repair and beautification. The complexities of sound walls within the City of Citrus Heights are that many are privately owned, surround multiple homes, and serve as entrance points to subdivisions where no HOA's or assessment districts were created to maintain these walls. Over the years, wear and tear, graffiti, and vehicle accidents have degraded the appearance of many walls that are visible from the public right of way. The poor appearance of these walls effect the aesthetics of neighboring properties, and often supports activity unfavorable to the positive image the Citrus Heights community is striving for as part of its Cares Campaign.

City wide, staff have identified approximately 14,115 linear feet of sound walls at 18 locations along major and minor collectors that are fit for pressure washing and/or full repainting under this proposed project. While most of these proposed locations are privately owned, several are publicly owned, as noted in the chart below:

Subject: Sound Wall Locations and Recommendations**Date: April 27, 2023****Page 3 of 5**

	Proposed Locations	Estimated Linear Feet
1	Antelope Road at Deanton Court	200
2	Antelope Road - West of Rollingwood (NS)	200
3	*Auburn Blvd - Auburn Oaks to Sandalwood Dr (WS)	630
4	Auburn Blvd at Chivarly (SS) pressure wash only - city owned wall	350
5	Auburn Blvd - San Tomas Dr to Cobalt Way (NS)	640
6	Fair Oak Blvd - South of Old Auburn to South of Woodchuck Way (WS)	1,300
7	Fair Oaks Blvd and Treecrest Ave (WS)	500
8	Greenback Lane and Indian River (SS) pressure wash only	1,200
9	Madison Ave - Uplands Way to Mariposa Ave (NS) - city owned wall	1,200
10	Mariposa Ave - West of Dewey to Maidstone (NS) - city owned wall	300
11	Oak Ave and Wachtel - Menke to Menke	2,300
12	Old Auburn at Linda Vista	250
13	Old Auburn Road - Soquel to West of Fair Oaks (SS)	800
14	Sunrise Blvd - Arcade Lake Lane to Woodmore Oaks (ES)	2,000
15	Sunrise Blvd - McLin Way to Sungarden Dr (WS)	100
16	Sylvan Road - Woodside Drive (ES)	330
17	**Tupelo Dr - Stoneridge Way to Blackthorne Way - Cal Trans Wall	1,600
18	Van Maren Lane at Bridgemont (WS)	215
	Approx. total linear feet of sound wall proposed:	14,115

(Letters in parenthesis refer to locations, e.g., WS-west side, SWC – south west corner)

The total approximation provided above is based on defined estimates per proposed location. Each location is unique in fabrication and material of the structures (textured block walls, smooth block walls, and precast panels), as well as physical locations and set-back to adjacent roadway which will dictate levels of effort required for traffic control measures. While many of the locations are proposed for painting, several locations are recommended for pressure washing only, as the exposed areas of the walls are limited due to existing wall covering, or the type of wall and existing condition does not support the application of paint. For proposed location 4 (Auburn Blvd at Chivalry), a reapplication of anti-graffiti coating would be included.

As previously mentioned, several of the proposed locations are publicly owned, with one identified location being the responsibility of Cal Trans (location 17, Tupelo Drive). Staff are exploring alternate grant funding options through Caltrans' Clean California local grant program to support this location, and therefore this item will be listed as an additive alternate. This will allow flexibility in the event other funding is obtained, this location could be removed from this project and addressed separately as a standalone project. Additionally, it is important to note that proposed location 3 (Auburn Blvd – Auburn Oaks to Sandalwood) will also be listed as an additive alternate. This location of sound wall is

Subject: Sound Wall Locations and Recommendations

Date: April 27, 2023

Page 4 of 5

within the Auburn Blvd Complete Streets (ABCS) Phase 2 project area and is scheduled for façade improvements as part of the project. The ABCS project is scheduled to begin construction in early 2024 and pending favorable bids and the proposed schedule for work, this location too could be removed from this action item.

Enhancement of sound walls along public facing corridors is a priority outlined in the City's Focus Area Work Plan and is supported in the City Council's Strategic Goals and Objectives. Upon approval by City Council to proceed, staff will issue communications to the effected property owners and tenants to advise of the planned project. Due to the total dollar amount of this proposed project, staff will be required to return to Council at a late date to award the contract.

Attachments

1. Resolution No. 2023-____ A Resolution of the City Council of the City of Citrus heights, California, Authorizing the General Services Department to Release a Request for Bids for Sound Wall Beautification and Approving the Allocation of \$155,000 in American Rescue Plan Act Funds to Support this Project.

RESOLUTION NO. 2023-_____

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CITRUS HEIGHTS,
CALIFORNIA, AUTHORIZING THE GENERAL SERVICES DEPARTMENT TO
RELEASE A REQUEST FOR BIDS FOR SOUND WALL BEAUTIFICATION AND
APPROVING THE ALLOCATION OF \$155,000 IN AMERICAN RESCUE PLAN ACT
FUNDS TO SUPPORT THIS PROJECT**

WHEREAS, the City of Citrus Heights has strategic goals and a focus area work plan that identifies key areas to help improve the quality of life for our residents and businesses and aims to reinvest in the community to support public and private improvements; and

WHEREAS, the Citrus Heights City Council specifically identified addressing the appearance of sound walls as a priority in support of improving the overall aesthetics of the community, and enhancing every day users surrounding environment along our various major and minor collectors; and

WHEREAS, General Services staff have identified various sound wall locations throughout the city that could benefit from cleaning and repainting to achieve greater uniformity throughout the community and helps to address blight, further supporting the City's Cares Campaign efforts.

NOW THEREFORE BE IT RESOLVED AND ORDERED, by the City Council of the City of Citrus Heights that the General Services Department is authorized to proceed with issuing a Request for Bids for Sound Wall Beautification, and further approves allocating \$155,000 in American Rescue Plan Act funds to support this project.

The City Clerk shall certify the passage and adoption of the Resolution and enter it into the book of original resolutions.

PASSED AND ADOPTED by the City Council of the City of Citrus Heights, California, this 27th day of April, 2023, by the following vote, to wit:

AYES: **Council Members:**
NOES: **Council Members:**
ABSTAIN: **Council Members:**
ABSENT: **Council Members:**

Tim Schaefer, Mayor

ATTEST:

Amy Van, City Clerk