

**CITY OF CITRUS HEIGHTS
CITY COUNCIL
Special/Regular Meeting of Thursday, July 13, 2023
City Hall Council Chambers, 6360 Fountain Square Dr., Citrus Heights, CA
Teleconference Location – Hyatt Regency, 1107 Jamboree Road, Newport Beach, CA 92660
Special Meeting 5:00 p.m.
Regular Meeting 6:00 p.m.**

This meeting will be conducted in accordance with the Brown Act, Government Code Section 54953, Teleconferencing. Any member of the public may attend this meeting either at the Council Chambers or at the teleconference location.

HOW TO PARTICIPATE:

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. 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.

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IN PERSON	ONLINE	ON TELEVISION
		
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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.

July 7, 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

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****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.

4. **SUBJECT:** Approval of Minutes
RECOMMENDATION: Approve the Minutes of the Meeting of June 22, 2023

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5. **SUBJECT:** Initiate Proceedings for Fiscal Year 2023/2024 Annual Update for Landscape Maintenance Assessment District 97-01 (Zones 1, 2, 3, & 4)
STAFF REPORT: R. Cave / L. Blomquist
RECOMMENDATION: Staff recommends the following, in order:
- a. Adopt Resolution No. 2023-____, a Resolution of the City Council of the City of Citrus Heights, California, to Initiate Proceedings Pursuant to the Landscaping and Lighting Act of 1972 for Landscape Maintenance Assessment District No. 97-01 (Zones 1, 2, 3, & 4)
 - b. Adopt Resolution No. 2023-____, a Resolution of the City Council of the City of Citrus Heights, California, for the Intention to Levy and Collect Assessments for Fiscal Year 2023/2024 for Landscape Maintenance Assessment District No. 97-01 (Zones 1, 2, 3, & 4)
6. **SUBJECT:** Initiate Proceedings for Fiscal Year 2023/2024 Annual Update for Landscape Maintenance Assessment Districts 98-01, 98-02 (Zones 1, 2, 3, & 4) and 03-01 (Zones 1, 2, & 3)
STAFF REPORT: R. Cave / L. Blomquist
RECOMMENDATION: Staff recommends the following, in order:
- a. Adopt Resolution No. 2023-____, a Resolution of the City Council of the City of Citrus Heights, California, to Initiate Proceedings Pursuant to the Landscaping and Lighting Act of 1972 for Landscape Maintenance Assessment District No. 98-01
 - b. Adopt Resolution No. 2023-____, a Resolution of the City Council of the City of Citrus Heights, California, to Initiate Proceedings Pursuant to the Landscaping and Lighting Act of 1972 for Landscape Maintenance Assessment District No. 98-02 (Zones 1, 2, 3, & 4)
 - c. Adopt Resolution No. 2023-____, a Resolution of the City Council of the City of Citrus Heights, California, to Initiate Proceedings Pursuant to the Landscaping and Lighting Act of 1972 for Landscape Maintenance Assessment District No. 03-01 (Zones 1, 2, & 3)
 - d. Adopt Resolution No. 2023-____, a Resolution of the City Council of the City of Citrus Heights, California, for the Intention to Levy and Collect Assessments for Fiscal Year 2023/2024 for Landscape Maintenance Assessment District No. 98-01
 - e. Adopt Resolution No. 2023-____, a Resolution of the City Council of the City of Citrus Heights, California, for the Intention to Levy and Collect Assessments for Fiscal Year 2023/2024 for Landscape Maintenance Assessment District No. 98-02 (Zones 1, 2, 3, & 4)
 - f. Adopt Resolution No. 2023-____, a Resolution of the City Council of the City of Citrus Heights, California, for the Intention to Levy and Collect Assessments for Fiscal Year 2023/2024 for Landscape Maintenance Assessment District No. 03-01 (Zones 1, 2, & 3)

7. **SUBJECT:** Citrus Heights Lighting Assessment District – Initiate Proceedings for Fiscal Year 2023/2024 Annual Update
STAFF REPORT: R. Cave / L. Blomquist
RECOMMENDATION: Staff recommends the following, in order:
- a. Adopt Resolution No. 2023-____, a Resolution of the City Council of the City of Citrus Heights, California, to Initiate Proceedings Pursuant to the Landscaping and Lighting Act of 1972 for the Citrus Heights Lighting District
 - b. Adopt Resolution No. 2023-____, a Resolution of the City Council of the City of Citrus Heights, California, for the Intention to Levy and Collect Assessments for Fiscal Year 2023/2024 for the Citrus Heights Lighting District
8. **SUBJECT:** Adoption of Nine-Month Strategic Objectives
STAFF REPORT: A. Feeney
RECOMMENDATION: Adopt Resolution No. 2023-____, a Resolution of the City Council of the City of Citrus Heights, California, Adopting the “Nine-Month Strategic Planning Objectives for June 1, 2023 to March 1, 2024”
9. **SUBJECT:** On-Call Arborist Services (Tree Assistance Program)
STAFF REPORT: C. Kempenaar / A. Bermudez
RECOMMENDATION: Adopt Resolution No. 2023-____, a Resolution of the City Council of the City of Citrus Heights, California, Authorizing the City Manager to Execute an Agreement with Davey Resource Group for On-Call Arborist Services
10. **SUBJECT:** Appointment to Fill Vacancy on the Citrus Heights Education Committee
STAFF REPORT: A. Van
RECOMMENDATION: Adopt Resolution No. 2023-____, a Resolution of the City Council of the City of Citrus Heights, California, Appointing a Member to the Citrus Heights Education Committee (CHEC) to Fill a Vacancy

PUBLIC HEARING

11. **SUBJECT:** Resolution Confirming Report of Delinquent Solid Waste Charges and Ordering Collection of Delinquencies on the Property Tax Roll
STAFF REPORT: R. Cave / M. Poole
RECOMMENDATION: Adopt Resolution No. 2023 - ____, A Resolution of the City Council of the City of Citrus Heights, California, Confirming a Report of Delinquent Solid Waste Charges and Ordering Collection of Delinquencies on the Property Tax Roll

REGULAR CALENDAR

12. **SUBJECT:** Resolution to Adopt Affordable Ownership Program Guidelines
STAFF REPORT: C. Kempenaar / N. Piva / A. Bermudez
RECOMMENDATION: Adopt Resolution No. 2023-____, a Resolution of the City Council of the City of Citrus Heights, California, Adopting the Affordable Ownership Program Guidelines and Finding the Project Categorically Exempt from the California Environmental Quality Act

DEPARTMENT REPORTS

CITY MANAGER ITEMS

ITEMS REQUESTED BY COUNCIL MEMBERS/ FUTURE AGENDA ITEMS

ADJOURNMENT

**CITY OF CITRUS HEIGHTS
CITY COUNCIL
MINUTES
Regular Meeting of Thursday, June 22, 2023
City Hall Council Chambers
6360 Fountain Square Drive, Citrus Heights, CA**

ITEM 4

CALL REGULAR MEETING TO ORDER

The regular meeting was called to order at 6:00 p.m. by Mayor Schaefer.

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

APPROVAL OF AGENDA

ACTION: On a motion by Vice Mayor Daniels, seconded by Council Member Karpinski-Costa, the City Council approved the agenda.

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

PUBLIC COMMENT

Kathy Morris, on behalf of Neighborhood Association Area 7, 8, and 9 (CHASEN) announced their neighborhood is hosting a National Night Out community event on August 1, 2023 from 6 to 8 p.m. at C-Bar-C Park.

COMMENTS BY COUNCIL MEMBERS AND REGIONAL BOARD UPDATES

Council Member Middleton attended the Best of Citrus Heights event hosted by the Citrus Heights Chamber of Commerce. She attended a graduation ceremony for firefighters. She also attended several Juneteenth celebrations. She attended the California Hydrogen Leadership Summit.

Council Member Lopez-Taff attended the Best of Citrus Heights event hosted by the Citrus Heights Chamber of Commerce. She provided a report from the Sacramento Public Library Authority Board meeting. She attended the American Legion Post 637 installation of officers. She also met with the PG&E Government Relations representative.

Council Member Karpinski-Costa attended the Best of Citrus Heights event hosted by the Citrus Heights Chamber of Commerce. She provided a report from the Sacramento Area Sewer District Board meeting. She provided a report from the Sacramento-Yolo Mosquito and Vector Control District Board meeting. She provided

a report from the Sacramento Transportation Authority Board meeting. She also attended the Sacramento Area Council of Governments Blueprint meeting.

Vice Mayor Daniels attended the Best of Citrus Heights event hosted by the Citrus Heights Chamber of Commerce. He attended the American Legion Post 637 installation of officer's event. He participated in the City Council Strategic Planning Retreat. He attended, along with Council Member Lopez-Taff the City Council 2x2 Education committee. He provided a report from the Capitol Corridor Joint Powers Authority meeting. He announced the Citrus Heights Stars and Stripes event to be held on July 1, 6 p.m. at Van Maren Park.

Mayor Schaefer participated in the City Council Strategic Planning Retreat. He attended the Sacramento Area Council of Governments Blueprint meeting.

CONSENT CALENDAR

4. **SUBJECT:** Approval of Minutes
RECOMMENDATION: Approve the Minutes of the Meeting of June 8, 2023
5. **SUBJECT:** Resolution Approving Concern as the City of Citrus Heights Employee Assistance Program (EAP)
STAFF REPORT: S. Talwar / M. Dippert
RECOMMENDATION: Adopt Resolution No. 2023-051, a Resolution of the City Council of the City of Citrus Heights, California, Approving Concern as the City of Citrus Heights Employee Assistance Program (EAP)
6. Pulled for discussion.
7. **SUBJECT:** Cripple Creek Repairs Project – Award of Professional Engineering Services Agreement
STAFF REPORT: R. Cave / L. Blomquist / D. Kehrer
RECOMMENDATION: Adopt Resolution No. 2023-052, a Resolution of the City Council of the City of Citrus Heights, California, Authorizing the City Manager to Execute an Agreement for Professional Services with Dokken Engineering for the Cripple Creek Repairs Project
8. **SUBJECT:** 2022 Residential Street Resurfacing Project – Authorize Additional Work
STAFF REPORT: R. Cave / L. Blomquist
RECOMMENDATION: Staff recommends the City Council adopt the following resolutions:
 - a. Adopt Resolution No. 2023-053, a Resolution of the City Council of the City of Citrus Heights, California, Authorizing the City Manager to Execute Change Orders up to 17% of the contract amount with All Phase Construction, Inc. for the 2022 Residential Street Resurfacing Project and increasing the total authorized construction budget to \$2,991,546
 - b. Adopt Resolution No. 2023-054, a Resolution of the City Council of the City of Citrus Heights, California, Authorizing the City Manager to Execute Amendment No. 1 to the Agreement for Professional Services with Consor North America, Inc. (formerly Quincy Engineering, Inc.) for the 2022 Residential Street Resurfacing Project

ACTION: On a motion by Council Member Karpinski-Costa, seconded by Council Member Middleton, the City Council adopted Consent Calendar Items 4, 5, 7 and 8.

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

CONSENT CALENDAR ITEMS PULLED FOR DISCUSSION

6. **SUBJECT:** Fiscal Year (FY) 2023/24 and FY2024/25 Biennial Budget Document
STAFF REPORT: S. Talwar / T. Nossardi / A. Preciado
RECOMMENDATION: Receive and file FY 2023/24 and FY 2024/25 Biennial Budget Document

Council Member Karpinski-Costa pulled Item 6 to thank the City Manager and the budget team for putting together a terrific budget document that is available on the City's website and available to the public.

ACTION: On a motion by Council Member Karpinski-Costa, seconded by Mayor Schaefer, the City Council received and filed the FY 2023/24 and FY 2024/25 Biennial Budget Document.

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

REGULAR CALENDAR

9. **SUBJECT:** Appointments to the Citrus Heights Education Committee (CHEC)
STAFF REPORT: A. Van
RECOMMENDATION: Adopt Resolution No. 2023-055, a Resolution of the City Council of the City of Citrus Heights, California, Appointing Seven Members to the Citrus Heights Education Committee (CHEC)

City Clerk Van explained the City accepted applications for a two-week period and the applications were distributed to the City Council. Staff recommends that each Council Member nominate their individual appointments and then nominate two members for the at-large seats.

Public Comment

Karen Mix stated she is very interested in being a part of the education committee and feels that her background uniquely suits her for the position.

Tom Scheeler stated he looks at the examination of a Citrus Heights school district as the next logical step in the growth of Citrus Heights.

Council Member Middleton nominated Jeannie Bruins as her individual appointment.

Council Member Lopez-Taff nominated Karen Mix as her individual appointment.

Vice Mayor Daniels nominated John Kane as his individual appointment.

Council Member Karpinski-Costa nominated Jessica Fork as her individual appointment.

Mayor Schaefer nominated Tom Scheeler as his individual appointment.

The City Council nominated Robin Stout and Laura Wilbur as the two at-large members.

ACTION: On a motion by Mayor Schaefer, seconded by Council Member Lopez-Taff, the City Council adopted Resolution No. 2023-055, a Resolution of the City Council of the City of Citrus Heights, California, Appointing Seven Members to the Citrus Heights Education Committee (CHEC).

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

10. **SUBJECT:** Overview and Discussion of Objective Design and Development Standards for the Auburn Boulevard Special Planning Area
STAFF REPORT: C. Kempenaar / A. Bermudez
RECOMMENDATION: Review and discuss the proposed Objective Design and Development Standards for the Auburn Boulevard Specific Plan

Community Development Director Kempenaar explained staff will be presenting an overview of the Objective Design and Development Standards and then Council will hear from the City's consultants with Opticos Design. No action is being recommended, the proposed Objective Design and Development Standards will be presented for action at a future meeting. He stated traditionally local governments have had a wide discretion over development projects and making sure that they adhere to what the community's vision is and what the City's expectations are. The City's expectations are conveyed in development standards that are applicable to projects in different corridors throughout the City. Recent housing legislation now requires cities to adopt objective design standards where there's no subjectivity and that anyone can make a determination whether it meets that standard or not.

Stefan Pellegrini with Opticos Design stated all jurisdictions in California have been compelled to comply with the suite of state laws to accelerate and produce housing across the state. They have been working with jurisdictions all over the state who are trying to implement objective design standards. The objective standards can provide a balance and an avenue for predictive development, but it also needs to provide a degree of flexibility for developers and applicants so that a city can get different outcomes of architectural diversity.

Senior Planner Bermudez provided an overview of the outreach that was conducted for the project. She explained that the objective design standards are standards that involve no personal or subjective judgment. The purpose of the standards is to establish objective criteria as a tool for the streamline of ministerial review process for certain housing projects. She noted the objective design standards will only apply to residential housing projects in which the developer is requesting streamlined review. The developer also has a choice if they want to submit an application for a multi-family project or mixed-use project under the current discretionary design guidelines for the Auburn Boulevard Specific Plan.

Caroline Cochran with Opticos Design provided an overview of the draft Objective Design and Development Standards for the Auburn Boulevard Specific Plan. She introduced proposed types of objective standards and examples of build outcomes under the current standards in the Boulevard Plan versus the proposed standards.

City Council questions and comments followed.

DEPARTMENT REPORTS

11. **SUBJECT:** Presentation on the Citrus Heights Stars and Stripes Celebration to be held July 1, 2023
 DEPARTMENT: General Services

General Services Director Cave provided an overview of the Citrus Heights Stars and Stripes event that will feature entertainment by CCsegeR, a kids zone, food for purchase, and a firework display at 9:45 p.m. She noted some streets will be closed to traffic for the event.

12. **SUBJECT:** Fireworks Enforcement and Operation Plan
 DEPARTMENT: Police Department

Lieutenant Lewis provided an overview of the CHPD's fireworks enforcement and operation plan. The Police Department has actively engaged with the community through social media platforms and the CHPD website with regular updates including tips on fireworks safety and how to report illegal fireworks. The Police Department has held internal meetings with Code Enforcement and with the Regional Fireworks Taskforce on illegal firework enforcement. The Police Department has allocated additional personnel specifically dedicated for firework enforcement. He encouraged the public to report illegal fireworks. He responded to questions from Council Members.

13. **SUBJECT:** Homeless Navigator Program Update
 DEPARTMENT: Police Department

Sergeant Cimino provided an update on the Homeless Outreach Navigator Program. In 2022, the Outreach Navigators contacted 215 individuals and had an active case load of 148 individuals. There were 112 individuals that were housed throughout 2022, and 12 families were able to be placed in shelters that had minor children. On average about six to seven individuals per month were housed through the Navigator program.

Housing & Human Services Program Coordinator Piva explained Sacramento Self-Help Housing has provided services to Citrus Heights since 2018. They have recently dissolved due to bankruptcy in May, therefore staff immediately initiated evaluation of alternative Outreach Services. Staff is proposing to partner with Sacramento County Department of Homeless and Housing for homeless outreach services in Citrus Heights. Services would be provided by Sacramento Covered, a non-profit organization that provides homeless care coordination for the community. One full-time Community Health Worker would serve Citrus Heights. Staff will bring back an action item at a future meeting for Council consideration to enter into a Memorandum of Understanding with Sacramento County.

City Council comments followed.

CITY MANAGER ITEMS

City Manager Feeney acknowledged the City Council Strategic Planning Retreat that was held last Thursday. He stated there was a lot of great dialogue that happened between Council Members and the Department

Head team and City Attorney. He commended General Services Director Regina Cave for her work on the planning and coordination of the Citrus Heights Stars and Stripes event.

ITEMS REQUESTED BY COUNCIL MEMBERS/ FUTURE AGENDA ITEMS

None

ADJOURNMENT

Mayor Schaefer adjourned the regular meeting at 7:54 p.m.

Respectfully submitted,

Amy Van, City Clerk



CITY OF CITRUS HEIGHTS

CITY COUNCIL STAFF REPORT MEMORANDUM

DATE: July 13, 2023

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

FROM: Regina Cave, General Services Director
Leslie Blomquist, City Engineer

SUBJECT: **Initiate Proceedings for Fiscal Year 2023/2024 Annual Update for Landscape Maintenance Assessment District 97-01 (Zones 1, 2, 3, & 4)**

Summary and Recommendation

Each year, the city is required to update the assessments for its various Landscape Maintenance Assessment Districts (LMADs). In order to accomplish this, the City Council must first adopt a Resolution Initiating Proceedings for the Fiscal Year 2023/2024 update. Next, City Council must adopt a Resolution of Intention setting the time and date for a public hearing on the proposed assessments and directing staff to publish the appropriate notice of the hearing. An Engineer's Report, prepared by the City Engineer, is attached hereto and describes the levels of maintenance, outlines the proposed financial summary, and includes the Assessment Diagram for each zone in the District.

Staff recommends the City Council approve the resolutions below, in order:

1. Resolution No. 2023-___; A Resolution of the City Council of the City of Citrus Heights, California, to initiate proceedings pursuant to the Landscaping and Lighting Act of 1972 for Landscape Maintenance Assessment District No. 97-01 (Zones 1, 2, 3, & 4);
2. Resolution No. 2023-___; A Resolution of the City Council of the City of Citrus Heights, California, for the Intention to Levy and Collect Assessments for Fiscal Year 2023/2024 for Landscape Maintenance Assessment District No. 97-01 (Zones 1, 2, 3, and 4);

The second resolution above also sets July 27, 2023, at 6:00 p.m., as the date and time of the Public Hearing for the proposed assessments and directs staff to give the required notice.

Fiscal Impact

Assessment District 97-01, Zones 1 (Table No.1) and 2 (Table No. 2) are currently fully funded by their annual assessments as well as use of fund reserves as necessary; therefore, there is no fiscal impact to the General Fund for these zones.

Table No. 1
97-01, Zone 1 (Bridgemont)

Description	FY 22/23 Actual*	FY 23/24 Proposed
<u>REVENUE:</u>		
Special Assessments Revenues	\$10,259.69	\$10,523.20
Interest on Fund Balance ⁽¹⁾	\$469.86	\$0.00
Total Revenues	\$10,729.55	\$10,523.20
<u>EXPENDITURES:</u>		
Total Expenditures	\$10,445.02	\$11,312.00
Annual Operating Balance	\$284.53 ⁽²⁾	-\$788.80 ⁽³⁾

(1) Interest earnings estimated; will reflect actuals in final report.

(2) Balance transferred to Assessment Fund reserve.

(3) Assessment Fund reserves available to balance the annual operating shortfall.

Table No. 2
97-01, Zone 2 (Heather Downs)

Description	FY 22/23 Actual*	FY 23/24 Proposed
<u>REVENUE:</u>		
Special Assessments Revenues	\$12,118.91	\$12,785.55
Interest on Fund Balance ⁽¹⁾	\$1,110.61	\$0.00
Total Revenues	\$13,229.52	\$12,785.55
<u>EXPENDITURES:</u>		
Total Expenditures	\$13,579.65	\$14,849.00
Annual Operating Balance ⁽²⁾	-\$350.13	-\$2,063.45

(1) Interest earnings estimated; will reflect actuals in final report.

(2) Assessment Fund reserves available to balance the annual operating shortfall.

Historically, Zone 3 has had adequate funding to cover the annual expenditures. However, beginning in FY 19/20, Zone 3 began operating under a shortfall with insufficient revenues to offset these costs. For FY 22/23, Zone 3 had a projected shortfall of \$8,416.49. Staff's recommendation is to utilize Gas Tax revenues (Fund 205) to cover this shortfall. For FY 23/24, the fund shortfall is expected to increase to be \$9,486.60.

Table No. 3
97-01, Zone 3 (Verner Glen)

Description	FY 22/23 Actual*	FY 23/24 Proposed
<u>REVENUE:</u>		
Special Assessments Revenues	\$6,402.32	\$6,550.40
Interest on Fund Balance	\$0	\$0
Total Revenues	\$6,402.32	\$6,550.40
<u>EXPENDITURES:</u>		
Total Expenditures	\$14,818.81	\$16,037.00
Annual Operating Shortfall ⁽¹⁾	-\$8,416.49	-\$9,486.60

(1) Gas Tax (Fund 205) revenue recommended to balance the annual operating shortfall.

The funding for Zone 4 does not adequately cover the maintenance costs. Historically, this Zone has had a shortfall and the city has implemented cost saving measures to try and reduce the shortfall to the greatest extent possible. In past years, contributions from the city's Gas Tax and General Fund revenues were used to balance Zone 4. For FY 22/23, Zone 4 had an estimated shortfall of \$15,324.01. Staff's recommendation is to utilize Gas Tax revenues (Fund 205) to cover this shortfall. For FY 23/24, the fund shortfall is expected to be \$15,459.50.

Table No. 4
97-01, Zone 4 (Creekridge)

Description	FY 22/23 Actual*	FY 23/24 Proposed
<u>REVENUE:</u>		
Special Assessments Revenues	\$4,624.79	\$4,717.50
Interest on Fund Balance	\$0	\$0
Total Revenues	\$4,624.79	\$4,717.50
<u>EXPENDITURES:</u>		
Total Expenditures	\$19,853.87	\$20,177.00
Annual Operating Shortfall ⁽¹⁾	-\$15,324.01	-\$15,459.50

(1) Gas Tax (Fund 205) revenue recommended to balance the annual operating shortfall.

Since the city first took over the LMAD 97-01 from Sacramento County in 1997, the revenues have not been adequate to cover the costs in each of the zones. Over the years, many efforts have been made to reduce costs and in some cases the city has been required to increase assessment. However, continually increasing utility rates and monthly maintenance costs as well as updated methods for allocation of the city's overhead costs have all contributed to the increasing shortfall in Zones 3 and 4 and more recently, staff is using fund reserves in Zones 1 and 2 to balance the

Subject: Landscape Maintenance Assessment District 97-01 – Initiate Proceedings for Fiscal Year 23/24 Annual Update
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annual budgets. The underlying problem is that the assessment rates (outlined in Fiscal Impact, above) have remained largely unchanged since 1996 when Proposition 218, which requires a vote of those assessed to approve an increase, was passed by the California voters.

In 2000, the property owners in Zone 2 approved an immediate assessment increase and the addition of a cost of living increase provision to the zone. Annual expenditures in this zone have since exceeded the additional annual revenues and the cost of living provision will need to be implemented to ensure sufficient funding in the future.

In 2005, the property owners in Zone 3 approved a one-time assessment increase, but annual expenditures in this zone have now exceeded the additional annual revenues.

Background and Analysis

The Sacramento County Landscape Maintenance Assessment District (SCLMAD) was created in 1994 by Sacramento County to consolidate eighteen separate landscape maintenance districts into a single district with five zones. Upon incorporation, the City of Citrus Heights assumed responsibility for Zone 1, and parts of Zones 2 and 4, which fell within city limits. Assessment District 97-01 (AD 97-01) was created to incorporate these maintenance areas. Zone 3 was created in Fiscal Year 2004/2005 by the city when the original Zone 4 was split.

Pursuant to the Landscaping and Lighting Act of 1972, assessment districts of this type must be updated annually. A Resolution to Initiate Proceedings is required as the first action of the City Council in order to initiate the update of the LMAD 97-01.

An Engineer's Report has been prepared for the proposed assessments and is available for review, by the public, in the City Clerk's Office. The Engineer's Report summarizes the maintenance efforts and recommends levying assessments at the same level as in Fiscal Year 2021/2022 for Zones 1, 3, and 4. A 3% cost of living increase in the annual assessment per parcel is proposed for Zone 2 to maintain current levels of service and sustain existing reserves.

City Council approval of a Resolution to Initiate Proceedings is the required first step in the update process. By the Resolution of Intention, the City Council approves the Engineer's Report for the Landscape Maintenance Assessment District 97-01, Annual Update for Fiscal Year 2023/2024, sets the date for a public hearing on the assessments and directs staff to give the required notice.

Staff recommends that July 27, 2023, at 6:00 p.m., or as soon thereafter as the matter may be heard, be set as the date for the public hearing. At that time, public comment will be received and the Council will consider and adopt a resolution adopting the assessments. Notice of this meeting will be mailed and published in accordance with State Code.

Since the city took over AD 97-01 from the County, Zones 3 and 4 have been underfunded and as a result the city has used various funds, including General Fund and Gas Tax revenues, to cover the operating shortfall.

To eliminate the funding gap in Zone 3, an assessment increase was approved by the owners of the assessed properties in 2005 and the assessment increased from \$42.50 to \$80.00 per parcel. Until FY 2017/2018 the increase provided enough funds to cover the costs for maintenance and utilities leaving an account balance of a few hundred dollars each year to build reserves. However, irrigation repairs, tree maintenance, the continuing increase in utility rates, and updated methods for allocation of the City's overhead costs have all contributed to the depletion of the existing reserves. Zone 3 continues to see a shortfall for FY 2023/2024.

To balance the Zone 4 budget, the city twice proposed to increase the annual assessment. In 2005 and again in 2009, the owners of properties within Zone 4 voted against a proposed increase in the annual assessment. In 2010, to reduce future subsidies, the city incorporated a xeriscaping (low-water and maintenance) plan to eliminate some of the more labor intensive and water consuming landscape features, such as turf, and reduced the level of service on the remaining landscaping to a minimum. There have been significant reductions in maintenance and utility costs, but the expenditures still exceeded the existing revenues for this zone. This shortfall was subsidized by the city's General Fund. To eliminate future subsidies, the city reduced the frequency of maintenance as a pilot project (i.e., every 6 or 8 weeks instead of monthly). The budget for Zone 4 was balanced with a reduced maintenance schedule. However, after numerous complaints from the public of its poor appearance, a higher level of maintenance was reinstated during the FY 2011/2012 year and Zone 4 continues to see a projected shortfall in FY 2023/2024.

Attachments

- 1) Resolution No. 2023-____: A Resolution of the City Council of the City of Citrus Heights, California, to initiate proceedings pursuant to the Landscaping and Lighting Act of 1972 for Landscape Maintenance Assessment District No. 97-01 (Zones 1, 2, 3 and 4);
- 2) Resolution No. 2023-____: A Resolution of the City Council of the City of Citrus Heights, California, for the intention to levy and collect assessments for Fiscal Year 2023/2024 for Landscape Maintenance Assessment District No. 97-01 (Zones 1, 2, 3 and 4);
- 3) Engineer's Report.

RESOLUTION NO. 2023-

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
CITRUS HEIGHTS, CALIFORNIA, TO INITIATE PROCEEDINGS PURSUANT TO
THE LANDSCAPING AND LIGHTING ACT OF 1972 FOR LANDSCAPE
MAINTENANCE ASSESSMENT DISTRICT No. 97-01 (Zones 1, 2, 3 & 4)**

WHEREAS, In order to continue to finance the costs of maintaining and servicing landscaping and related facilities in Landscaping and Lighting Maintenance Assessment District 97-01 Zones 1, 2, 3, and 4; and to equitably distribute the costs among benefited landowners, the City Council (the “City Council”) of the City of Citrus Heights (the “City”) has decided to undertake proceedings pursuant to the Landscaping and Lighting Act of 1972, being California Streets and Highways Code Sections 22500 et seq. (the “Act”), to levy assessments for Fiscal Year 2023/2024.

NOW, THEREFORE, BE IT RESOLVED AND ORDERED by the City Council of the City of Citrus Heights hereby declares that:

Section 1. Recitals: The foregoing recitals are true and correct and the City Council so finds and determines.

Section 2. Proposal to levy assessments: The City Council proposes to levy assessments for Fiscal Year 2023/2024 for Assessment District 97-01.

Section 3. Description of Improvements: The maintenance to be financed by assessments levied in the City of Citrus Heights Landscape Maintenance Assessment District No. 97-01 consist of street corridor landscape and open space vegetation maintenance, including tree, shrub, lawn, and ground cover care; weed control; pruning; fertilization; litter removal; tree and shrub well maintenance; and irrigation system inspections and repairs.

Section 4. Appointment of Engineer: The City Council hereby appoints the City Engineer as engineer (the “Engineer”) for all purposes of proceedings undertaken by the City with respect to the assessment district. The City Council hereby directs the Engineer to prepare and file with the City Clerk, a report for Fiscal Year 2023/2024 in accordance with Article 4 of Chapter 1 of the Act and Article XIII D, Section 4, of the California Constitution.

Section 5. Effective Date. This resolution shall become effective on and after the date of its passage.

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 13th day of July, 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 2023-_____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CITRUS HEIGHTS,
CALIFORNIA, FOR THE INTENTION TO LEVY AND COLLECT ASSESSMENTS
FOR FISCAL YEAR 2023/2024 FOR LANDSCAPE MAINTENANCE ASSESSMENT
DISTRICT No. 97-01 (ZONES 1, 2, 3 & 4)**

WHEREAS, on July 13, 2023, the City Council (the “Council”) of the City of Citrus Heights (the “City”) adopted Resolution No. 2023- _____ initiating proceedings pursuant to the Landscaping and Lighting Act of 1972, being California Streets and Highways Code sections 22500 *et seq.* (the “Act”), to levy and collect assessments for Fiscal Year 2023/2024 for the City of Citrus Heights Landscape Maintenance Assessment District No. 97-01;

WHEREAS, the City Engineer has prepared and filed with the City Clerk a report for Fiscal Year 2023/2024 (the “Engineer’s Report”) in accordance with the Act; and

WHEREAS, the establishment or approval of the assessments proposed by this resolution will be for the purpose of meeting operating expenses and purchasing supplies, equipment, or materials necessary to maintain service within existing service areas.

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

Section 1. Recitals. The foregoing recitals are true and correct and this Council so finds and determines.

Section 2. Approval of Engineer’s Report. This Council hereby approves the Engineer’s Report as filed.

Section 3. Declaration of Intention. This Council hereby declares its intention to order the levy and collection of assessments for the City of Citrus Heights Landscape Maintenance Assessment District No. 97-01.

Section 4. Description of Improvements. The maintenance to be financed by assessments levied in the City of Citrus Heights Landscape Maintenance Assessment District No. 97-01 consist of street corridor landscape and open space vegetation maintenance, including tree, shrub, lawn, and ground cover care; weed control; pruning; fertilization; litter removal; tree and shrub well maintenance; and irrigation system inspections and repairs.

Section 5. Location of District. The Landscape Maintenance Assessment District No. 97-01 includes the territories described in Figures 1.1, 2.1, 3.1, and 4.1 of the Engineer’s Report.

Section 6. Reference to Engineer’s Report for Particulars. A full and detailed description of the improvements, the boundaries of the assessment district, and the proposed assessments upon assessable lots and parcels of land within the district is set forth in the Engineer’s Report. The Engineer’s Report is on file in the City Clerk’s office, 6360 Fountain Square Drive, Citrus Heights, CA 95621, and is available for review by any interested member of the public during normal business hours.

Section 7. Notice of Public Hearing. On Thursday, July 27, 2023 at 6:00 p.m., or as soon thereafter as the matter may be heard, at the Citrus Heights City Hall Council Chambers, 6360 Fountain

Square Drive, Citrus Heights, California, 95621 the City Council shall hold a public hearing on the levy of the proposed assessments. The City does not propose to increase the assessments above last year's amounts for Zones 1, 2, and 4 of Landscape Maintenance Assessment District 97-01, however, the City does propose to increase the assessments above last year's amounts for Landscape Maintenance Assessment District 97-01, Zone 2 to support adequate and sustainable maintenance services.

Section 8. Publication of Resolution. The City Clerk is directed to give notice of the public hearing by publication of this Resolution of Intention once in a newspaper of general circulation not less than 10 days before the date of the public hearing.

Section 9. Amount of Assessment. The City does not propose to increase the assessment above last year's amount for Zones 1, 3, and 4. However, the City does to propose to increase the assessments above last year's amounts for Landscape Maintenance Assessment District 97-01, Zone 2 to support adequate and sustainable maintenance services.

Section 10. Effective Date. This resolution shall take effect from and after the date of its passage.

PASSED AND ADOPTED by the City Council of the City of Citrus Heights, California, this 13th day of July 2023, by the following vote to wit:

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

Tim Schaefer, Mayor

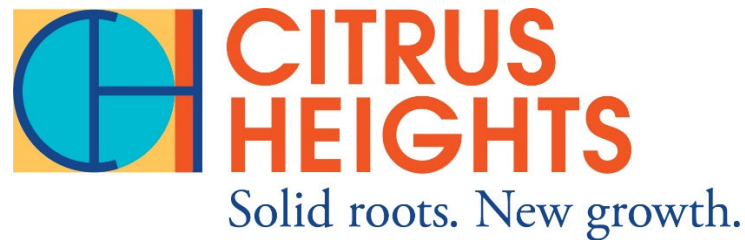
ATTEST:

Amy Van, City Clerk

CITY OF CITRUS HEIGHTS

SACRAMENTO COUNTY

CALIFORNIA



ENGINEER'S REPORT

for

Landscape Maintenance Districts

Assessment District No. 97-01(Zones 1, 2, 3, & 4)
Annual Update for Fiscal Year 2023/2024

Prepared by

Leslie Blomquist

City Engineer

July 13, 2023



CERTIFICATIONS


LANDSCAPE MAINTENANCE ASSESSMENT DISTRICT NO. 97-01, Zones 1, 2, 3 & 4 (Pursuant to the Landscaping and Lighting Act of 1972)

Engineer's Report for Fiscal Year 2023/2024

The undersigned respectfully submits the enclosed report as directed by the City Council.

DATED: July 7, 2023

CITY OF CITRUS HEIGHTS

By 
Leslie Blomquist, P.E.
CITY ENGINEER

I HEREBY CERTIFY that the enclosed Engineer's Report, together with Assessment and Assessment Diagram thereto attached, was filed with me on the _____ day of _____, 2023.

Amy Van, City Clerk
City of Citrus Heights,
Sacramento County, California

By _____

I HEREBY CERTIFY that the enclosed Engineer's Report, together with Assessment and Assessment Diagram thereto attached, was approved and confirmed by the City Council of the City of Citrus Heights, California, on the _____ day of _____, 2023.

Amy Van, City Clerk
City of Citrus Heights,
Sacramento County, California

By _____

I HEREBY CERTIFY that the enclosed Engineer's Report, together with Assessment and Assessment Diagram thereto attached, was filed with the County Auditor of the County of Sacramento on the _____ day of _____, 2023.

Amy Van, City Clerk
City of Citrus Heights,
Sacramento County, California

By _____

ENGINEER'S REPORT
LANDSCAPE MAINTENANCE ASSESSMENT DISTRICT
NO. 97-01, Zones 1, 2, 3, & 4
LEVY of FISCAL YEAR 2023/2024 ASSESSMENTS

INTRODUCTION

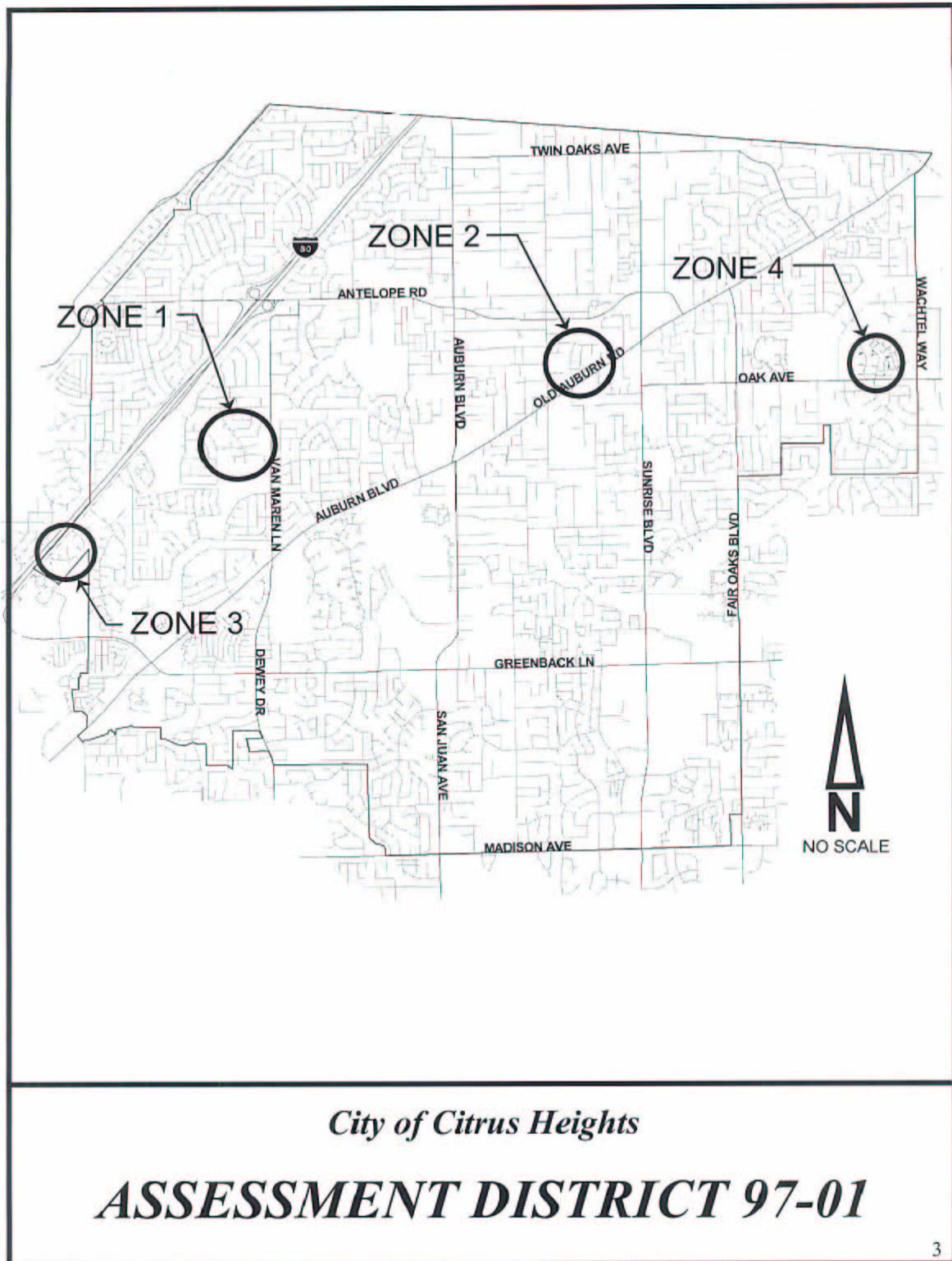
The City of Citrus Heights has four (4) separate Landscape Maintenance Assessment Districts (LMADs), which provide for maintenance of common areas within nine (9) distinct communities around the City. This report addresses only LMAD 97-01, which contains four (4) separate zones. The general locations for Zones 1, 2, 3, & 4 are shown on the maps on the following pages.

The Sacramento County Landscape Maintenance Assessment District (SCLMAD) was created in 1994 by Sacramento County to consolidate eighteen separate landscape maintenance districts into a single district with five zones. Zones were established based on the type of landscaping, the frequency and level of service required and geographical location.

Upon incorporation, all of Zone 1, and part of Zones 2 and 4 of the SCLMAD fell within the boundaries of the City of Citrus Heights. As a result, the City created Assessment District 97-01 (AD 97-01) on August 13, 1997 to take over responsibility for the maintenance of the zones or portions of zones located within Citrus Heights. Subsequently, in 2004, the City split the existing Zone 4 into two separate zones, Zone 3 and Zone 4.

Funding for the District will be from annual assessments levied on property in the four zones. The annual assessment levied on each property is related to the maintenance costs for the zone in which the parcel is located.

The following sections provide detailed explanations of each Zone. The corresponding Budget Assessment tables list the 2023/2024 sources of funds (revenues), uses of funds (direct and indirect expenditures), and the proposed assessment for each. Prior year expenditures and assessments are shown for comparison. The City has separated the accounting for each of the four zones; therefore, any noticing and balloting requirements for each of the zones will be treated independently.



ZONE 1

General:

Known as the Bridgemont Landscape Maintenance Zone, the limits of Zone 1 are defined by Van Maren Lane on the east; north and south of Bridgemont Way, and by Cripple Creek on the west. There are 80 parcels in this Zone, whose boundaries are particularly shown on the Assessment Diagram in Figure 1.1.

The landscape is a natural open space re-vegetation area along Cripple Creek and adjacent to Van Maren Lane. It consists of naturalized and mitigated oak tree stands and other California native plantings. An automatic drip irrigation system is no longer providing water to the re-vegetation plantings, because the plantings are already well established. Routine maintenance includes tree and shrub care, pruning, fertilization, and tree and shrub well maintenance. A minimum of two times per year, in the spring and summer, weed abatement is performed along the open space perimeter, adjacent to the homes within the district.

City performs/manages the maintenance for the LMAD using its own forces or those of contract providers. Figure 1.2 describes the maintenance specifications for the district.

District Financing/Method of Assessment:

Development of the single family Bridgemont subdivision was conditioned upon establishing a funding source to provide for ongoing landscape maintenance to the re-vegetation planting and open space area. The funding for Zone 1 is from annual assessments levied on residential parcels within the zone's assessment boundary (Figure 1.1), pursuant to the Landscaping and Lighting Act of 1972. Because each of the single-family lots within the Zone was created as a result of compliance with this condition, each lot benefits in the same proportion. Therefore, the assessment costs are allocated on a per parcel basis for all parcels located in Zone 1 that currently qualify as a buildable single-family parcel per the current City of Citrus Heights Zoning Ordinances. The original annual assessment adopted for Zone 1 upon formation in 1997 was \$131.54.

This Zone does not have a cost of living increase provision.

Annual Assessment:

The annual costs for maintenance in Zone 1 exceeds total revenues from the assessments and the zones cash reserves have been used to balance the annual budget. However, it is anticipated the cash reserves will be depleted by FY 2024/2025. This zone does not have a provision to increase the annual assessment levied on each parcel. Therefore, as shown in Figure 1.3. "Summary Analysis", the Fiscal Year 2023/2024 assessments for District 97-01 Zone 1 are proposed to remain the same as the previous fiscal year, at \$131.54 per parcel per year for a total annual assessment of \$10,523.20. In the future it may be necessary to use other funding sources to cover anticipated shortfalls and/or seek approval of a cost of living increase provision through a property owner vote.

The FY 2023/2024 Assessment Roll for Zone 1 is shown in Figure 1.4.

Zone 1 Boundary Description:

All that territory situated in the City of Citrus Heights, County of Sacramento, State of California, more particularly described as follows and as shown on the Assessment Diagram for Zone 1 in Figure 1.1.

Area Description:

All that real property included in the map of Bridgemont, as recorded in the office of the recorder of Sacramento County in Book 195 of Maps, Map number 10 on July 12, 1989.

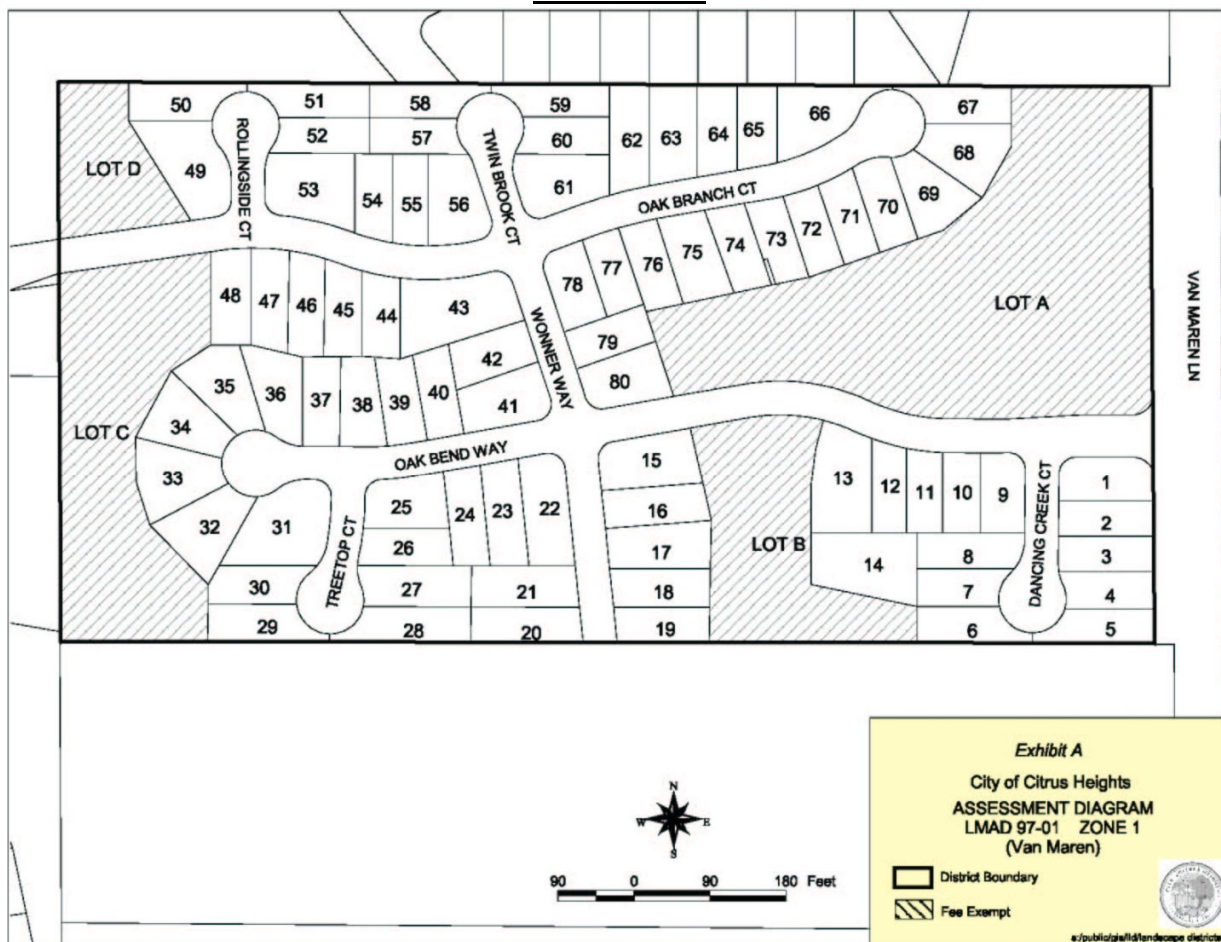
FIGURE 1.1

FIGURE 1.2

AD 97-01 Zone 1 City of Citrus Heights Landscape Maintenance District	
Task Sheet	Van Maren / Riparian Area
Lawn Maintenance:	
1. Mowing, trimming, edging all lawn areas.	
2. Fertilize lawn areas.	
3. Aerate lawn areas.	
4. Weed Control of all lawn areas.	
5. Control infestation of fungus, diseases and/or insects.	
6. Manage irrigation. Adjust controllers as needed.	
Hard/Tall Fescue Maintenance:	
7. Weed control of fescue. <i>Fescue to be as weed free as ornamental turf.</i>	
8. Weedeat fescue seed-heads.	
9. Weedeat fescue to 4" heights.	
10. Fertilize fescue.	
11. Control infestation of fungus, diseases and/or insects.	
12. Manage irrigation. Adjust controllers as needed.	
Trees, Shrubs and Planting Area Maintenance:	
13. Complete weeding of all planting areas.	X
14. Fertilize planting areas.	
15. Fertilize trees.	
16. Prune trees.	X
17. Prune shrubs.	X
18. Control infestation of fungus, diseases and/or insects.	X
19. Maintain adequate staking of all trees.	
20. Manage irrigation. Adjust controllers as needed.	
Groundcover and Vine Maintenance:	
21. Complete weeding of groundcovers.	
22. Fertilize all groundcovers and vines.	
23. Control infestation of fungus, diseases and/or insects.	
24. Prune groundcovers and vines.	X
25. Edge groundcovers.	
26. Manage irrigation. Adjust controllers as needed.	
Grounds Maintenance:	
27. Complete litter pick up of landscape areas.	X
28. Remove all cuttings, trimmings, and leaf debris from site.	X
29. Remove weeds in paved and D.G. areas, fence lines.	X
30. Remove litter and debris (sidewalk and gutter).	X
Weed Abatement:	
31. Complete weed abatement.	
32. Tree/shrub well clearing.	

FIGURE 1.3

SUMMARY ANALYSIS
ASSESSMENT DISTRICT 97-01 - ZONE 1

280-75-290; County DL 0270

	<u>DESCRIPTION</u>	FY 22/23 ACTUAL**	FY 23/24 PROPOSED BUDGET
<u>ASSESSMENT RATES:</u>			
	Rate Per Parcel	\$ 131.54	\$ 131.54
	Total Number of Parcels	80	80
	Total Special Assessments	\$ 10,523.20	\$ 10,523.20
<u>REVENUE:</u>			
	Interest on Fund Balance	\$ 469.86	\$ -
	Special Assessments	\$ 10,259.69	\$ 10,523.20
	Total Revenue:	\$ 10,729.55	\$ 10,523.20
<u>EXPENDITURES:</u>			
	Advertising & Mail	\$ 313.02	\$ 371.00
	Professional Services	\$ -	\$ 155.00
	Contract - Landscape/Tree Maintenance	\$ 5,000.00	\$ 5,500.00
	Cost Allocation (Overhead)	\$ 5,132.00	\$ 5,286.00
	Total Expenditures:	\$ 10,445.02	\$ 11,312.00
	Annual Operating Balance	\$ 284.53	\$ (788.80)
	Transfer to/from Operating Reserve	\$ (284.53)	\$ 788.80
	Annual Ending Balance	\$ -	\$ -
<u>OPERATING RESERVE</u>			
	Beginning Fund Balance (July 1st)	\$ 28,880.13	\$ 29,164.66
	Operating Reserve Set-a-side	\$ -	\$ -
	Transfer from (to) Annual Operating Balance	\$ 284.53	\$ (788.80)
	Ending Operating Reserve Balance (June 30th)	\$ 29,164.66	\$ 28,375.86
**	Recorded actual expenses for the first 3 quarters of the current Fiscal Year plus projections for the 4th quarter.		
\$xx.xx	Audited Fund Balance from previous Fiscal Year		

FIGURE 1.4**ASSESSMENT DISTRICT 97-01 - ZONE 1****A.D. 97-01 (Zone 1) Assessment Roll**

Assessor's Number	Assessment
211 0820 001 0000	131.54
211 0820 002 0000	131.54
211 0820 003 0000	131.54
211 0820 004 0000	131.54
211 0820 005 0000	131.54
211 0820 006 0000	131.54
211 0820 007 0000	131.54
211 0820 008 0000	131.54
211 0820 009 0000	131.54
211 0820 010 0000	131.54
211 0820 011 0000	131.54
211 0820 012 0000	131.54
211 0820 013 0000	131.54
211 0820 014 0000	131.54
211 0820 015 0000	131.54
211 0820 016 0000	131.54
211 0820 017 0000	131.54
211 0820 018 0000	131.54
211 0820 019 0000	131.54
211 0820 020 0000	131.54
211 0820 021 0000	131.54
211 0820 022 0000	131.54
211 0820 023 0000	131.54
211 0820 024 0000	131.54
211 0820 025 0000	131.54
211 0820 026 0000	131.54
211 0820 027 0000	131.54
211 0820 028 0000	131.54
211 0820 029 0000	131.54
211 0820 030 0000	131.54
211 0820 031 0000	131.54
211 0820 032 0000	131.54
211 0820 033 0000	131.54
211 0820 034 0000	131.54
211 0820 035 0000	131.54
211 0820 036 0000	131.54
211 0820 037 0000	131.54
211 0820 038 0000	131.54
211 0820 039 0000	131.54
211 0820 040 0000	131.54
211 0820 041 0000	131.54
211 0820 042 0000	131.54
211 0820 043 0000	131.54

Assessor's Number	Assessment
211 0820 044 0000	131.54
211 0820 045 0000	131.54
211 0820 046 0000	131.54
211 0820 047 0000	131.54
211 0820 048 0000	131.54
211 0820 049 0000	131.54
211 0820 050 0000	131.54
211 0820 051 0000	131.54
211 0820 052 0000	131.54
211 0820 053 0000	131.54
211 0820 054 0000	131.54
211 0820 055 0000	131.54
211 0820 056 0000	131.54
211 0820 057 0000	131.54
211 0820 058 0000	131.54
211 0820 059 0000	131.54
211 0820 060 0000	131.54
211 0820 061 0000	131.54
211 0820 062 0000	131.54
211 0820 063 0000	131.54
211 0820 064 0000	131.54
211 0820 065 0000	131.54
211 0820 066 0000	131.54
211 0820 067 0000	131.54
211 0820 068 0000	131.54
211 0820 069 0000	131.54
211 0820 070 0000	131.54
211 0820 071 0000	131.54
211 0820 072 0000	131.54
211 0820 074 0000	131.54
211 0820 075 0000	131.54
211 0820 076 0000	131.54
211 0820 077 0000	131.54
211 0820 078 0000	131.54
211 0820 079 0000	131.54
211 0820 080 0000	131.54
211 0820 085 0000	131.54

80 Parcels; Total Zone 1 Assessment is \$10,523.20
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ZONE 2

General:

Known as the Heather Downs Landscape Maintenance Zone, the Zone 2 limits are defined by Old Auburn Road on the south, east and west of Wickham Drive; and Mariposa Avenue on the west, north and south of Heredia Way. There are 82 parcels in this Zone, whose boundaries are more particularly shown on the Assessment Diagram in Figure 2.1.

The maintained area in Zone 2 consists of two landscape types, a natural, open space, re-vegetation area, and a street frontage (corridor). It consists of naturalized and mitigated oak tree stands, other California native plantings and an automatic drip irrigation system providing water to the re-vegetation plantings. Routine maintenance includes tree and shrub care, pruning, fertilization, and tree and shrub well maintenance. A minimum of three times per year, weed abatement mowing is performed in the open space.

The street frontage landscape includes lawn, trees, shrubs, and ground cover. Ongoing street frontage maintenance requires weekly care of the lawn, trees, shrubs, and ground cover, including weed control, fertilization, pruning, and litter removal.

City performs/manages the maintenance for the LMAD using its own forces or those of contract providers. Figure 2.2 describes the maintenance specifications for the district.

District Financing/Method of Assessment:

As a condition of approval, the developer of this single family subdivision was required to establish a funding source to provide ongoing landscape maintenance. The funding for Zone 2 is from annual assessments levied on residential parcels within the zone's assessment boundary (Figure 2.1), pursuant to the Landscaping and Lighting Act of 1972. Because each of the single-family lots within the Zone was created as a result of compliance with this condition, each lot benefits in the same proportion. Therefore, the assessment costs are allocated on a per parcel basis for all parcels located in Zone 2 that currently qualify as a buildable single-family parcel per the current City of Citrus Heights Zoning Ordinances. The original annual assessment adopted for Zone 2 upon formation was \$122.74.

The original assessment amount per parcel was insufficient to fund the Zone 2 services after just a few years, so General Fund money was used to supplement this zone. However, in Fiscal Year 2000/2001 the property owners within this zone voted to approve an assessment increase from \$122.74 to \$151.38 per parcel.

Concurrent with the approval of the assessment increase in FY 2000/2001, the property owners also voted to include a cost of living adjustment provision for Zone 2. This provision allows for an increase in the annual assessment with the percent of increase over the previous annual assessment being less than or equal to the cost of living increase based on the Bay Area Consumer Price Index for all urban consumers.

Annual Assessment:

An adjustment in the annual assessment per parcel is proposed for Fiscal Year 2023/2024. Maintenance and replacement costs for Zone 2 have continued to increase beyond the amount of revenue generated by the previous annual assessment. As a result, the City of Citrus Heights must increase the annual assessment on each assessed parcel. As shown in Figure 2.3.

“Summary Analysis”, the Fiscal Year 2023/2024 assessments for District 97-01 Zone 2 are proposed to increase by 3% (less than the maximum allowable) to an amount of \$155.92 per residential parcel. These additional revenues are necessary to support the Zone’s operations and maintenance as well as help to restore an appropriate operating reserve.

The FY 2023/2024 Assessment Roll for Zone 2 is shown in Figure 2.4.

Zone 2 Boundary:

All that territory situated in the City of Citrus Heights, County of Sacramento, State of California, more particularly described as follows and as shown on the Assessment Diagram for Zone 2 in Figure 2.1.

Area Description:

All that real property included in the revised map of Heather Downs Two, as recorded in the office of the recorder of Sacramento County in Book 206 of Maps, Map number 2; July, 1991.

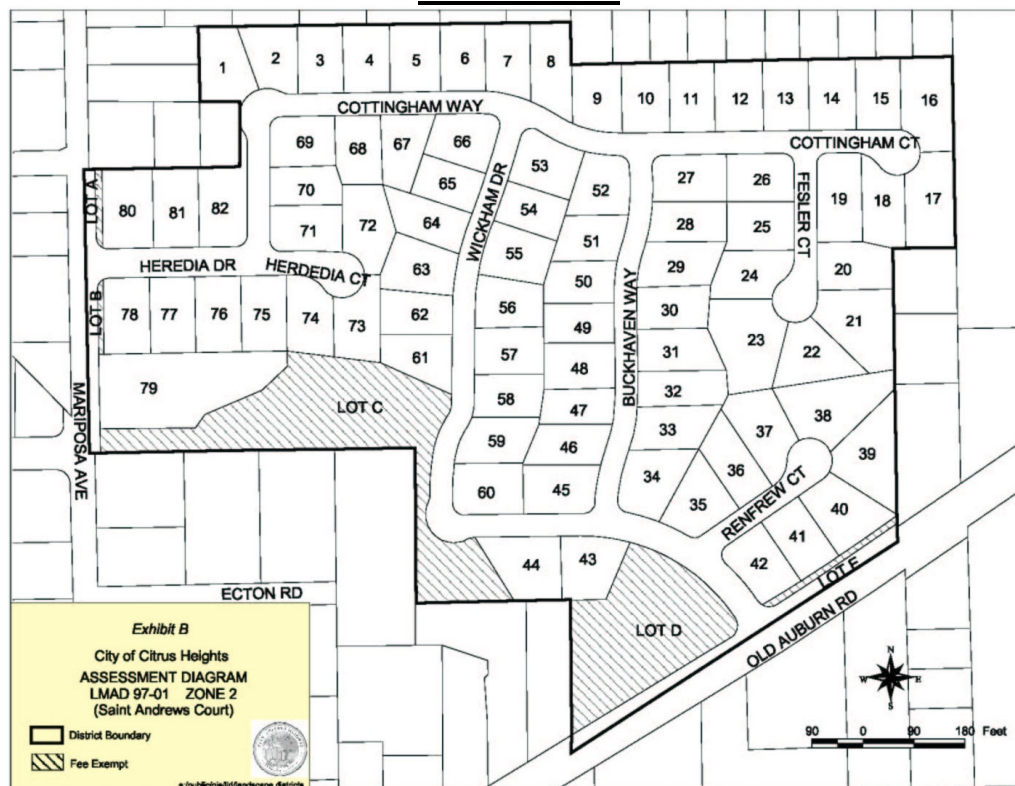
FIGURE 2.1

FIGURE 2.2

AD 97-01 Zone 2 City of Citrus Heights Landscape Maintenance District		
Task Sheet	22100 Heather Downs Frontage	22101 Heather Downs Revegetation
Lawn Maintenance:		
1. Mowing, trimming, edging all lawn areas.	X	
2. Fertilize/weed control of all lawn areas.	X	
3. Aerate lawn areas.	X	
4. Control infestation of fungus, diseases and/or insects.	X	
5. Manage irrigation. Adjust controllers.	X	
Hard/Tall Fescue Maintenance:		
6. Weed control of fescue. <i>Fescue to be as weed free as ornamental turf.</i>		
7. Weedeat fescue seed-heads.		
8. Weedeat fescue to 4" heights.		
9. Control infestation of fungus, diseases and/or insects.		
10. Manage irrigation. Adjust controllers.		
Trees, Shrubs and Planting Area Maintenance:		
11. Complete weeding of all planting areas.	X	
12. Fertilize planting areas.	X	
13. Fertilize trees.	X	
14. Prune trees and remove all trimmings.	X	X
15. Prune shrubs and remove all trimmings.	X	
16. Control infestation of fungus, diseases and/or insects.	X	X
17. Maintain adequate staking of all trees.	X	X
18. Manage irrigation. Adjust controllers.	X	
Groundcover and Vine Maintenance:		
19. Complete weeding of groundcovers.	X	
20. Fertilize all groundcovers and vines.	X	
21. Control infestation of fungus, diseases and/or insects.	X	
22. Prune groundcovers.	X	
23. Edge groundcovers.	X	
24. Manage irrigation. Adjust controllers.	X	
Grounds Maintenance:		
25. Complete litter pick up of landscape areas every visit.	X	
26. Remove all cuttings, trimmings, and leaf debris from site.	X	
27. Remove weeds in paved and D.G. areas, fence lines.	X	
28. Remove litter and debris every visit (sidewalk and gutter).	X	
Weed Abatement:		
29. Complete initial weed abatement.		X
30. Tree/shrub well clearing.		X
31. Mow tall grasses as required by fire protection services.		X

FIGURE 2.3

SUMMARY ANALYSIS
ASSESSMENT DISTRICT 97-02 – ZONE 2

281-75-291; County DL 0271

<u>DESCRIPTION</u>		FY 22/23 ACTUAL**	FY 23/24 PROPOSED BUDGET
<u>ASSESSMENT RATES:</u>			
	Rate Per Parcel	\$ 151.38	\$ 155.92
	Total Number of Parcels	82	82
	Total Special Assessments	\$ 12,413.16	\$ 12,785.55
<u>REVENUE:</u>			
	Interest on Fund Balance	\$ 1,110.61	\$ -
	Special Assessments	\$ 12,118.91	\$ 12,785.55
	Total Revenue:	\$ 13,229.52	\$ 12,785.55
<u>EXPENDITURES:</u>			
	Advertising & Mail	\$ 313.02	\$ 371.00
	Utilities	\$ 2,208.63	\$ 2,009.00
	Professional Services	\$ -	\$ 119.00
	Contract - Landscape/Tree Maintenance	\$ 5,868.00	\$ 7,004.00
	Contract - Construction, Repairs & Extra Work	\$ -	\$ -
	Cost Allocation (Overhead)	\$ 5,190.00	\$ 5,346.00
	Total Expenditures:	\$ 13,579.65	\$ 14,849.00
<u>Annual Operating Balance</u>		\$ (350.13)	\$ (2,063.45)
	Transfer to/from Operating Reserve	\$ 350.13	\$ 2,063.45
<u>Annual Ending Balance</u>		\$ -	\$ -
<u>OPERATING RESERVE</u>			
	Beginning Fund Balance (July 1st)	\$ 70,534.28	\$ 70,184.15
	Operating Reserve Set-a-side	\$ -	\$ -
	Transfer from (to) Annual Operating Balance	\$ (350.13)	\$ (2,063.45)
	Ending Operating Reserve Balance (June 30th)	\$ 70,184.15	\$ 68,120.70
**	Recorded actual expenses for the first 3 quarters of the current Fiscal Year plus projections for the 4th quarter.		
\$xx.xx	Audited Fund Balance from previous Fiscal Year		

FIGURE 2.4

ASSESSMENT DISTRICT 97-01 ZONE 2										
AD 97-01 Zone 2 Assessment Roll										
Assessment Number				Assessment		Assessment Number				Assessment
224	0910	001	0000	\$ 155.92		224	0910	042	0000	\$ 155.92
224	0910	002	0000	\$ 155.92		224	0910	043	0000	\$ 155.92
224	0910	003	0000	\$ 155.92		224	0910	044	0000	\$ 155.92
224	0910	004	0000	\$ 155.92		224	0910	045	0000	\$ 155.92
224	0910	005	0000	\$ 155.92		224	0910	046	0000	\$ 155.92
224	0910	006	0000	\$ 155.92		224	0910	047	0000	\$ 155.92
224	0910	007	0000	\$ 155.92		224	0910	048	0000	\$ 155.92
224	0910	008	0000	\$ 155.92		224	0910	049	0000	\$ 155.92
224	0910	009	0000	\$ 155.92		224	0910	050	0000	\$ 155.92
224	0910	010	0000	\$ 155.92		224	0910	051	0000	\$ 155.92
224	0910	011	0000	\$ 155.92		224	0910	052	0000	\$ 155.92
224	0910	012	0000	\$ 155.92		224	0910	053	0000	\$ 155.92
224	0910	013	0000	\$ 155.92		224	0910	054	0000	\$ 155.92
224	0910	014	0000	\$ 155.92		224	0910	055	0000	\$ 155.92
224	0910	015	0000	\$ 155.92		224	0910	056	0000	\$ 155.92
224	0910	016	0000	\$ 155.92		224	0910	057	0000	\$ 155.92
224	0910	017	0000	\$ 155.92		224	0910	058	0000	\$ 155.92
224	0910	018	0000	\$ 155.92		224	0910	059	0000	\$ 155.92
224	0910	019	0000	\$ 155.92		224	0910	062	0000	\$ 155.92
224	0910	020	0000	\$ 155.92		224	0910	063	0000	\$ 155.92
224	0910	021	0000	\$ 155.92		224	0910	064	0000	\$ 155.92
224	0910	022	0000	\$ 155.92		224	0910	065	0000	\$ 155.92
224	0910	023	0000	\$ 155.92		224	0920	001	0000	\$ 155.92
224	0910	024	0000	\$ 155.92		224	0920	002	0000	\$ 155.92
224	0910	025	0000	\$ 155.92		224	0920	003	0000	\$ 155.92
224	0910	026	0000	\$ 155.92		224	0920	006	0000	\$ 155.92
224	0910	027	0000	\$ 155.92		224	0920	007	0000	\$ 155.92
224	0910	028	0000	\$ 155.92		224	0920	008	0000	\$ 155.92
224	0910	029	0000	\$ 155.92		224	0920	009	0000	\$ 155.92
224	0910	030	0000	\$ 155.92		224	0920	010	0000	\$ 155.92
224	0910	031	0000	\$ 155.92		224	0920	011	0000	\$ 155.92
224	0910	032	0000	\$ 155.92		224	0920	012	0000	\$ 155.92
224	0910	033	0000	\$ 155.92		224	0920	013	0000	\$ 155.92
224	0910	034	0000	\$ 155.92		224	0920	014	0000	\$ 155.92
224	0910	035	0000	\$ 155.92		224	0920	015	0000	\$ 155.92
224	0910	036	0000	\$ 155.92		224	0920	016	0000	\$ 155.92
224	0910	037	0000	\$ 155.92		224	0920	017	0000	\$ 155.92
224	0910	038	0000	\$ 155.92		224	0920	019	0000	\$ 155.92
224	0910	039	0000	\$ 155.92		224	0920	023	0000	\$ 155.92
224	0910	040	0000	\$ 155.92		224	0920	024	0000	\$ 155.92
224	0910	041	0000	\$ 155.92		224	0920	027	0000	\$ 155.92
82 Parcels; Total Zone 2 Assessment is \$12,785.55										

ZONE 3

General:

Zone 4 of LMAD 97-01, as originally adopted by the City, consisted of two widely separated landscape areas with differing landscape types and maintenance responsibilities. In 2004, the City Council adopted a resolution dividing Zone 4 into two parts and thereby creating Zone 3 (previously non-existent). Zone 3 consists of the Verner Glen Subdivision (commonly known as Summerhill). There are 80 parcels in this Zone, whose boundaries are particularly shown on the Assessment Diagram in Figure 3.1.

The maintained area in Zone 3 consists of street frontage landscape including lawn, trees, shrubs, and ground cover. Ongoing street frontage maintenance requires weekly care of the lawn, trees, shrubs, and ground cover, including weed control, fertilization, pruning, and litter removal.

City performs/manages the maintenance for the LMAD using its own forces or those of contract providers. Figure 3.2 describes the maintenance specifications for the district.

District Financing/Method of Assessment:

As a condition of approval, the developer of two single family subdivisions comprising the original Zone 4 was required to establish a funding source to provide ongoing landscape maintenance. The funding was from annual assessments levied on residential parcels within the zone's assessment boundaries, pursuant to the Landscaping and Lighting Act of 1972. Because each of the single-family lots within the Zone was created as a result of compliance with this condition, each lot benefits in the same proportion. Therefore, the assessment costs are allocated on a per parcel basis for all parcels located within the assessment boundaries that currently qualify as a buildable single-family parcel per the current City of Citrus Heights Zoning Ordinances. The original annual assessment adopted for Zone 4 upon formation was \$42.50. Upon separation in 2004, the original annual assessment of \$42.50 was carried over to Zone 3.

General Fund money was used to supplement maintenance of landscaped areas in Zone 3 in the past. To eliminate the assessment revenue shortfall, an increase in assessment was proposed in Fiscal Year 98/99, but was unanimously opposed by the property owners in the required balloting process. In 2005 an increase in the annual assessment was again proposed and subsequently the property owners approved a one-time increase in the assessment from \$42.50 to \$81.88.

Concurrent with the assessment increase in 2005, a cost of living adjustment provision was proposed for Zone 3. However, during the property owner balloting process, this provision failed.

Annual Assessment:

The assessment increase approved in 2005 along with focused efforts to reduce overall maintenance costs kept Zone 3 expenditures below available revenues for several years.

However, increased monthly utility costs and the implementation of updated cost allocation procedures by the City have resulted in a shortfall of approximately \$8,416.49 for FY 2022/2023. With no current reserves, this shortfall was subsidized by Gas Tax funds. A shortfall of approximately \$9,486.60 is anticipated for FY 2023/2024.

The Summary Analysis in Figure 3.3 shows details of the Fiscal Year 2023/2024 budget and assessments for Zone 3. The assessments for Zone 3 are proposed to remain the same as Fiscal Year 2022/2023, at \$81.88 per parcel per year for a total annual assessment of \$6,550.40, as this district does not allow for increasing the assessments without a vote of the effected property owners.

The FY 2023/2024 Assessment Roll for Zone 3 is shown in Figure 3.4.

Zone 3 Boundary Description:

All that territory situated in the City of Citrus Heights, County of Sacramento, State of California, more particularly described as follows and as shown on the Assessment Diagram in Figure 3.1.

Area Description:

All that real property included in the Plat of Verner Glen, as recorded in the office of the recorder of Sacramento County in Book 181 of Maps, Map number 21, on March 1988.

FIGURE 3.1

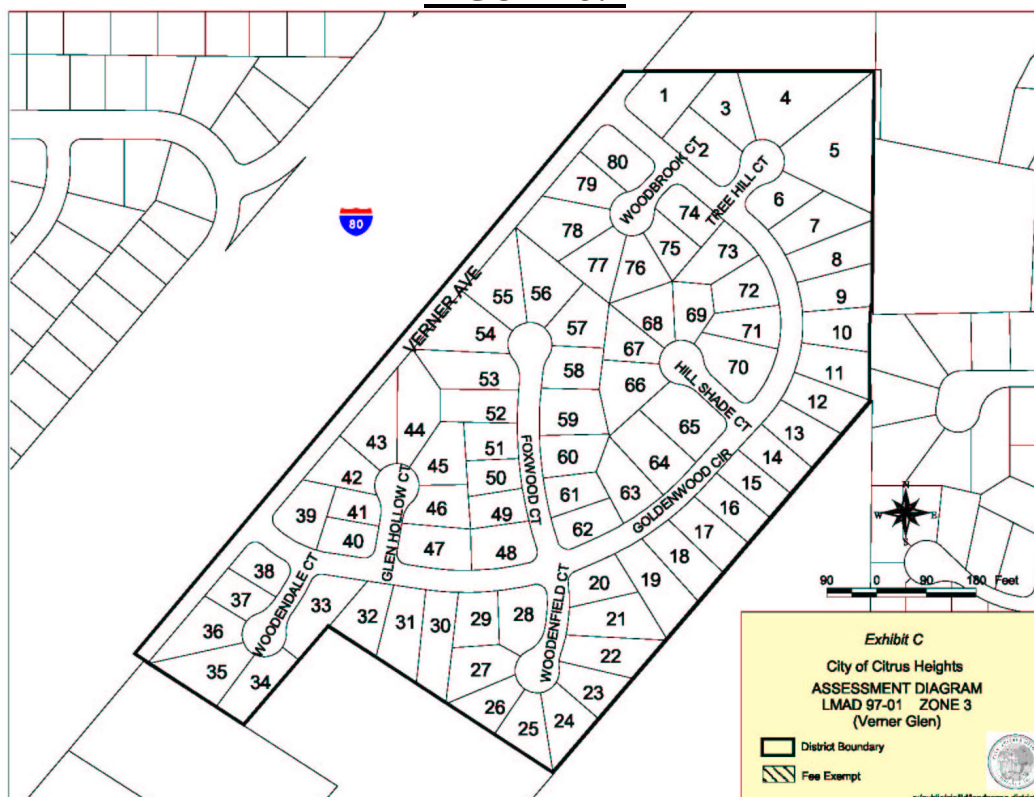


FIGURE 3.2

AD 97-01 Zone 3 City of Citrus Heights Landscape Maintenance District	
Task Sheet	42005 Verner Glen
Lawn Maintenance:	
1. Mowing, trimming, edging all lawn areas.	X
2. Fertilize/weed control lawn areas.	X
3. Aerate lawn areas.	X
4. Control infestation of fungus, diseases and/or insects.	X
5. Manage irrigation. Adjust controllers.	X
Hard/Tall Fescue Maintenance:	
6. Weed control of fescue. <i>Fescue to be as weed free as ornamental turf.</i>	
7. Weedeat fescue seed-heads.	
8. Weedeat fescue to 4" heights.	
9. Fertilize fescue.	
10. Control infestation of fungus, diseases and/or insects.	
11. Manage irrigation. Adjust controllers.	
Trees, Shrubs and Planting Area Maintenance:	
12. Complete weeding of all planting areas.	X
13. Fertilize planting areas and trees.	X
14. Prune trees one time per year.	X
15. Prune shrubs.	X
16. Control infestation of fungus, diseases and/or insects.	X
17. Maintain adequate staking of all trees.	X
18. Manage irrigation. Adjust controllers.	X
Groundcover and Vine Maintenance:	
19. Complete weeding of groundcovers.	X
20. Fertilize all groundcovers and vines.	X
21. Control infestation of fungus, diseases and/or insects.	X
22. Prune groundcovers and vines.	
23. Edge groundcovers.	X
24. Manage irrigation. Adjust controllers.	X
Grounds Maintenance:	
25. Complete litter pick up of landscape areas each visit.	X
26. Remove all cuttings, trimmings, and leaf debris from site each visit.	X
27. Remove weeds in paved and D.G. areas, fence lines.	X
28. Remove litter and debris every visit (sidewalk and gutter).	X
29. Median(s): Remove weeds in paved and D.G. areas.	
30. Median(s): Remove litter and debris each visit (gutter to gutter and nosing).	

FIGURE 3.3

SUMMARY ANALYSIS
ASSESSMENT DISTRICT 97-01 – ZONE 3

288-75-298; County DOL 0279

<u>DESCRIPTION</u>		FY 22/23* ACTUAL	FY 23/24 PROPOSED BUDGET
<u>ASSESSMENT RATES:</u>			
Rate Per Parcel		\$ 81.88	\$ 81.88
Total Number of Parcels		80	80
Total Special Assessments:		\$ 6,550.40	\$ 6,550.40
<u>REVENUE:</u>			
Interest on Fund Balance		\$ -	\$ -
Special Assessments		\$ 6,402.32	\$ 6,550.40
Total Revenue:		\$ 6,402.32	\$ 6,550.40
<u>EXPENDITURES:</u>			
Advertising & Mail		\$ 313.02	\$ 165.00
Utilities		\$ 2,871.79	\$ 3,296.00
Professional Services		\$ -	\$ 119.00
Contract - Landscape Maintenance		\$ 6,540.00	\$ 7,210.00
Contract - Construction, Repairs & Extra Work		\$ -	\$ -
Contract - Materials & Supplies		\$ -	\$ -
Cost Allocation (Overhead)		\$ 5,094.00	\$ 5,247.00
Total Expenditures:		\$ 14,818.81	\$ 16,037.00
<u>Annual Operating Balance</u>		\$ (8,416.49)	\$ (9,486.60)
Transfer to/from Operating Reserve		\$ 8,416.49	\$ 9,486.60
<u>Annual Ending Balance</u>		\$ -	\$ -
<u>OPERATING RESERVE</u>			
Beginning Fund Balance (July 1st)		\$ -	\$ -
Operating Reserve Set-a-side		\$ -	\$ -
Transfer from (to) Annual Operating Balance		\$ (8,416.49)	\$ (9,486.60)
Ending Operating Reserve Balance (June 30th)		\$ (8,416.49)	\$ (9,486.60)
** Recorded actual expenses for the first 3 quarters of the current Fiscal Year plus projections for the 4th quarter.			

FIGURE 3.4**ASSESSMENT DISTRICT 97-01
ZONE 3****A.D. 97-01 (Zone 3) Assessment Roll**

Assessor's Number				Assessment
229	0970	001	0000	\$81.88
229	0970	002	0000	\$81.88
229	0970	003	0000	\$81.88
229	0970	004	0000	\$81.88
229	0970	005	0000	\$81.88
229	0970	006	0000	\$81.88
229	0970	007	0000	\$81.88
229	0970	008	0000	\$81.88
229	0970	009	0000	\$81.88
229	0970	013	0000	\$81.88
229	0970	014	0000	\$81.88
229	0970	015	0000	\$81.88
229	0970	016	0000	\$81.88
229	0970	017	0000	\$81.88
229	0970	018	0000	\$81.88
229	0970	019	0000	\$81.88
229	0970	020	0000	\$81.88
229	0970	021	0000	\$81.88
229	0970	022	0000	\$81.88
229	0970	023	0000	\$81.88
229	0970	024	0000	\$81.88
229	0970	025	0000	\$81.88
229	0970	026	0000	\$81.88
229	0970	027	0000	\$81.88
229	0970	028	0000	\$81.88
229	0970	029	0000	\$81.88
229	0970	030	0000	\$81.88
229	0970	031	0000	\$81.88
229	0970	032	0000	\$81.88
229	0970	033	0000	\$81.88
229	0970	034	0000	\$81.88
229	0970	035	0000	\$81.88
229	0970	036	0000	\$81.88
229	0970	037	0000	\$81.88
229	0970	038	0000	\$81.88
229	0970	039	0000	\$81.88
229	0970	040	0000	\$81.88
229	0970	041	0000	\$81.88
229	0970	042	0000	\$81.88
229	0970	043	0000	\$81.88
229	0970	044	0000	\$81.88
229	0970	045	0000	\$81.88
229	0970	046	0000	\$81.88

Assessor's Number				Assessment
229	0970	047	0000	\$81.88
229	0970	048	0000	\$81.88
229	0970	049	0000	\$81.88
229	0970	050	0000	\$81.88
229	0970	051	0000	\$81.88
229	0970	052	0000	\$81.88
229	0970	053	0000	\$81.88
229	0970	054	0000	\$81.88
229	0970	055	0000	\$81.88
229	0970	056	0000	\$81.88
229	0970	057	0000	\$81.88
229	0970	058	0000	\$81.88
229	0970	059	0000	\$81.88
229	0970	060	0000	\$81.88
229	0970	061	0000	\$81.88
229	0970	062	0000	\$81.88
229	0970	063	0000	\$81.88
229	0970	064	0000	\$81.88
229	0970	065	0000	\$81.88
229	0970	066	0000	\$81.88
229	0970	067	0000	\$81.88
229	0970	068	0000	\$81.88
229	0970	069	0000	\$81.88
229	0970	070	0000	\$81.88
229	0970	071	0000	\$81.88
229	0970	072	0000	\$81.88
229	0970	073	0000	\$81.88
229	0970	074	0000	\$81.88
229	0970	075	0000	\$81.88
229	0970	076	0000	\$81.88
229	0970	077	0000	\$81.88
229	0970	078	0000	\$81.88
229	0970	079	0000	\$81.88
229	0970	080	0000	\$81.88
229	0970	081	0000	\$81.88
229	0970	082	0000	\$81.88
229	0970	083	0000	\$81.88

80 Parcels; Total Zone 3 Assessment is \$6,550.40

ZONE 4

General:

Zone 4 of LMAD 97-01 was originally adopted by the City in 1997. The original zone consisted of the Summerhill Subdivision and the Villa Creekridge Subdivision. These two single family subdivisions were on opposite sides of the City and had widely differing landscaping and maintenance responsibilities.

As a result of the different geographical locations and maintenance responsibilities, the City Council adopted a resolution in 2004 to divide Zone 4 into two parts. The Verner Glenn (Summerhill subdivision) was incorporated into the newly created Zone 3 and the 111 parcel Villa Creekridge Subdivision remained in Zone 4. Figure 4.1 shows the current boundaries of Zone 4.

Originally the maintained area in Zone 4 consisted of street frontage landscape including lawn, trees, shrubs, and ground cover. Ongoing street frontage maintenance requires weekly care of the lawn, trees, shrubs, and ground cover, including weed control, fertilization, pruning, and litter removal.

Over the years General Fund money has been used to supplement maintenance in Zone 4. To reduce the assessment revenue shortfall, staff repeatedly re-evaluated and adjusted the maintenance effort to reduce costs. In July 2007, the City Council approved detaching a portion of the maintained area from Zone 4 (landscaping along Fireweed Circle). This detached area is now maintained by a neighboring Homeowner's Association under a special agreement. In 2010 the City implemented a xeriscaping (low-water and maintenance) plan to eliminate some of the more labor intensive and water consuming landscape features, such as turf, and reduced the level of service on the remaining landscaping to a minimum. In a further effort to reduce subsidies, in 2011, the City conducted a pilot project that reduced the frequency of maintenance (i.e. every 6 or 8 weeks instead of monthly). However, the monthly maintenance schedule was reinstated due to complaints on its appearance from the public.

Zone 4 now consists of street frontage landscape including trees, shrubs, and ground cover; all with monthly maintenance.

The City performs/manages the maintenance for the LMAD using its own forces or those of contract providers. Figure 4.2 describes the maintenance specifications for the district.

District Financing/Method of Assessment:

As a condition of approval, the developer of two single family subdivisions comprising the original Zone 4 was required to establish a funding source to provide ongoing landscape maintenance. The funding for Zone 4 is from annual assessments levied on residential parcels within the zone's assessment boundaries, pursuant to the Landscaping and Lighting Act of 1972. Because each of the single-family lots within the Zone was created as a result of compliance with this condition, each lot benefits in the same proportion. Therefore, the assessment costs are allocated on a per parcel basis for all parcels located within the assessment boundaries that

currently qualify as a buildable single-family parcel per the current City of Citrus Heights Zoning Ordinances. The original annual assessment adopted for Zone 4 upon formation was \$42.50. Upon separation in 2004, the annual assessment for Zone 4 remained at \$42.50 per assessed parcel.

General Fund money has been used to supplement maintenance of landscaped areas in Zone 4 in the past. To eliminate the assessment revenue shortfall, assessment increases were proposed in Fiscal Years 98/99, 2005/2006 and 2009/2010, but all attempts failed under majority opposition by the property owners in the required balloting process.

This Zone does not have a cost of living increase provision.

Annual Assessment:

From the beginning, General Fund revenues have been used to subsidize Zone 4 maintenance. Efforts such as detaching part of the maintained area, replanting with low-water and low maintenance landscaping and even reducing the maintenance frequency have resulted in significant reductions in maintenance and utility costs, but the gap between maintenance expenditures and assessment revenues continues to widen.

For the 2022/2023 fiscal year, the increase of monthly utility costs and the implementation of updated cost allocation procedures by the city has resulted in a shortfall of \$15,324.01. With no reserves, this shortfall was subsidized by Gas Tax revenues.

For FY 2023/2024 the projected budget shortfall is \$15,459.50 and again Gas Tax revenues are being budgeted to cover the shortfall.

Method of Assessment:

As a condition of approval, the developer of the single family subdivision was required to establish a funding source to provide ongoing landscape maintenance. Because each of the single-family lots within the Zone was created as a result of compliance with this condition, each lot benefits in the same proportion. Therefore, the assessment costs are allocated on a per parcel basis for all parcels located in Zone 4 that currently qualify as a buildable single-family parcel per the current City of Citrus Heights Zoning Ordinances.

The Summary Analysis in Figure 4.3 shows details of the Fiscal Year 2023/24 budget and assessments for Zone 4. The assessments for Zone 4 shall remain the same as Fiscal Year 2022/2023, at \$42.50 per parcel per year for a total annual assessment of \$4,717.50, as this district does not allow for increasing the assessments without a vote of the effected property owners.

The FY 2023/2024 Assessment Roll for Zone 4 is shown in 4.4.

Zone 4 Boundary Description:

All that territory situated in the City of Citrus Heights, County of Sacramento, State of California, more particularly described as follows and as shown on the Assessment Diagram for Zone 4 in Figure 4.1.

Area Description:

All that real property included in the Plat of Villa Creekridge, as recorded in the office of the recorder of Sacramento County Book 188 of Maps, Map number 3; December, 1988.

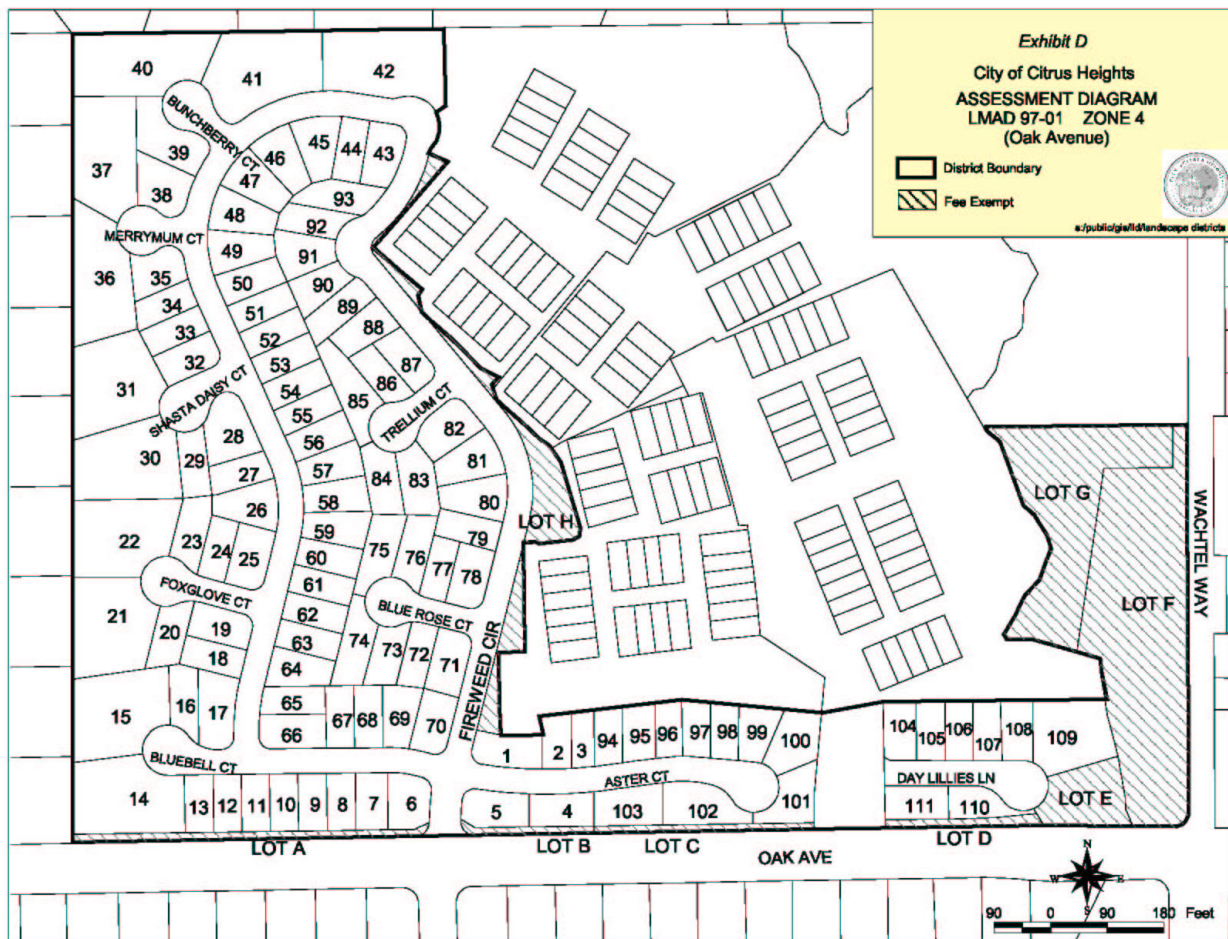
FIGURE 4.1

FIGURE 4.2

AD 97-01 Zone 4 City of Citrus Heights Landscape Maintenance District	
Task Sheet	42006 Villa Creekridge
Lawn Maintenance:	
1. Mowing, trimming, edging all lawn areas.	
2. Fertilize/weed control lawn areas.	
3. Aerate lawn areas.	
4. Control infestation of fungus, diseases and/or insects.	
5. Manage irrigation. Adjust controllers.	
Hard/Tall Fescue Maintenance:	
6. Weed control of fescue. <i>Fescue to be as weed free as ornamental turf.</i>	
7. Weedeat fescue seed-heads.	
8. Weedeat fescue to 4" heights.	
9. Fertilize fescue.	
10. Control infestation of fungus, diseases and/or insects.	
11. Manage irrigation. Adjust controllers.	
Trees, Shrubs and Planting Area Maintenance:	
12. Complete weeding of all planting areas.	X
13. Fertilize planting areas and trees.	X
14. Prune trees one time per year.	X
15. Prune shrubs.	X
16. Control infestation of fungus, diseases and/or insects.	X
17. Maintain adequate staking of all trees.	X
18. Manage irrigation. Adjust controllers.	X
Groundcover and Vine Maintenance:	
19. Complete weeding of groundcovers.	X
20. Fertilize all groundcovers and vines.	X
21. Control infestation of fungus, diseases and/or insects.	X
22. Prune groundcovers and vines.	X
23. Edge groundcovers.	X
24. Manage irrigation. Adjust controllers.	X
Grounds Maintenance:	
25. Complete litter pick up of landscape areas each visit.	X
26. Remove all cuttings, trimmings, and leaf debris from site each visit.	X
27. Remove weeds in paved and D.G. areas, fence lines.	X
28. Remove litter and debris every visit (sidewalk and gutter).	X
29. Median(s): Remove weeds in paved and D.G. areas.	
30. Median(s): Remove litter and debris each visit (gutter to gutter and nosing).	

FIGURE 4.3**ASSESSMENT DISTRICT 97-01 – ZONE 4**

282-75-292; County DOL 0272

<u>DESCRIPTION</u>		FY 22/23 ACTUAL**	FY 23/24 PROPOSED BUDGET
<u>ASSESSMENT RATES:</u>			
Rate Per Parcel		\$ 42.50	\$ 42.50
Total Number of Parcels		111	111
Total Special Assessments		\$ 4,717.50	\$ 4,717.50
<u>REVENUE:</u>			
Interest on Fund Balance		\$ -	\$ -
Special Assessments		\$ 4,529.86	\$ 4,717.50
Total Revenues:		\$ 4,529.86	\$ 4,717.50
<u>EXPENDITURES:</u>			
Advertising		\$ 313.02	\$ 371.00
Utilities - Electric		\$ 760.68	\$ 515.00
Utilities - Water		\$ 5,178.17	\$ 4,326.00
Professional Services		\$ -	\$ 139.00
Contract - Landscape Maintenance		\$ 8,508.00	\$ 9,579.00
Contract - Construction, Repairs & Extra Work		\$ -	\$ -
Contract - Materials & Supplies		\$ -	\$ -
Cost Allocation (Overhead)		\$ 5,094.00	\$ 5,247.00
Total Expenditures:		\$ 19,853.87	\$ 20,177.00
Annual Operating Balance		\$ (15,324.01)	\$ (15,459.50)
Transfer to/from Operating Reserve		\$ 15,324.01	\$ 15,459.50
Annual Ending Balance		\$ -	\$ -
<u>OPERATING RESERVE</u>			
Beginning Fund Balance (July 1st)		\$ -	\$ -
Operating Reserve Set-a-side		\$ -	\$ -
Transfer from (to) Annual Operating Balance		\$ (15,324.01)	\$ (15,459.50)
Ending Operating Reserve Balance (June 30th)		\$ (15,324.01)	\$ (15,459.50)
<u>FACILITY REPLACEMENT RESERVE</u>			
Beginning Facility Replacement Balance (July 1st)		\$ -	\$ -
Facility Replacement Set-aside		\$ -	\$ -
Replacement Project Cost		\$ -	\$ -
Ending Facility Replacement Balance (June 30th)		\$ -	\$ -
** Recorded actual expenses for the first 3 quarters of Fiscal Year plus projection for the 4th quarter.			

FIGURE 4.4**ASSESSMENT DISTRICT 97-01 - ZONE 4****A.D. 97-01 (Zone 4) Assessment Roll**

Assessor's Number				Assessment
224	0890	001	0000	\$42.50
224	0890	002	0000	\$42.50
224	0890	003	0000	\$42.50
224	0890	004	0000	\$42.50
224	0890	005	0000	\$42.50
224	0890	006	0000	\$42.50
224	0890	007	0000	\$42.50
224	0890	008	0000	\$42.50
224	0890	009	0000	\$42.50
224	0890	010	0000	\$42.50
224	0890	011	0000	\$42.50
224	0890	012	0000	\$42.50
224	0890	013	0000	\$42.50
224	0890	014	0000	\$42.50
224	0890	015	0000	\$42.50
224	0890	016	0000	\$42.50
224	0890	017	0000	\$42.50
224	0890	018	0000	\$42.50
224	0890	019	0000	\$42.50
224	0890	020	0000	\$42.50
224	0890	021	0000	\$42.50
224	0890	022	0000	\$42.50
224	0890	023	0000	\$42.50
224	0890	024	0000	\$42.50
224	0890	025	0000	\$42.50
224	0890	026	0000	\$42.50
224	0890	027	0000	\$42.50
224	0890	028	0000	\$42.50
224	0890	029	0000	\$42.50
224	0890	030	0000	\$42.50
224	0890	031	0000	\$42.50
224	0890	032	0000	\$42.50
224	0890	033	0000	\$42.50
224	0890	034	0000	\$42.50
224	0890	035	0000	\$42.50
224	0890	036	0000	\$42.50
224	0890	037	0000	\$42.50
224	0890	038	0000	\$42.50
224	0890	039	0000	\$42.50
224	0890	040	0000	\$42.50
224	0890	041	0000	\$42.50

Assessor's Number				Assessment
224	0890	042	0000	\$42.50
224	0890	043	0000	\$42.50
224	0890	044	0000	\$42.50
224	0890	045	0000	\$42.50
224	0890	046	0000	\$42.50
224	0890	047	0000	\$42.50
224	0890	048	0000	\$42.50
224	0890	049	0000	\$42.50
224	0890	050	0000	\$42.50
224	0890	051	0000	\$42.50
224	0890	052	0000	\$42.50
224	0890	053	0000	\$42.50
224	0890	054	0000	\$42.50
224	0890	055	0000	\$42.50
224	0890	056	0000	\$42.50
224	0890	057	0000	\$42.50
224	0890	058	0000	\$42.50
224	0890	059	0000	\$42.50
224	0890	060	0000	\$42.50
224	0890	061	0000	\$42.50
224	0890	062	0000	\$42.50
224	0890	063	0000	\$42.50
224	0890	064	0000	\$42.50
224	0890	065	0000	\$42.50
224	0890	066	0000	\$42.50
224	0890	067	0000	\$42.50
224	0890	068	0000	\$42.50
224	0890	069	0000	\$42.50
224	0890	070	0000	\$42.50
224	0890	071	0000	\$42.50
224	0890	072	0000	\$42.50
224	0890	073	0000	\$42.50
224	0890	074	0000	\$42.50
224	0890	075	0000	\$42.50
224	0890	076	0000	\$42.50
224	0890	077	0000	\$42.50
224	0890	078	0000	\$42.50
224	0890	079	0000	\$42.50
224	0890	080	0000	\$42.50
224	0890	081	0000	\$42.50
224	0890	082	0000	\$42.50

ASSESSMENT DISTRICT 97-01 - ZONE 4**A.D. 97-01 (Zone 4) Assessment Roll**

Assessor's Number				Assessment
224	0890	083	0000	\$42.50
224	0890	084	0000	\$42.50
224	0890	085	0000	\$42.50
224	0890	086	0000	\$42.50
224	0890	087	0000	\$42.50
224	0890	088	0000	\$42.50
224	0890	089	0000	\$42.50
224	0890	090	0000	\$42.50
224	0890	091	0000	\$42.50
224	0890	092	0000	\$42.50
224	0890	093	0000	\$42.50
224	0900	001	0000	\$42.50
224	0900	002	0000	\$42.50
224	0900	003	0000	\$42.50
224	0900	004	0000	\$42.50
224	0900	010	0000	\$42.50
224	0900	011	0000	\$42.50
224	0900	013	0000	\$42.50
224	0900	014	0000	\$42.50
224	0900	015	0000	\$42.50
224	0900	016	0000	\$42.50
224	0900	017	0000	\$42.50
224	0900	018	0000	\$42.50
224	0900	019	0000	\$42.50
224	0900	020	0000	\$42.50
224	0900	021	0000	\$42.50
224	0900	022	0000	\$42.50
224	0900	026	0000	\$42.50
224	0900	028	0000	\$42.50

111 Parcels; Total Zone 4 Assessment is \$4,717.50
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CITY OF CITRUS HEIGHTS

CITY COUNCIL STAFF REPORT MEMORANDUM

DATE: July 13, 2023

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

FROM: Regina Cave, General Services Director
Leslie Blomquist, City Engineer

SUBJECT: **Initiate Proceedings for Fiscal Year 2023/2024 Annual Update
Landscape Maintenance Assessment Districts
98-01, 98-02 (Zones 1, 2, 3 & 4) and 03-01 (Zones 1, 2 & 3)**

Summary and Recommendation

Each year, the city is required to update the assessments for its various Landscape Maintenance Assessment Districts (LMADs). This is the proposed Fiscal Year 2023/2024 update for LMADs No. 98-01; No. 98-02 (Zones 1, 2, 3 & 4); and No. 03-01 (Zones 1, 2 & 3). An Engineer's Report, which describes the proposed levels of maintenance, outlines the proposed financial summary, and includes the Assessment Diagram for each zone in each District, has been prepared by the City Engineer. A copy of the Engineer's Report is available for review, by the public, in the City Clerk's Office.

Staff recommends Council adopt the following resolutions in the order listed:

1. Resolution No. 2023- __; Resolution of the City Council of the City of Citrus Heights, California, to Initiate Proceedings Pursuant to the Landscaping and Lighting Act of 1972 for Landscape Maintenance Assessment District No. 98-01.
2. Resolution No. 2023- __; Resolution of the City Council of the City of Citrus Heights, California, to Initiate Proceedings Pursuant to the Landscaping and Lighting Act of 1972 for Landscape Maintenance Assessment District No. 98-02, Zones 1, 2, 3 & 4.
3. Resolution No. 2023- __; Resolution of the City Council of the City of Citrus Heights, California, to Initiate Proceedings Pursuant to the Landscaping and Lighting Act of 1972 for Landscape Maintenance Assessment District No. 03-01, Zones 1, 2 & 3.

By adopting the above Resolutions Initiating Proceedings, the City Council would be authorizing the annual update of the City of Citrus Heights LMADs No. 98-01, 98-02, and 03-01; and further authorizing the preparation of the required Engineer's Report.

Subject: Landscape Maintenance Assessment Districts 98-01, 98-02 & 03-01, Initiate Proceedings for Fiscal Year 23/24

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4. Resolution No. 2023- __; Resolution of the City Council of the City of Citrus Heights, California, for the Intention to Levy and Collect Assessments for Fiscal Year 2023/2024 for Landscape Maintenance Assessment District No. 98-01.
5. Resolution No. 2023- __; Resolution of the City Council of the City of Citrus Heights, California, for the Intention to Levy and Collect Assessments for Fiscal Year 2023/2024 for Landscape Maintenance Assessment District No. 98-02, Zones 1, 2, 3 & 4.
6. Resolution No. 2023- __; Resolution of the City Council of the City of Citrus Heights, California, for the Intention to Levy and Collect Assessments for Fiscal Year 2023/2024 for Landscape Maintenance Assessment District No. 03-01, Zones 1, 2 & 3.

Adopting resolutions 4, 5 & 6, above, sets July 27, 2023, at 6:00 p.m., as the date and time of the Public Hearing for the proposed assessments for each district and directs staff to give the required notice.

Fiscal Impact

Assessment Districts 98-01, 98-02 (Zones 1, 2, 3 & 4), and 03-01 (Zones 1, 2 & 3) are currently fully funded by their annual assessments and operating reserves as needed; therefore, there is no fiscal impact to the General Fund for these districts. The following tables (Nos. 1, 2, 3, 4, 5, 6, 7 and 8) summarize the revenues and expenditures for each of the districts/zones) contained in the engineer's report:

Table No. 1
98-01 Stock Village

Description	FY 22/23 Actual	FY 23/24 Proposed
<u>REVENUE:</u>		
Special Assessments Revenues	\$10,825.83	\$11,286.65
Interest on Fund Balance ⁽¹⁾	\$2,137.60	\$0.00
Total Revenues	\$12,963.43	\$11,286.65
<u>EXPENDITURES:</u>		
Total Expenditures	\$26,300.63	\$14,520.00
Annual Operating Balance ⁽²⁾	-\$13,337.20	-\$3,233.35

(1) Interest earnings estimated; will reflect actuals in final report.

(2) Assessment Fund reserves available to balance the annual operating shortfall.

Subject: Landscape Maintenance Assessment Districts 98-01, 98-02 & 03-01, Initiate Proceedings for Fiscal Year 23/24

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Table No. 2
98-02, Zone 1 – Sorenson Ranch

Description	FY 22/23 Actual	FY 23/24 Proposed
<u>REVENUE:</u>		
Special Assessments Revenues	\$22,469.72	\$24,256.25
Interest on Fund Balance ⁽¹⁾	\$1,054.44	\$0.00
Total Revenues	\$23,524.16	\$24,256.25
<u>EXPENDITURES:</u>		
Total Expenditures	\$23,317.74	\$28,255.35
Annual Operating Balance	\$206.42 ⁽²⁾	-\$3,999.10 ⁽³⁾

(1) Interest earnings estimated; will reflect actuals in final report.

(2) Balance transferred to Assessment Fund reserve.

(3) Assessment Fund reserves available to balance the annual operating shortfall.

Table No. 3
98-02, Zone 2 - Autumnwood

Description	FY 22/23 Actual	FY 23/24 Proposed
<u>REVENUE:</u>		
Special Assessments Revenues	\$16,726.66	\$17,279.44
Interest on Fund Balance ⁽¹⁾	\$545.53	\$0.00
Total Revenues	\$17,272.19	\$17,279.44
<u>EXPENDITURES:</u>		
Total Expenditures	\$12,230.15	\$18,587.00
Annual Operating Balance	\$5,042.04 ⁽²⁾	-\$1,307.56 ⁽³⁾

(1) Interest earnings estimated; will reflect actuals in final report.

(2) Balance transferred to Assessment Fund reserve.

(3) Assessment Fund reserves available to balance the annual operating shortfall.

Subject: Landscape Maintenance Assessment Districts 98-01, 98-02 & 03-01, Initiate Proceedings for Fiscal Year 23/24

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Table No. 4
98-02, Zone 3 – Mariposa Creek

Description	FY 22/23 Actual	FY 23/24 Proposed
<u>REVENUE:</u>		
Special Assessments Revenues	\$11,604.45	\$11,987.70
Interest on Fund Balance ⁽¹⁾	\$342.99	\$0.00
Total Revenues	\$11,947.44	\$11,987.70
<u>EXPENDITURES:</u>		
Total Expenditures	\$4,927.13	\$6,077.00
Annual Operating Balance ⁽²⁾	\$7,020.31	\$5,910.70

(1) Interest earnings estimated; will reflect actuals in final report.

(2) Balance transferred to Assessment Fund reserve.

Table No. 5
98-02, Zone 4 – Wyatt Ranch

Description	FY 22/23 Actual ⁽¹⁾	FY 23/24 Proposed
<u>REVENUE:</u>		
Special Assessments Revenues	\$762.70	\$9,224.38
Interest on Fund Balance ⁽¹⁾	\$0.00	\$0
Total Revenues	\$762.70	\$9,224.38
<u>EXPENDITURES:</u>		
Total Expenditures	\$322.51	\$1,675.00
Annual Operating Balance ⁽²⁾	\$440.19	\$7,549.38

(1) Interest earnings estimated; will reflect actuals in final report.

(2) Balance transferred to Assessment Fund reserve.

Subject: Landscape Maintenance Assessment Districts 98-01, 98-02 & 03-01, Initiate Proceedings for Fiscal Year 23/24

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Table No. 6
03-01, Zone 1 – Stock Ranch NORTH

Description	FY 22/23 Actual	FY 23/24 Proposed
<u>REVENUE:</u>		
Special Assessments Revenues	\$91,327.80	\$94,100.80
Interest on Fund Balance ⁽¹⁾	\$13,197.51	\$0
Total Revenues	\$104,525.31	\$94,100.80
<u>EXPENDITURES:</u>		
Total Expenditures	\$108,684.66	\$116,138.00
Annual Operating Balance ⁽²⁾	-\$4,159.35	-\$22,037.20

(1) Interest earnings estimated; will reflect actuals in final report.

(2) Assessment Fund reserves available to balance the annual operating shortfall.

Table No. 7
03-01, Zone 2 – Stock Ranch SOUTH

Description	FY 22/23 Actual	FY 23/24 Proposed
<u>REVENUE:</u>		
Special Assessments Revenues	\$20,727.54	\$21,534.28
Interest on Fund Balance ⁽¹⁾	\$350.38	\$0.00
Total Revenues	\$21,077.92	\$21,534.28
<u>EXPENDITURES:</u>		
Total Expenditures	\$18,941.49	\$20,727.00
Annual Operating Balance ⁽²⁾	\$1,786.05	\$807.28

(1) Interest earnings estimated; will reflect actuals in final report.

(2) Balance transferred to Assessment Fund reserve.

Table No. 8
03-01, Zone 3 – Mitchell Farms

Description	FY 22/23 Actual	FY 23/24 Proposed
REVENUE:		
Special Assessments Revenues	\$87,319.10	\$88,850.04
Interest on Fund Balance ⁽¹⁾	\$1,644.08	\$0
Total Revenues	\$88,963.18	\$88,850.04
EXPENDITURES:		
Total Expenditures	\$430.01	\$33,865.00
Annual Operating Balance	\$88,533.17	\$54,985.40

(1) Interest earnings estimated; will reflect actuals in final report.

(2) Balance transferred to Assessment Fund reserve.

Continually increasing utility rates and monthly maintenance costs as well as updated methods for allocation of the city's overhead costs have all contributed to an overall increase in district expenditures.

Background and Analysis

Assessment District 98-01: First created in 1998, is for the maintenance of certain areas within the subdivision called Stock Village Unit No. 1 and Unit No. 2. Maintenance responsibilities include: [1] periodic trimming of mature oak trees and repair of, and graffiti removal from, a sound wall adjacent to the western side of the subdivision; and [2] landscape and irrigation system maintenance and repair of, and graffiti removal from, a sound wall adjacent to the eastern side of the subdivision, adjacent to Stock Ranch Road.

Assessment District 98-02: Zone 1, first created in 1998, is for the maintenance of certain areas within and adjacent to the subdivision called the Sorensen Ranch development located on the northwest corner of Van Maren Lane and Oak Lakes Lane. Zone 2, first created in 2014, is for the maintenance of certain areas within and adjacent to the subdivision called the Autumnwood development. Zone 3, first created in 2018, is for the maintenance of certain areas within and adjacent to the subdivision called the Mariposa Creek development. Zone 4, providing for the maintenance of certain areas within, and adjacent to the Wyatt Ranch development, was adopted by the City Council in November 2019. However, construction impacts brought about by the pandemic delayed construction and, as a result, the FY 22/23 levy was be the first annual assessment for Zone 4, with no incurred maintenance costs to date.

All improvements maintained by the various zones of Assessment District 98-02 are on public property. Maintenance responsibilities for all zones in Assessment District 98-02 generally include: maintenance and repairs of corridor landscape; masonry walls; detention basins; pedestrian pathways; pathway lighting, trees, shrubs and ground-cover care; weed control;

Subject: Landscape Maintenance Assessment Districts 98-01, 98-02 & 03-01, Initiate Proceedings for Fiscal Year 23/24

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pruning; fertilization; litter removal; tree and shrub well maintenance; irrigation system inspections and repairs; and graffiti removal.

Assessment District 03-01: Zone 1, first created in 2003, is for the maintenance of certain areas within, and adjacent to, the commercial portion of the Stock Ranch subdivision. Zone 2, first created in 2003, is for the maintenance of certain areas within, and adjacent to, the residential portion of the Stock Ranch subdivision. Zone 3, adopted by the City Council in April 2020 is for the maintenance of certain areas within, and adjacent to the Mitchell Farms development.

All improvements maintained by the various zones of Assessment District 03-01 are on public property. The maintenance responsibilities generally include: Zone 1- landscaping and irrigation; bus stops on both sides of Auburn Boulevard adjacent to the Stock Ranch commercial properties; drainage basins; open space areas; pedestrian/bike trail and a pedestrian bridge along and across Arcade Creek; Zone 2 - open space on the south side of Arcade Creek and along the north side of Stock Ranch Road, the landscape strip along the north side of Stock Ranch Road (Sol Way to Woodside Drive), the pedestrian trails and park facilities, a future median in Stock Ranch Road, east of the roundabout, and a future landscape strip along the south side of Stock Ranch Road; and Zone 3 - maintenance of the pedestrian pathway, bridges and creek open space (including inspection and pruning of trees) within Lot A (dedicated to the Sunrise Parks and Recreation District), and landscaping and irrigation within the roundabout and approach islands on Arcadia Drive.

Pursuant to the Landscaping and Lighting Act of 1972, assessment districts of this type must be updated annually. A Resolution to Initiate Proceedings is required as the first action of the City Council in order to initiate the update of the LMADs. Subsequent approval of the assessments to be levied and collected will be for the purpose of meeting operating expenses and purchasing supplies, equipment, or materials necessary to maintain landscape facilities for the districts.

An Engineer's Report has been prepared for the proposed assessments and is available for review, by the public, in the City Clerk's Office. The Engineer's Report summarizes maintenance efforts and recommends increasing assessments by 3% (up to 4% maximum allowed) for Fiscal Year 2023/2024 for Districts 98-01; 98-02 Zones 1, 2, and 3; and 03-01 Zones 1 and 2. The recommended increases are in an effort to help sustain existing reserves in each of the respected zones as well as maintain current levels of service.

For District 98-02 Zone 4 and District 03-01 Zone 3, the Engineer's Report recommends levying the assessments at the same rates as FY 2022/2023.

By the Resolution of Intention, the City Council approves the Engineer's Report for the Landscape Maintenance Assessment District, Annual Update for Fiscal Year 2023/2024, sets the date for a public hearing on the assessments and directs staff to give the required notice.

Staff recommends July 27, 2023, at 6:00 p.m., or as soon thereafter, as the date and time for the public hearing. At that time, public comment will be received and the Council will consider and adopt a resolution adopting the assessments. Notice of this meeting will be published in accordance with State code.

Attachments

1. Resolution No. 2023-__: Resolution of the City Council of the City of Citrus Heights, California, to Initiate Proceedings Pursuant to the Landscaping and Lighting Act of 1972 for Landscape Maintenance Assessment District 98-01.
2. Resolution No. 2023-__: Resolution of the City Council of the City of Citrus Heights, California, to Initiate Proceedings Pursuant to the Landscaping and Lighting Act of 1972 for Landscape Maintenance Assessment District 98-02, Zones 1, 2, 3 and 4.
3. Resolution No. 2023-__: Resolution of the City Council of the City of Citrus Heights, California, to Initiate Proceedings Pursuant to the Landscaping and Lighting Act of 1972 for Landscape Maintenance Assessment District 03-01, Zones 1, 2 and 3.
4. Resolution No. 2023-__: Resolution of the City Council of the City of Citrus Heights, California, for the intention to levy and collect assessments for Fiscal Year 2023/2024 for Landscape Maintenance Assessment District No. 98-01.
5. Resolution No. 2023-__: Resolution of the City Council of the City of Citrus Heights, California, for the intention to levy and collect assessments for Fiscal Year 2023/2024 for Landscape Maintenance Assessment District No. 98-02, Zones 1, 2, 3 and 4.
6. Resolution No. 2023-__: Resolution of the City Council of the City of Citrus Heights, California, for the intention to levy and collect assessments for Fiscal Year 2023/2024 for Landscape Maintenance Assessment District No. 03-01, Zones 1, 2 and 3.
7. Engineer's Report.

RESOLUTION NO. 2023-___

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
CITRUS HEIGHTS, CALIFORNIA, TO INITIATE PROCEEDINGS PURSUANT TO
THE LANDSCAPING AND LIGHTING ACT OF 1972 FOR LANDSCAPE
MAINTENANCE ASSESSMENT DISTRICT No. 98-01**

WHEREAS, In order to continue to finance the costs of maintaining and servicing landscaping and related facilities in Landscape Maintenance District 98-01 and to equitably distribute the costs among benefited landowners, the City Council (the “City Council”) of the City of Citrus Heights (the “City”) has decided to undertake proceedings pursuant to the Landscaping and Lighting Act of 1972, being California Streets and Highways Code Sections 22500 et seq. (the “Act”), to levy assessments for Fiscal Year 2023/2024.

NOW, THEREFORE, BE IT RESOLVED AND ORDERED by the City Council of the City of Citrus Heights hereby declares:

Section 1. Recitals: The foregoing recitals are true and correct and the City Council so finds and determines.

Section 2. Proposal to levy assessments: The City Council proposes to levy assessments for Fiscal Year 2023/2024 for Assessment District 98-01.

Section 3. Description of Improvements: The maintenance to be financed by assessments levied in the City of Citrus Heights Landscape Maintenance Assessment District No. 98-01 consist of street corridor landscape and sound wall maintenance, including tree, shrub, lawn, and ground cover care; weed control; pruning; fertilization; litter removal; tree and shrub well maintenance; irrigation system inspections and repairs; graffiti removal; and sound wall repair. Detailed description is provided in the Engineer’s Report.

Section 4. Appointment of Engineer: The City Council hereby appoints the City Engineer as engineer (the “Engineer”) for all purposes of proceedings undertaken by the City with respect to the assessment district. The City Council hereby directs the Engineer to prepare and file with the City Clerk, a report for Fiscal Year 2023/2024 in accordance with Article 4 of Chapter 1 of the Act and Article XIII D, Section 4, of the California Constitution.

Section 5. Effective Date. This resolution shall become effective on and after the date of its passage.

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 13th day of July, 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, TO INITIATE PROCEEDINGS PURSUANT TO
THE LANDSCAPING AND LIGHTING ACT OF 1972 FOR LANDSCAPE
MAINTENANCE ASSESSMENT DISTRICT No. 98-02 (ZONES 1, 2, 3 & 4)**

WHEREAS, In order to continue to finance the costs of maintaining and servicing landscaping and related facilities in Landscape Maintenance District 98-02 (Zones 1, 2, 3 & 4) and to equitably distribute the costs among benefited landowners, the City Council (the “City Council”) of the City of Citrus Heights (the “City”) has decided to undertake proceedings pursuant to the Landscaping and Lighting Act of 1972, being California Streets and Highways Code Sections 22500 et seq. (the “Act”), to levy assessments for Fiscal Year 2023/2024.

NOW, THEREFORE, BE IT RESOLVED AND ORDERED by the City Council of the City of Citrus Heights hereby declares:

Section 1. Recitals: The foregoing recitals are true and correct and the City Council so finds and determines.

Section 2. Proposal to levy assessments: The City Council proposes to levy assessments for Fiscal Year 2023/2024 for Assessment District 98-02.

Section 3. Description of Improvements: The maintenance to be financed by assessments levied in the City of Citrus Heights Landscape Maintenance Assessment District No. 98-02 consist of street maintenance and repairs of corridor landscape, masonry walls, detention basins, and pedestrian pathways including tree, shrub, lawn, and ground cover care; weed control; pruning; fertilization; litter removal; tree and shrub well maintenance; irrigation system inspections and repairs; and graffiti removal. Detailed description is provided in the Engineer’s Report.

Section 4. Appointment of Engineer: The City Council hereby appoints the City Engineer as engineer (the “Engineer”) for all purposes of proceedings undertaken by the City with respect to the assessment district. The City Council hereby directs the Engineer to prepare and file with the City Clerk, a report for Fiscal Year 2023/2024 in accordance with Article 4 of Chapter 1 of the Act and Article XIII D, Section 4, of the California Constitution.

Section 5. Effective Date. This resolution shall become effective on and after the date of its passage.

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 13th day of July, 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, TO INITIATE PROCEEDINGS PURSUANT TO
THE LANDSCAPING AND LIGHTING ACT OF 1972 FOR LANDSCAPE
MAINTENANCE ASSESSMENT DISTRICT No. 03-01 (ZONES 1, 2 & 3)**

WHEREAS, In order to continue to finance the costs of maintaining and servicing landscaping and related facilities in Landscape Maintenance District 03-01 (Zones 1, 2 & 3) and to equitably distribute the costs among benefited landowners, the City Council (the “City Council”) of the City of Citrus Heights (the “City”) has decided to undertake proceedings pursuant to the Landscaping and Lighting Act of 1972, being California Streets and Highways Code Sections 22500 et seq. (the “Act”), to levy assessments for Fiscal Year 2023/2024.

NOW, THEREFORE, BE IT RESOLVED AND ORDERED by the City Council of the City of Citrus Heights hereby declares:

Section 1. Recitals: The foregoing recitals are true and correct and the City Council so finds and determines.

Section 2. Proposal to levy assessments: The City Council proposes to levy assessments for Fiscal Year 2023/2024 for Assessment District 03-01.

Section 3. Description of Improvements: The maintenance to be financed by assessments levied in the City of Citrus Heights Landscape Maintenance Assessment District No. 03-01 consist of maintenance and repairs of corridor landscape, sound walls, and open space including tree, shrub, lawn, and ground cover care; weed control; pruning; fertilization; litter removal; tree and shrub well maintenance; irrigation system inspections and repairs; graffiti removal; detention basins; wetlands; pedestrian bridge; pedestrian trail; trail lighting; bus stops; park trails; cable fencing; and lighting. Detailed description is provided in the Engineer’s Report.

Section 4. Appointment of Engineer: The City Council hereby appoints the City Engineer as engineer (the “Engineer”) for all purposes of proceedings undertaken by the City with respect to the assessment district. The City Council hereby directs the Engineer to prepare and file with the City Clerk, a report for Fiscal Year 2023/2024 in accordance with Article 4 of Chapter 1 of the Act and Article XIII D, Section 4, of the California Constitution.

Section 5. Effective Date. This resolution shall become effective on and after the date of its passage.

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 13th day of July, 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, FOR THE INTENTION TO LEVY AND COLLECT ASSESSMENTS
FOR FISCAL YEAR 2023/2024 FOR LANDSCAPE MAINTENANCE ASSESSMENT
DISTRICT No. 98-01**

WHEREAS, on July 13, 2023, the City Council (the “Council”) of the City of Citrus Heights (the “City”) adopted RESOLUTION NO. 2023-__ initiating proceedings pursuant to the Landscaping and Lighting Act of 1972, being California Streets and Highways Code sections 22500 *et seq.* (the “Act”), to levy and collect assessments for Fiscal Year 2023/2024 for the City of Citrus Heights Landscape Maintenance Assessment District No. 98-01;

WHEREAS, the City Engineer has prepared and filed with the City Clerk a report for Fiscal Year 2023/2024 (the “Engineer’s Report”) in accordance with the Act; and

WHEREAS, the establishment or approval of the assessments proposed by this resolution will be for the purpose of meeting operating expenses and purchasing supplies, equipment, or materials necessary to maintain service within existing service areas.

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

Section 1. Recitals. The foregoing recitals are true and correct and this Council so finds and determines.

Section 2. Approval of Engineer’s Report. This Council hereby approves the Engineer’s Report as filed.

Section 3. Declaration of Intention. This Council hereby declares its intention to order the levy and collection of assessments for the City of Citrus Heights Landscape Maintenance Assessment District No. 98-01.

Section 4. Description of Improvements. The maintenance to be financed by assessments levied in the City of Citrus Heights Landscape Maintenance Assessment District No. 98-01 consist of street corridor landscape and sound wall maintenance, including tree, shrub, lawn, and ground cover care; weed control; pruning; fertilization; litter removal; tree and shrub well maintenance; irrigation system inspections and repairs; graffiti removal; and sound wall repair. Detailed description is provided in the Engineer’s Report.

Section 5. Location of District. The Landscape Maintenance Assessment District No. 98-01 includes the territory described in Figure 1.1 of the Engineer’s Report for 98-01, 98-02, and 03-01.

Section 6. Reference to Engineer’s Report for Particulars. A full and detailed description of the improvements, the boundaries of the assessment district, and the proposed assessments upon assessable lots and parcels of land within the district is set forth in the Engineer’s Report. The Engineer’s Report is on file in the City Clerk’s office, 6360 Fountain Square Drive, Citrus Heights, CA 95621, and is available for review by any interested member of the public during normal business hours.

Section 7. Notice of Public Hearing. On Thursday, July 27, 2023 at 6:00 p.m., or as soon thereafter as the matter may be heard, at 6360 Fountain Square Drive, Citrus Heights, California 95621 the City Council shall hold a public hearing on the levy of the proposed assessments.

Section 8. Publication of Resolution. The City Clerk is directed to give notice of the public hearing by publication of this Resolution of Intention once in a newspaper of general circulation not less than 10 days before the date of the public hearing.

Section 9. Amount of Assessment. The City does not propose to increase the assessment above last year's amount for Landscape Maintenance Assessment District 98-01.

Section 10. Effective Date. This resolution shall take effect from and after the date of its passage.

PASSED AND ADOPTED by the City Council of the City of Citrus Heights, California, this 13th day of July, 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, FOR THE INTENTION TO LEVY AND COLLECT ASSESSMENTS
FOR FISCAL YEAR 2023/2024 FOR LANDSCAPE MAINTENANCE ASSESSMENT
DISTRICT No. 98-02 (ZONES 1, 2, 3 & 4)**

WHEREAS, on July 13, 2023, the City Council (the “Council”) of the City of Citrus Heights (the “City”) adopted RESOLUTION NO. 2023 -__ initiating proceedings pursuant to the Landscaping and Lighting Act of 1972, being California Streets and Highways Code sections 22500 et seq. (the “Act”), to levy and collect assessments for Fiscal Year 2023/2024 for the City of Citrus Heights Landscape Maintenance Assessment District No. 98-02 (Zones 1, 2, 3 & 4);

WHEREAS, the City Engineer has prepared and filed with the City Clerk a report for Fiscal Year 2023/2024 (the “Engineer’s Report”) in accordance with the Act; and

WHEREAS, the establishment or approval of the assessments proposed by this resolution will be for the purpose of meeting operating expenses and purchasing supplies, equipment, or materials necessary to maintain service within existing service areas.

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

Section 1. Recitals. The foregoing recitals are true and correct and this Council so finds and determines.

Section 2. Approval of Engineer’s Report. This Council hereby approves the Engineer’s Report as filed.

Section 3. Declaration of Intention. This Council hereby declares its intention to order the levy and collection of assessments for the City of Citrus Heights Landscape Maintenance Assessment District No. 98-02.

Section 4. Description of Improvements. The maintenance to be financed by assessments levied in the City of Citrus Heights Landscape Maintenance Assessment District No. 98-02 consist of street maintenance and repairs of corridor landscape, masonry walls, detention basins, and pedestrian pathways including tree, shrub, lawn, and ground cover care; weed control; pruning; fertilization; litter removal; tree and shrub well maintenance; irrigation system inspections and repairs; and graffiti removal. Detailed description is provided in the Engineer’s Report.

Section 5. Location of District. The Landscape Maintenance Assessment District No. 98-02 includes the territories described in Figures 2.1, 3.1 and 4.1 of the Engineer’s Report for LMADs 98-01, 98-02, and 03-01.

Section 6. Reference to Engineer’s Report for Particulars. A full and detailed description of the improvements, the boundaries of the assessment district, and the proposed assessments upon assessable lots and parcels of land within the district is set forth in the Engineer’s Report. The Engineer’s Report is on file in the City Clerk’s office, 6360 Fountain Square Drive, Citrus Heights, CA 95621, and is available for review by any interested member of the public during normal business hours.

Section 7. Notice of Public Hearing. On Thursday, July 27, 2023 at 6:00 p.m., or as soon thereafter as the matter may be heard, at 6360 Fountain Square Drive, Citrus Heights, California 95621 the City Council shall hold a public hearing on the levy of the proposed assessments.

Section 8. Publication of Resolution. The City Clerk is directed to give notice of the public hearing by publication of this Resolution of Intention once in a newspaper of general circulation not less than 10 days before the date of the public hearing.

Section 9. Amount of Assessment. The City proposes to increase the assessments above last year's amounts for Landscape Maintenance Assessment District 98-02, Zones 1, 2 and 3 to support adequate and sustainable maintenance services; however, no increase is proposed for 98-02 Zone 4 above the amounts levied in FY 2022/2023.

Section 10. Effective Date. This resolution shall take effect from and after the date of its passage.

PASSED AND ADOPTED by the City Council of the City of Citrus Heights, California, this 13th day of July, 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, FOR THE INTENTION TO LEVY AND COLLECT ASSESSMENTS
FOR FISCAL YEAR 2023/2024 FOR LANDSCAPE MAINTENANCE ASSESSMENT
DISTRICT No. 03-01 (ZONES 1, 2 & 3)**

WHEREAS, on July 13, 2023, the City Council (the “Council”) of the City of Citrus Heights (the “City”) adopted RESOLUTION NO. 2023 -__ initiating proceedings pursuant to the Landscaping and Lighting Act of 1972, being California Streets and Highways Code sections 22500 et seq. (the “Act”), to levy and collect assessments for Fiscal Year 2023/2024 for the City of Citrus Heights Landscape Maintenance Assessment District No. 03-01 (Zones 1, 2 & 3);

WHEREAS, the City Engineer has prepared and filed with the City Clerk a report for Fiscal Year 2023/2024 (the “Engineer’s Report”) in accordance with the Act; and

WHEREAS, the establishment or approval of the assessments proposed by this resolution will be for the purpose of meeting operating expenses and purchasing supplies, equipment, or materials necessary to maintain service within existing service areas.

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

Section 1. Recitals. The foregoing recitals are true and correct and this Council so finds and determines.

Section 2. Approval of Engineer’s Report. This Council hereby approves the Engineer’s Report as filed.

Section 3. Declaration of Intention. This Council hereby declares its intention to order the levy and collection of assessments for the City of Citrus Heights Landscape Maintenance Assessment District No. 03-01.

Section 4. Description of Improvements. The improvements to be financed by assessments levied in the City of Citrus Heights Landscape Maintenance Assessment District No. 03-01 include street maintenance and repairs of corridor landscape, sound walls, and open space including tree, shrub, lawn, and ground cover care; weed control; pruning; fertilization; litter removal; tree and shrub well maintenance; irrigation system inspections and repairs; graffiti removal; detention basins; wetlands; pedestrian bridge; pedestrian trail; trail lighting; bus stops; park trails; cable fencing; and lighting. Detailed description is provided in the Engineer’s Report.

Section 5. Location of District. The Landscape Maintenance Assessment District No. 03-01 includes the territories described in Figures 5.1, 6.1 and 7.1 of the Engineer’s Report for LMADs 98-01, 98-02 and 03-01.

Section 6. Reference to Engineer’s Report for Particulars. A full and detailed description of the improvements, the boundaries of the assessment district, and the proposed assessments upon assessable lots and parcels of land within the district is set forth in the Engineer’s Report. The Engineer’s Report is on file in the City Clerk’s office, 6360 Fountain Square Drive, Citrus Heights, CA 95621, and is available for review by any interested member of the public during normal business hours.

Section 7. Notice of Public Hearing. On Thursday, July 27, 2023 at 6:00 p.m., or as soon thereafter as the matter may be heard, at 6360 Fountain Square Drive, Citrus Heights, California 95621 the City Council shall hold a public hearing on the levy of the proposed assessments.

Section 8. Publication of Resolution. The City Clerk is directed to give notice of the public hearing by publication of this Resolution of Intention once in a newspaper of general circulation not less than 10 days before the date of the public hearing.

Section 9. Amount of Assessment. The City proposes to increase the assessments above last year's amounts for Landscape Maintenance Assessment District 03-01, Zones 1 and 2 to support adequate and sustainable maintenance services; however, no increase is proposed for 03-01 Zone 3 above the amounts levied in FY 2022/2023.

Section 10. Effective Date. This resolution shall take effect from and after the date of its passage.

PASSED AND ADOPTED by the City Council of the City of Citrus Heights, California, this 13th day of July, 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

SACRAMENTO COUNTY

CALIFORNIA



ENGINEER'S REPORT

for

Landscape Maintenance Districts

Assessment District Numbers: 98-01, 98-02 and 03-01

Annual Update for Fiscal Year 2023/2024

Prepared by

Leslie Blomquist

City Engineer

July 13, 2023



CERTIFICATIONS

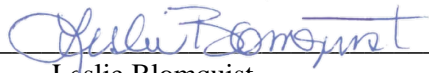
LANDSCAPE MAINTENANCE DISTRICT ASSESSMENT DISTRICTS NUMBERS: 98-01, 98-02 and 03-01 (Pursuant to the Landscaping and Lighting Act of 1972)

Engineer's Report for Fiscal Year 2023/2024

The undersigned respectfully submits the enclosed report as directed by the City Council.

DATED: July 13, 2023

CITY OF CITRUS HEIGHTS

By 
Leslie Blomquist
CITY ENGINEER

I HEREBY CERTIFY that the enclosed Engineer's Report, together with Assessment and Assessment Diagram thereto attached, was filed with me on the _____ day of _____, 2023.

Amy Van, City Clerk
City of Citrus Heights,
Sacramento County, California

By _____

I HEREBY CERTIFY that the enclosed Engineer's Report, together with Assessment and Assessment Diagram thereto attached, was approved and confirmed by the City Council of the City of Citrus Heights, California, on the _____ day of _____, 2023.

Amy Van, City Clerk
City of Citrus Heights,
Sacramento County, California

By _____

I HEREBY CERTIFY that the enclosed Engineer's Report, together with Assessment and Assessment Diagram thereto attached, was filed with the County Auditor of the County of Sacramento on the _____ day of _____, 2023.

Amy Van, City Clerk
City of Citrus Heights,
Sacramento County, California

By _____

ENGINEER'S REPORT

LANDSCAPE MAINTENANCE DISTRICT

ASSESSMENT DISTRICT NO. 98-01, Stock Village Unit Nos. 1 & 2

ASSESSMENT DISTRICT NO. 98-02, Zone 1, Sorensen Ranch

ASSESSMENT DISTRICT NO. 98-02, Zone 2, Autumnwood

ASSESSMENT DISTRICT NO. 98-02, Zone 3, Mariposa Creek

ASSESSMENT DISTRICT NO. 98-02, Zone 4, Wyatt Ranch

ASSESSMENT DISTRICT NO. 03-01, Zone 1, Stock Ranch NORTH

ASSESSMENT DISTRICT NO. 03-01, Zone 2, Stock Ranch SOUTH

ASSESSMENT DISTRICT NO. 03-01, Zone 3, Mitchell Farms

LEVY of FISCAL YEAR 2023/2024 ASSESSMENTS

INTRODUCTION

The City of Citrus Heights has four (4) separate landscape maintenance assessment districts, which provide for maintenance of common areas within nine (9) distinct communities around the City. This Engineer's Report addresses three of the Districts, 98-01, 98-02 (Zones 1, 2, 3 and 4), and 03-01 (Zones 1, 2 and 3). The general locations of these districts are shown on the maps on the following pages.

Assessment District 98-01, first created in 1998, is for the maintenance of certain areas within the subdivision called Stock Village Unit No. 1 and Unit No. 2. A Strip of land along the west edge of the subdivision and a strip of land along the east edge, adjacent to Stock Ranch Road are the areas to be maintained.

Assessment District 98-02 (Zone 1), first created in 1998, is for the maintenance of certain areas within and adjacent to the subdivisions called Sorensen Ranch Unit Nos. 1, 2, 3, and 4 development. All improvements are on public property. The improved parcels to be maintained are along the west side of Van Maren Lane (approximately 1500 feet); along the north side of Oak Lakes Lane (approximately 1300 feet); and shorter parcels along Campfire Way at Van Maren Lane (approximately 100 feet on the south side); Horseman Way at Van Maren Lane (approximately 100 feet on the north and south side); and the east side of Silversaddle Way at Oak Lake Lane (approximately 100 feet).

Assessment District 98-02 (Zone 2), first created in 2014, is for the maintenance of certain areas within and adjacent to the Autumnwood Subdivision development. All improvements are on public property. The improved parcels to be maintained are along the south side of Antelope Road (approximately 300 feet); along the east side of Live Oak Way (approximately 370 feet); and two (2) detention basins within the subdivision.

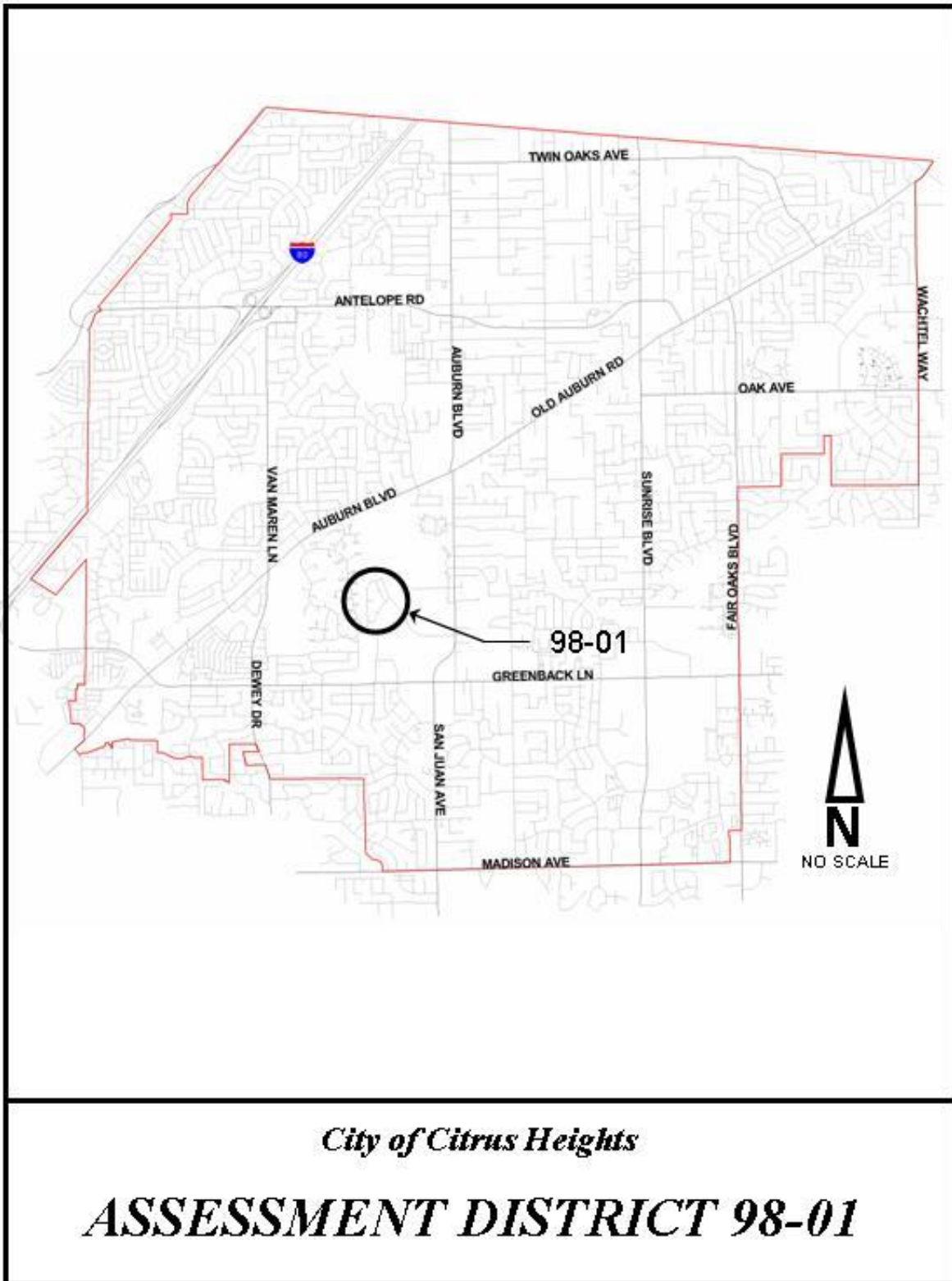
Assessment District 98-02 (Zone 3), first created in 2018, is for the maintenance of certain areas within and adjacent to the Mariposa Creek Subdivision development. All improvements are on public property. The improved parcels to be maintained are along the north side of Antelope Road

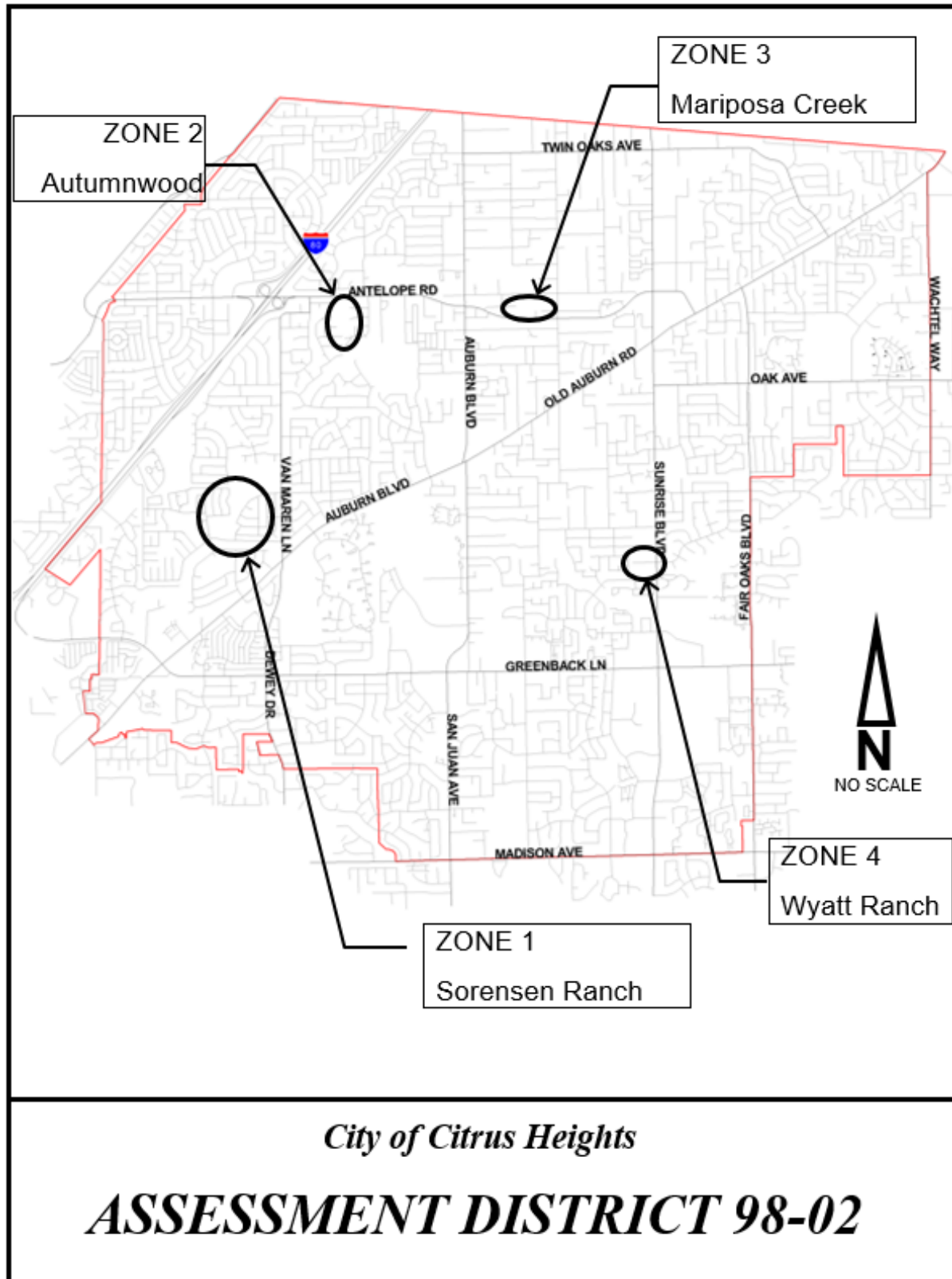
(approximately 436 feet); along Cripple Creek (approximately 185 lineal feet) located on the east side of the development; a pedestrian pathway with landscaping (Lot C) within the subdivision.

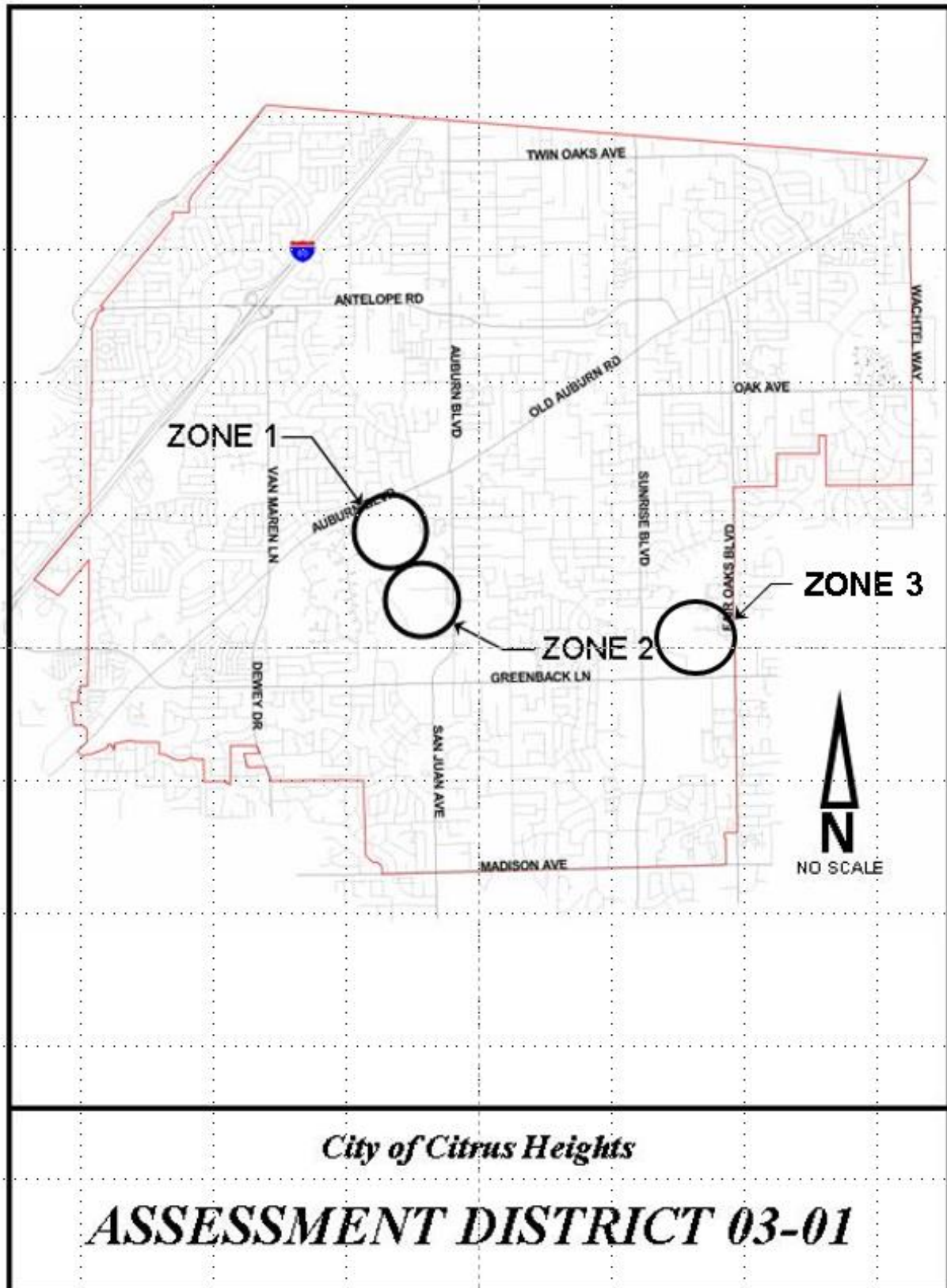
Assessment District 98-02, (Zone 4), provides for the maintenance of landscaping in certain dedicated public spaces within the Wyatt Ranch Subdivision. First annexed into Assessment District 98-02 by the City Council on November 14, 2019, the assessments for this 23 lot single-family parcel residential subdivision located on Lawrence Avenue on the west side of Sunrise Boulevard were not levied for the past two fiscal years due to the uncertainty of the pandemic situation and the resulting delays to construction. However, with completion of construction of the subdivision expected in the next year, assessments for the parcels within this subdivision will be levied for FY 2023/2024.

Assessment District 03-01 (Zones 1 & 2), first created in 2003, is for the maintenance of certain areas within the commercial and residential developments called Stock Ranch. Zone 1 (NORTH) consists of the landscaping along Auburn Boulevard between San Tomas Drive and Raintree Drive (north side of the street and within the medians) and the open space north of Arcade Creek. Zone 2 (SOUTH) consists of the open space on the south side of Arcade Creek and along the north side of Stock Ranch Road.

Assessment District 03-01 (Zone 3), first created in 2020, is for the maintenance of certain areas within and adjacent to the Mitchell Farms Subdivision development. All improvements are on public property. Zone 3 provides for the maintenance of a large open space area (Lot A) along Arcade Creek located in the center of the development (to be dedicated to the Sunrise Recreation and Parks District upon completion) and the landscaping within roundabout and three approach islands on Arcadia Drive.







ASSESSMENT DISTRICT 98-01

GENERAL

Landscape Maintenance Assessment District (LMAD) 98-01, first created in 1998, is located along the west side of Stock Ranch Road north of the Stock Ranch Road / Fountain Square Drive intersection. This LMAD provides for the maintenance of certain areas in and adjacent to Units 1 & 2 of the Stock Village subdivision. There are 133 parcels within this district, whose boundaries are more particularly described on the Assessment Diagram contained in Figure 1.1.

Specific features maintained along the western boundary of the subdivision include, a large group of mature oak trees, the west surface of the sound wall along that edge (but not the structural aspects of the wall) and the tree well areas on the west side of the sound wall. Initially the LMAD was responsible for maintaining 42 large Live and Blue oaks, however, through storm damage, disease, and age; that number has been reduced to 16. The City is committed to ensuring the health and viability of the remaining trees as well as the safety of the nearby residents. Therefore, the trees are regularly inspected by an arborist who specializes in oak tree care and maintenance (i.e. removal, pruning and/or cabling) is performed as recommended.

On the eastern boundary of the development, the LMAD maintains landscaping and irrigation in two planter areas adjacent to Stock Ranch Road (Parcels A and B) and the surface and structural aspects of the sound wall along the residential parcels abutting the two planter areas. The City is committed to the appearance of the development through proper maintenance of the plantings as well as periodic replacement of the plant materials. Additionally, the City also focuses on immediate abatement of graffiti on walls and other public structures.

City performs/manages the maintenance for the LMAD using its own forces or those of contract providers. Figure 1.2 describes the maintenance specifications for the district.

It is understood that should the assessment district be dissolved or not generate enough funds to provide the amount of maintenance described herein, the City may reduce the level of maintenance and reduce or discontinue the repair of the improvements on parcels A and B. Additionally, the City shall then have no obligation to maintain the oak trees and sound wall on the west side of the subdivision. The individual property owners could perform the work on the west edge of the subdivision. The individual property owners would not be a beneficiary of the access easement along the west edge of the subdivision.

DISTRICT FINANCING/METHOD OF ASSESSMENT

As a condition of approval, the developer of the single family Stock Village Unit No. 1 and Unit No. 2 subdivision was required to establish a funding source to provide for ongoing maintenance to the re-vegetation planting and the sound walls and the frontage landscaping and irrigation. The funding for the District is from annual assessments levied on properties within the assessment boundary (Figure 1.1) pursuant to the Landscaping and Lighting Act of 1972. Because each of the single-family lots within the District was created as a result of compliance with this condition, each lot benefits in the same proportion. Therefore, the assessment costs are allocated on a per parcel basis for all Assessment Diagram parcels located in the Assessment District that could qualify as a buildable single-family parcel per the current City of Citrus Heights Zoning Ordinances. The original annual assessment adopted for District 98-01 upon formation in 1998 was \$158.00 per parcel.

The formation of this district also included a cost of living adjustment provision. Should the cost of landscape maintenance activities and utilities rise, this provision allows for the City of Citrus Heights to increase the annual assessment. Each annual increase, if any, that exceeds the amount assessed to the property owners for the prior years shall not exceed the cost of living increase based on the Bay Area Consumer Price Index for all urban consumers.

ANNUAL ASSESSMENT

Initially LMAD 98-01 was fully funded by its assessments and accumulated operating reserves in excess of those needed to address unforeseen tree and soundwall maintenance needs. As a result, in Fiscal Year 2004-2005 the annual assessment was reduced from \$158 to \$80. Over time this reduced assessment rate permitted the District to gradually drawdown the excessive operating reserve balance to an appropriate level. However, in recent years continued increases in the costs of regular maintenance activities and utilities have resulted in the reserves being depleted below the level needed to provide for unscheduled maintenance expenditures (i.e. wall repairs, oak tree trimming and electrical system repairs). As a result, in FY 2022/2023, the City of Citrus Heights, for the first time, utilized the cost of living increase provision and increased the annual assessment by 3%.

An adjustment in the annual assessment per parcel is proposed for Fiscal Year 2023/2024. As shown in Figure 1.3. “Summary Analysis”, the Fiscal Year 2023/2024 annual assessments for District 98-01 are proposed to again increase by 3% (less than the maximum allowable), or approximately \$84.86 per residential parcel, over the rates for FY 2022/2023. These additional revenues are necessary to support the District’s continued maintenance operations and preserve an appropriate operating reserve to address unforeseen maintenance and repair expenses.

The District’s Assessment Roll is shown in Figure 1.4.

FIGURE 1.1

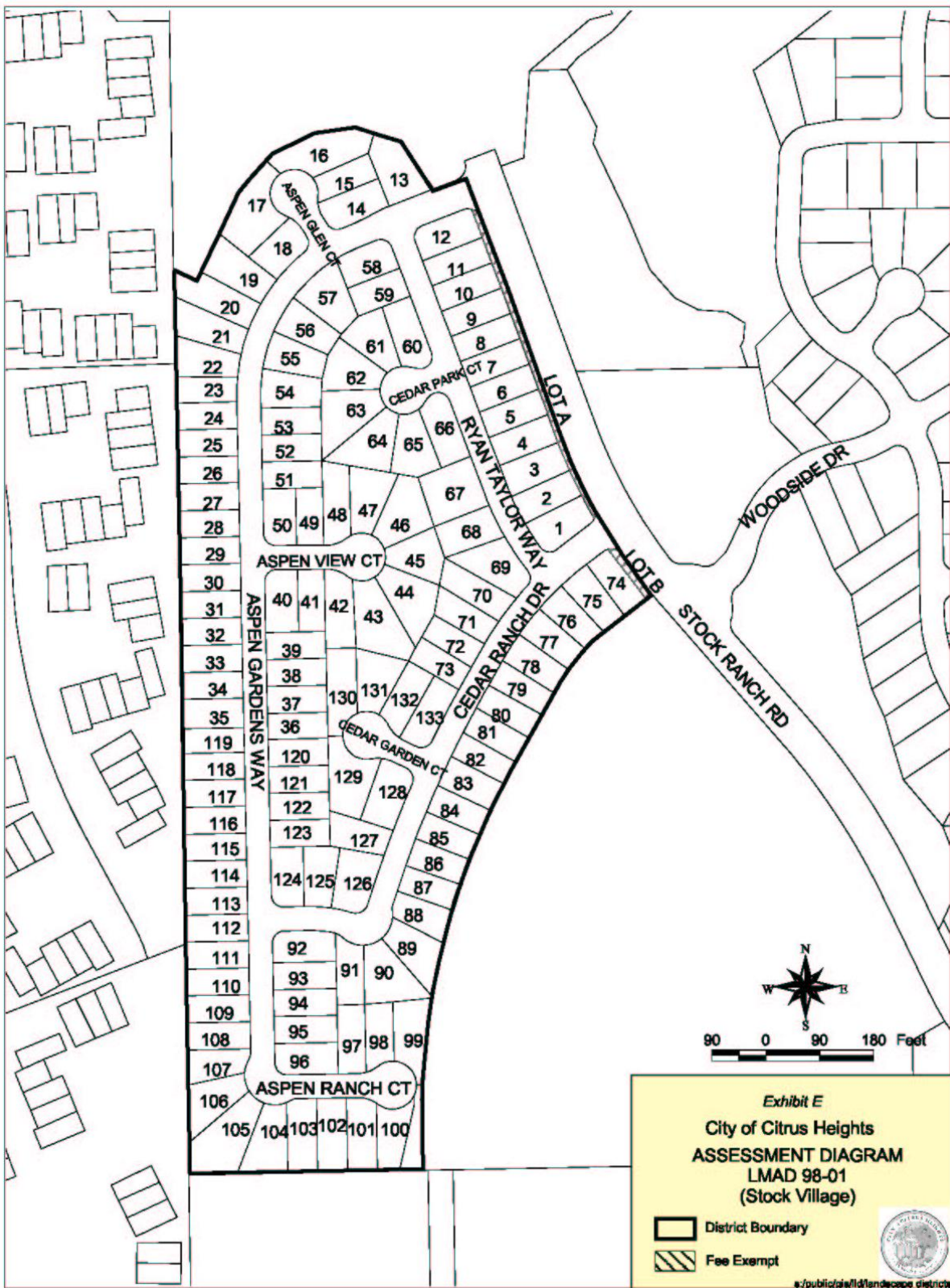


FIGURE 1.2**ASSESSMENT DISTRICT NO. 98-01****MAINTENANCE SPECIFICATION****West edge of Subdivision**

- 1) Maintain 16 Oak trees. Prune Oak trees once every 5 years or as recommended by an arborist. Supply material and apply insect and disease control chemicals to trees and shrubs. Irrigate Oak trees as necessary. Clean debris from around trees once per year. Annual Oak tree inspection and associated report.
- 2) Maintain west sound wall. Clean all graffiti from west surface of wall once every three months, if required.

East edge of Subdivision

- 1) Maintain tree and other planting along east frontage of the subdivision, a minimum of once every two weeks. Maintain irrigation system, weekly. Weed area a minimum of once every two weeks. Fertilize area a minimum of twice per year. Control infestation of fungus, diseases and/or insects. This item includes irrigation repair and replanting as needed.
- 2) Maintain east sound wall. Clean all graffiti from east surface of wall once every three months, if required.

FIGURE 1.3**ASSESSMENT DISTRICT 98-01**

283-75-293; County DL 0273

<u>DESCRIPTION</u>		FY 22/23** ACTUAL	FY 23/24 PROPOSED BUDGET
<u>ASSESSMENT RATES:</u>			
	Rate Per Parcel	\$ 82.40	\$ 84.86
	Total Number of Parcels	133	133
	Total Special Assessments	\$ 10,959.20	\$ 11,286.65
<u>REVENUE:</u>			
	Interest on Fund Balance	\$ 2,137.60	\$ -
	Special Assessments	\$ 10,825.83	\$ 11,286.65
	Total Revenues:	\$ 12,963.43	\$ 11,286.65
<u>EXPENDITURES:</u>			
	Advertising	\$ 1,214.08	\$ 567.00
	Utilities - Gas & Electric	\$ 381.22	\$ 278.00
	Utilities - Water	\$ 1,695.98	\$ 1,854.00
	Professional Services	\$ -	\$ 515.00
	Contract - Landscape and Tree Maintenance (services)	\$ 19,962.00	\$ 8,240.00
	Contract - Construction, Repairs & Extra Work	\$ 70.35	\$ -
	Cost Allocation (Overhead)	\$ 2,977.00	\$ 3,066.00
	Total Expenditures:	\$ 26,300.63	\$ 14,520.00
<u>Annual Operating Balance</u>		\$ (13,337.20)	\$ (3,233.35)
	Transfer to/from Operating Reserve	\$ 13,337.20	\$ 3,233.35
<u>Annual Ending Balance</u>		\$ -	\$ -
<u>OPERATING RESERVE</u>			
	Beginning Fund Balance (July 1st)	\$ 140,914.16	\$ 127,576.96
	Operating Reserve Set-a-side	\$ -	\$ -
	Transfer from (to) Annual Operating Balance	\$ (13,337.20)	\$ (3,233.35)
	Ending Operating Reserve Balance (June 30th)	\$ 127,576.96	\$ 124,343.61
**	Recorded actual expenses for the first 3 quarters of the current Fiscal Year plus projection for the 4th quarter.		
\$xx.xx	Audited Fund Balance from previous Fiscal Year		

FIGURE 1.4

ASSESSMENT DISTRICT 98-01 for STOCK VILLAGE UNITS NO. 1 AND NO. 2

Tax Assessor's Number				Assessment Diagram #	Assessment Amount
243	0570	001	0000	1	\$ 84.86
243	0570	002	0000	2	\$ 84.86
243	0570	003	0000	3	\$ 84.86
243	0570	004	0000	4	\$ 84.86
243	0570	005	0000	5	\$ 84.86
243	0570	006	0000	6	\$ 84.86
243	0570	007	0000	7	\$ 84.86
243	0570	008	0000	8	\$ 84.86
243	0570	009	0000	9	\$ 84.86
243	0570	010	0000	10	\$ 84.86
243	0570	011	0000	11	\$ 84.86
243	0570	012	0000	12	\$ 84.86
243	0570	013	0000	13	\$ 84.86
243	0570	014	0000	14	\$ 84.86
243	0570	015	0000	15	\$ 84.86
243	0570	016	0000	16	\$ 84.86
243	0570	017	0000	17	\$ 84.86
243	0570	018	0000	18	\$ 84.86
243	0570	019	0000	19	\$ 84.86
243	0570	020	0000	20	\$ 84.86
243	0570	021	0000	21	\$ 84.86
243	0570	022	0000	22	\$ 84.86
243	0570	023	0000	23	\$ 84.86
243	0570	024	0000	24	\$ 84.86
243	0570	025	0000	25	\$ 84.86
243	0570	026	0000	26	\$ 84.86
243	0570	027	0000	27	\$ 84.86
243	0570	028	0000	28	\$ 84.86
243	0570	029	0000	29	\$ 84.86
243	0570	030	0000	30	\$ 84.86
243	0570	031	0000	31	\$ 84.86
243	0570	032	0000	32	\$ 84.86
243	0570	033	0000	33	\$ 84.86
243	0570	034	0000	34	\$ 84.86
243	0570	035	0000	35	\$ 84.86
243	0570	036	0000	36	\$ 84.86
243	0570	037	0000	37	\$ 84.86
243	0570	038	0000	38	\$ 84.86
243	0570	039	0000	39	\$ 84.86
243	0570	040	0000	40	\$ 84.86
243	0570	041	0000	41	\$ 84.86
243	0570	042	0000	42	\$ 84.86
243	0570	043	0000	43	\$ 84.86
243	0570	044	0000	44	\$ 84.86
243	0570	045	0000	45	\$ 84.86
243	0570	046	0000	46	\$ 84.86
243	0570	047	0000	47	\$ 84.86
243	0570	048	0000	48	\$ 84.86

ASSESSMENT DISTRICT 98-01 for STOCK VILLAGE UNITS NO. 1 AND NO. 2

Tax Assessor's Number				Assessment Diagram #	Assessment Amount
243	0570	049	0000	49	\$ 84.86
243	0570	050	0000	50	\$ 84.86
243	0570	051	0000	51	\$ 84.86
243	0570	052	0000	52	\$ 84.86
243	0570	053	0000	53	\$ 84.86
243	0570	054	0000	54	\$ 84.86
243	0570	055	0000	55	\$ 84.86
243	0570	056	0000	56	\$ 84.86
243	0570	057	0000	57	\$ 84.86
243	0570	058	0000	58	\$ 84.86
243	0570	059	0000	59	\$ 84.86
243	0570	060	0000	60	\$ 84.86
243	0570	061	0000	61	\$ 84.86
243	0570	062	0000	62	\$ 84.86
243	0570	063	0000	63	\$ 84.86
243	0570	064	0000	64	\$ 84.86
243	0570	065	0000	65	\$ 84.86
243	0570	066	0000	66	\$ 84.86
243	0570	067	0000	67	\$ 84.86
243	0570	068	0000	68	\$ 84.86
243	0570	069	0000	69	\$ 84.86
243	0570	070	0000	70	\$ 84.86
243	0570	071	0000	71	\$ 84.86
243	0570	072	0000	72	\$ 84.86
243	0570	073	0000	73	\$ 84.86
243	0570	074	0000	74	\$ 84.86
243	0570	075	0000	75	\$ 84.86
243	0570	076	0000	76	\$ 84.86
243	0570	077	0000	77	\$ 84.86
243	0570	078	0000	78	\$ 84.86
243	0570	079	0000	79	\$ 84.86
243	0570	080	0000	80	\$ 84.86
243	0580	001	0000	81	\$ 84.86
243	0580	002	0000	82	\$ 84.86
243	0580	003	0000	83	\$ 84.86
243	0580	004	0000	84	\$ 84.86
243	0580	005	0000	85	\$ 84.86
243	0580	006	0000	86	\$ 84.86
243	0580	007	0000	87	\$ 84.86
243	0580	008	0000	88	\$ 84.86
243	0580	009	0000	89	\$ 84.86
243	0580	010	0000	90	\$ 84.86
243	0580	011	0000	91	\$ 84.86
243	0580	012	0000	92	\$ 84.86
243	0580	013	0000	93	\$ 84.86
243	0580	014	0000	94	\$ 84.86
243	0580	015	0000	95	\$ 84.86
243	0580	016	0000	96	\$ 84.86

ASSESSMENT DISTRICT 98-01 for STOCK VILLAGE UNITS NO. 1 AND NO. 2

				Assessment Diagram	
Tax Assessor's Number				#	Assessment Amount
243	0580	017	0000	97	\$ 84.86
243	0580	018	0000	98	\$ 84.86
243	0580	019	0000	99	\$ 84.86
243	0580	026	0000	105	\$ 84.86
243	0580	027	0000	106	\$ 84.86
243	0580	028	0000	107	\$ 84.86
243	0580	029	0000	108	\$ 84.86
243	0580	030	0000	109	\$ 84.86
243	0580	031	0000	110	\$ 84.86
243	0580	032	0000	111	\$ 84.86
243	0580	033	0000	112	\$ 84.86
243	0580	034	0000	113	\$ 84.86
243	0580	035	0000	114	\$ 84.86
243	0580	036	0000	115	\$ 84.86
243	0580	037	0000	116	\$ 84.86
243	0580	038	0000	117	\$ 84.86
243	0580	039	0000	118	\$ 84.86
243	0580	040	0000	119	\$ 84.86
243	0580	041	0000	120	\$ 84.86
243	0580	042	0000	121	\$ 84.86
243	0580	043	0000	122	\$ 84.86
243	0580	044	0000	123	\$ 84.86
243	0580	045	0000	124	\$ 84.86
243	0580	046	0000	125	\$ 84.86
243	0580	047	0000	126	\$ 84.86
243	0580	048	0000	127	\$ 84.86
243	0580	049	0000	128	\$ 84.86
243	0580	050	0000	129	\$ 84.86
243	0580	051	0000	130	\$ 84.86
243	0580	052	0000	131	\$ 84.86
243	0580	053	0000	132	\$ 84.86
243	0580	054	0000	133	\$ 84.86
243	0580	056	0000	100	\$ 84.86
243	0580	057	0000	101	\$ 84.86
243	0580	058	0000	102	\$ 84.86
243	0580	059	0000	103	\$ 84.86
243	0580	060	0000	104	\$ 84.86

133 Parcels; Total 98-01 Assessments is \$11,286.38
--

ASSESSMENT DISTRICT 98-02 – Zone 1 (Sorensen Ranch)

GENERAL

Landscape Maintenance Assessment District (LMAD) 98-02, Zone 1 (Sorensen Ranch), first created in 1998, is located west of Van Maren Lane and north of Oak Lakes Lane. This LMAD provides for the maintenance of certain areas within and adjacent to Unit Nos. 1, 2, 3, and 4 of the Sorensen Ranch development. There are 222 parcels in this district, whose boundaries are more particularly described on the Assessment Diagram contained in Figure 2.1.

All improvements are on public property. The improved parcels to be maintained are along the west side of Van Maren Lane (approximately 1500 feet); along the north side of Oak Lakes Lane (approximately 1300 feet); and shorter parcels along Campfire Way at Van Maren Lane (approximately 100 feet on the south side); Horseman Way at Van Maren Lane (approximately 100 feet on the north and south side); and the east side of Silversaddle Way at Oak Lakes Lane (approximately 100 feet).

The improvements to be maintained include 81 Oak trees and various conifer trees and accent trees. Shrubs, groundcover, lawn planting, irrigation, sound walls, sign walls with lighting, planters and mow strips are also included. The City is committed to the appearance of the development through proper maintenance of the plantings as well as periodic replacement of the plant materials. Additionally, the City also focuses on immediate abatement of graffiti on walls and other public structures.

City performs/manages the maintenance for the LMAD using its own forces or those of contract providers. Figure 2.2 describes the maintenance specifications for the district.

DISTRICT FINANCING/METHOD OF ASSESSMENT

As a condition of approval, the developer of the single family Sorensen Ranch Unit Nos. 1, 2, 3, and 4 subdivisions was required to establish a funding source to provide for ongoing maintenance of the re-vegetation planting and the sound walls and the frontage landscaping and irrigation. Funding for the LMAD 98-02, Zone 1 is from annual assessments levied on properties within the assessment boundary (Figure 2.1) pursuant to the Landscaping and Lighting Act of 1972. Because each of the single-family lots within the District was created as a result of compliance with this condition, each lot benefits in the same proportion. Therefore, the assessment costs are allocated on a per parcel basis for all Assessment Diagram parcels located in the Assessment District that could qualify as a buildable single-family parcel per the current City of Citrus Heights Zoning Ordinances. The original annual assessment adopted for District 98-02, Zone 1 upon formation in 1998 was \$200.00 per parcel.

The formation of this district also included a cost of living adjustment provision. Should the cost of landscape maintenance activities and utilities rise, this provision allows for the City of Citrus Heights to increase the annual assessment. Each annual increase, if any, that exceeds the amount assessed to the property owners for the prior years shall not exceed the cost of living increase based on the Bay Area Consumer Price Index for all urban consumers.

ANNUAL ASSESSMENT

Initially LMAD 98-02, Zone 1, was fully funded by its assessments and accumulated operating reserves in excess of those needed to address unforeseen maintenance/repair needs. As a result, in Fiscal Year 2003-2004 the annual assessment was reduced from \$200 to \$100. Over time this reduced assessment rate permitted the District to gradually drawdown the excessive operating reserve balance to an appropriate level. However, in recent years continued increases in the costs of regular maintenance activities and utilities have resulted in the reserves being depleted below the level needed to provide for unscheduled maintenance expenditures (i.e. soundwall repairs, oak tree trimming and irrigation/electrical system repairs). As a result, in FY 2022/2023, the City of Citrus Heights, for the first time, utilized the cost of living increase provision and increased the annual assessment by 3%.

An adjustment in the annual assessment per parcel is proposed for Fiscal Year 2023/2024. As shown in Figure 2.3. “Summary Analysis”, the Fiscal Year 2023/2024 annual assessments for District 98-02, Zone 1, are proposed to again increase by 3% (less than the maximum allowable), or approximately \$106.08 per residential parcel, over the rates for FY 2022/2023. These additional revenues are necessary to support the District’s continued maintenance operations and preserve an appropriate operating reserve to address unforeseen maintenance and repair expenses.

BOUNDARY DESCRIPTION OF AREA TO BE MAINTAINED

All that real property situated in the City of Citrus Heights, County of Sacramento, State of California, which is further described as follows:

Parcel 1, Parcel 2, and Parcel 3 as shown on that certain parcel map entitled “A Portion of the Southwest One-Quarter of Section 27, Township 10 North, Range 6 East, M.D.M.”, filed for record in the office of the Recorder of Sacramento County, on May 28, 1998, in Book 151 of Parcel Maps, at Page 3, and more particularly described on the Assessment Diagram contained in Figure 2.1.

The District’s Assessment Roll is contained in Figure 2.4.

FIGURE 2.1

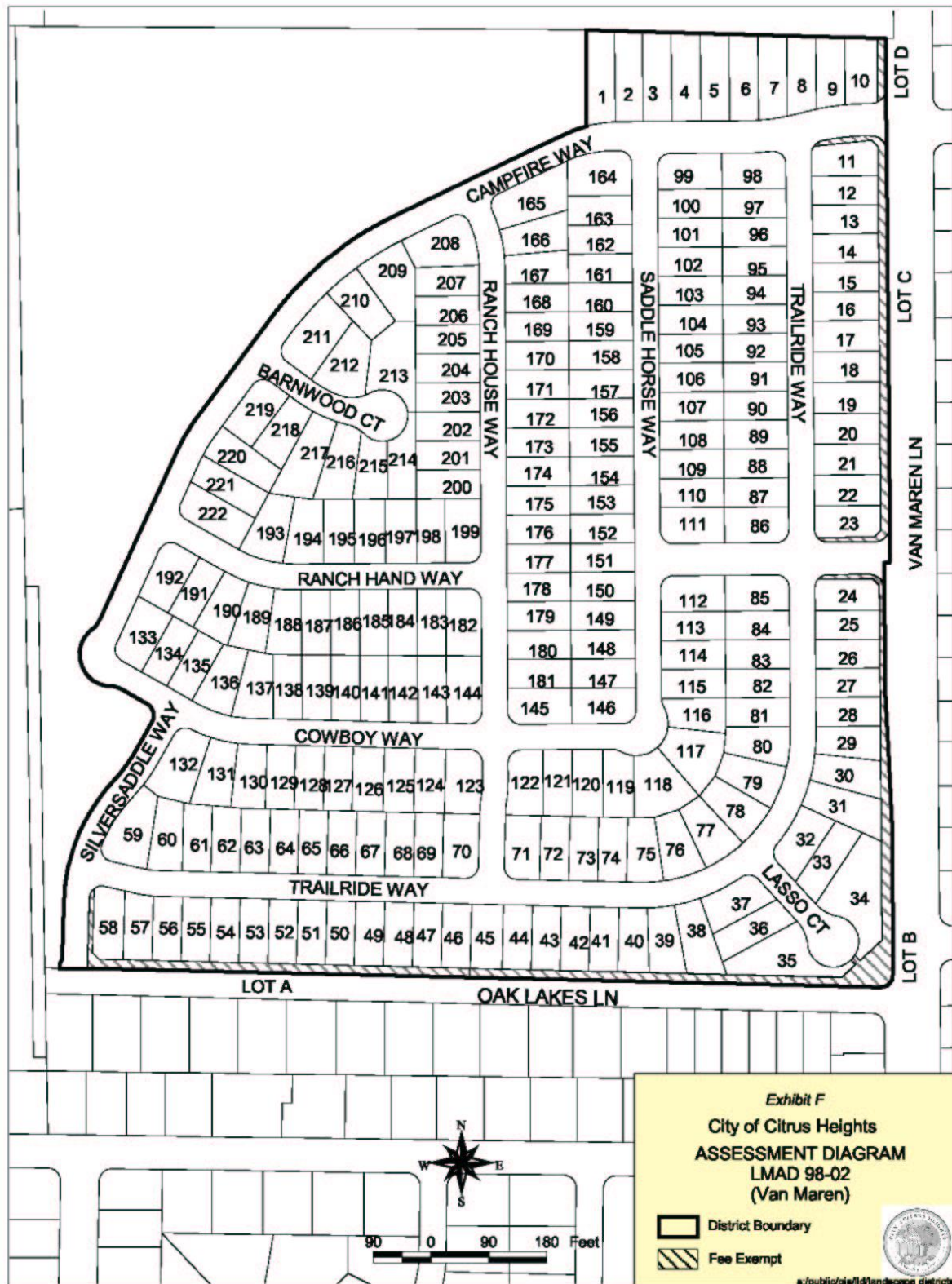


FIGURE 2.2**ASSESSMENT DISTRICT NO. 98-02
Zone 1 (Sorensen Ranch)****MAINTENANCE SPECIFICATION****East and South edge of Subdivision**

- 1) Maintain 81 Oak (mitigation requirement), and various conifer and accent trees. Prune Oak trees once every 5 years. Supply material and apply insect and disease control chemicals to trees and shrubs. Annual Oak tree inspection and associated report.
- 2) Maintain sound wall. Clean all graffiti from street side of wall as needed. Perform structural repairs/replacement as needed.
- 3) Maintain trees, turf and other plantings along frontage of the subdivision, a minimum of once every two weeks. Maintain irrigation system, weekly. Weed area a minimum of once every two weeks. Fertilize area a minimum of twice per year. Control infestation of fungus, diseases and/or insects. This item includes irrigation repair and replanting as needed.

FIGURE 2.3**ASSESSMENT DISTRICT 98-02 ZONE 1**

284-75-294; County DL 0275

DESCRIPTION		FY 22/23** ACTUAL	FY 23/24 PROPOSED BUDGET
<u>ASSESSMENT RATES:</u>			
	Rate Per Parcel	\$ 103.00	\$ 106.08
	Total Number of Parcels	222	222
	Total Special Assessments	\$ 22,866.00	\$ 24,256.25
<u>REVENUE</u>			
	Interest on Fund Balance	\$ 1,054.44	\$ -
	Special Assessments	\$ 22,469.72	\$ 24,256.25
	Total Sources of Funds:	\$ 23,524.16	\$ 24,256.25
<u>EXPENDITURES</u>			
	Advertising & Mail	\$ 322.51	\$ 567.00
	Utilities	\$ 7,667.88	\$ 8,500.00
	Professional Services	\$ -	\$ 515.00
	Contract - Landscape Maintenance	\$ 5,652.00	\$ 9,270.00
	Contract - Construction, Repairs & Extra Work	\$ 331.35	\$ 331.35
	Contract - Materials & Supplies	\$ -	\$ -
	Cost Allocation (Overhead)	\$ 9,344.00	\$ 9,072.00
	Total Expenditures:	\$ 23,317.74	\$ 28,255.35
<u>Annual Operating Balance</u>		\$ 206.42	\$ (3,999.10)
	Transfer to/from Operating Reserve	\$ (206.42)	\$ 3,999.10
<u>Annual Ending Balance</u>		\$ -	\$ -
<u>OPERATING RESERVE</u>			
	Beginning Fund Balance (July 1st)	\$ 68,581.90	\$ 68,788.32
	Operating Reserve Set-a-side	\$ -	\$ -
	Transfer from (to) Annual Operating Balance	\$ 206.42	\$ (3,999.10)
	Ending Operating Reserve Balance (June 30th)	\$ 68,788.32	\$ 64,789.22
** Recorded actual expenses for the first 3 quarters of the current Fiscal Year plus projection for the 4th quarter.			
\$xx.xx	Audited Fund Balance from previous Fiscal Year		

Figure 2.4
ASSESSMENT DISTRICT 98-02 ZONE 1 for
SORENSEN RANCH UNITS NO. 1, 2, 3 and 4
UNIT 1

Tax Assessor's Number				Assessment Diagram #	Assessment Amount
211	0830	001	0000	11	\$ 106.08
211	0830	002	0000	12	\$ 106.08
211	0830	003	0000	13	\$ 106.08
211	0830	004	0000	14	\$ 106.08
211	0830	005	0000	15	\$ 106.08
211	0830	006	0000	16	\$ 106.08
211	0830	007	0000	17	\$ 106.08
211	0830	008	0000	18	\$ 106.08
211	0830	009	0000	19	\$ 106.08
211	0830	010	0000	20	\$ 106.08
211	0830	011	0000	21	\$ 106.08
211	0830	012	0000	22	\$ 106.08
211	0830	013	0000	23	\$ 106.08
211	0830	014	0000	86	\$ 106.08
211	0830	015	0000	87	\$ 106.08
211	0830	016	0000	88	\$ 106.08
211	0830	017	0000	89	\$ 106.08
211	0830	018	0000	90	\$ 106.08
211	0830	019	0000	91	\$ 106.08
211	0830	020	0000	92	\$ 106.08
211	0830	021	0000	93	\$ 106.08
211	0830	022	0000	94	\$ 106.08
211	0830	023	0000	95	\$ 106.08
211	0830	024	0000	96	\$ 106.08
211	0830	025	0000	97	\$ 106.08
211	0830	026	0000	98	\$ 106.08
211	0830	027	0000	99	\$ 106.08
211	0830	028	0000	100	\$ 106.08
211	0830	029	0000	101	\$ 106.08
211	0830	030	0000	102	\$ 106.08
211	0830	031	0000	103	\$ 106.08
211	0830	032	0000	104	\$ 106.08
211	0830	033	0000	105	\$ 106.08
211	0830	034	0000	106	\$ 106.08
211	0830	035	0000	107	\$ 106.08
211	0830	036	0000	108	\$ 106.08
211	0830	037	0000	109	\$ 106.08

Tax Assessor's Number				Assessment Diagram #	Assessment Amount
211	0830	038	0000	110	\$ 106.08
211	0830	039	0000	111	\$ 106.08
211	0830	040	0000	149	\$ 106.08
211	0830	041	0000	150	\$ 106.08
211	0830	042	0000	151	\$ 106.08
211	0830	043	0000	152	\$ 106.08
211	0830	044	0000	153	\$ 106.08
211	0830	045	0000	154	\$ 106.08
211	0830	046	0000	155	\$ 106.08
211	0830	047	0000	156	\$ 106.08
211	0830	048	0000	157	\$ 106.08
211	0830	049	0000	158	\$ 106.08
211	0830	050	0000	159	\$ 106.08
211	0830	051	0000	160	\$ 106.08
211	0830	052	0000	161	\$ 106.08
211	0830	053	0000	162	\$ 106.08
211	0830	054	0000	163	\$ 106.08
211	0830	055	0000	164	\$ 106.08
211	0830	056	0000	2	\$ 106.08
211	0830	057	0000	3	\$ 106.08
211	0830	058	0000	4	\$ 106.08
211	0830	059	0000	5	\$ 106.08
211	0830	060	0000	6	\$ 106.08
211	0830	061	0000	7	\$ 106.08
211	0830	062	0000	8	\$ 106.08
211	0830	063	0000	9	\$ 106.08
211	0830	064	0000	10	\$ 106.08

**ASSESSMENT DISTRICT 98-02 ZONE 1 for
SORENSEN RANCH UNITS NO. 1, 2, 3 and 4
UNIT 2**

Tax Assessor's Number				Assessment Diagram #	Assessment Amount
211	0830	067	0000	24	\$ 106.08
211	0830	068	0000	25	\$ 106.08
211	0830	069	0000	26	\$ 106.08
211	0830	070	0000	27	\$ 106.08
211	0830	071	0000	28	\$ 106.08
211	0830	072	0000	29	\$ 106.08
211	0830	073	0000	30	\$ 106.08
211	0830	074	0000	31	\$ 106.08
211	0830	075	0000	32	\$ 106.08
211	0830	076	0000	33	\$ 106.08
211	0830	077	0000	34	\$ 106.08
211	0830	078	0000	35	\$ 106.08
211	0830	079	0000	36	\$ 106.08
211	0830	080	0000	37	\$ 106.08
211	0830	081	0000	38	\$ 106.08
211	0830	082	0000	39	\$ 106.08
211	0830	083	0000	40	\$ 106.08
211	0830	084	0000	41	\$ 106.08
211	0830	085	0000	42	\$ 106.08
211	0830	086	0000	43	\$ 106.08
211	0830	087	0000	44	\$ 106.08
211	0830	088	0000	45	\$ 106.08
211	0830	089	0000	71	\$ 106.08
211	0830	090	0000	72	\$ 106.08
211	0830	091	0000	73	\$ 106.08
211	0830	092	0000	74	\$ 106.08
211	0830	093	0000	75	\$ 106.08
211	0830	094	0000	76	\$ 106.08
211	0830	095	0000	77	\$ 106.08
211	0830	096	0000	78	\$ 106.08
211	0830	097	0000	79	\$ 106.08
211	0830	098	0000	80	\$ 106.08
211	0830	099	0000	81	\$ 106.08
211	0830	100	0000	82	\$ 106.08
211	0830	101	0000	83	\$ 106.08
211	0830	102	0000	84	\$ 106.08
211	0830	103	0000	85	\$ 106.08
211	0830	104	0000	112	\$ 106.08

Tax Assessor's Number				Assessment Diagram #	Assessment Amount
211	0830	105	0000	113	\$ 106.08
211	0830	106	0000	114	\$ 106.08
211	0830	107	0000	115	\$ 106.08
211	0830	108	0000	116	\$ 106.08
211	0830	109	0000	117	\$ 106.08
211	0830	110	0000	118	\$ 106.08
211	0830	111	0000	119	\$ 106.08
211	0830	112	0000	120	\$ 106.08
211	0830	113	0000	122	\$ 106.08
211	0830	114	0000	123	\$ 106.08
211	0830	115	0000	145	\$ 106.08
211	0830	116	0000	181	\$ 106.08
211	0830	117	0000	180	\$ 106.08
211	0830	118	0000	148	\$ 106.08
211	0830	119	0000	147	\$ 106.08
211	0830	120	0000	146	\$ 106.08

**ASSESSMENT DISTRICT 98-02 ZONE 1 for
SORENSEN RANCH UNITS NO. 1, 2, 3 and 4
UNIT 3**

Tax Assessor's Number				Assessment Diagram #	Assessment Amount
211	0840	048	0000	221	\$ 106.08
211	0840	049	0000	222	\$ 106.08
211	0840	050	0000	193	\$ 106.08
211	0840	051	0000	194	\$ 106.08
211	0840	052	0000	187	\$ 106.08
211	0840	053	0000	188	\$ 106.08
211	0840	054	0000	189	\$ 106.08
211	0840	055	0000	190	\$ 106.08
211	0840	056	0000	191	\$ 106.08
211	0840	057	0000	192	\$ 106.08
211	0840	058	0000	133	\$ 106.08
211	0840	059	0000	134	\$ 106.08
211	0840	060	0000	135	\$ 106.08
211	0840	061	0000	136	\$ 106.08
211	0840	062	0000	137	\$ 106.08
211	0840	063	0000	138	\$ 106.08
211	0840	064	0000	139	\$ 106.08
211	0840	065	0000	140	\$ 106.08
211	0840	066	0000	141	\$ 106.08
211	0840	067	0000	142	\$ 106.08
211	0840	068	0000	143	\$ 106.08
211	0840	069	0000	144	\$ 106.08
211	0840	070	0000	123	\$ 106.08
211	0840	071	0000	124	\$ 106.08
211	0840	072	0000	125	\$ 106.08
211	0840	073	0000	126	\$ 106.08
211	0840	074	0000	127	\$ 106.08
211	0840	075	0000	128	\$ 106.08
211	0840	076	0000	129	\$ 106.08
211	0840	077	0000	130	\$ 106.08
211	0840	078	0000	131	\$ 106.08
211	0840	079	0000	132	\$ 106.08
211	0840	080	0000	59	\$ 106.08
211	0840	081	0000	60	\$ 106.08
211	0840	082	0000	61	\$ 106.08
211	0840	083	0000	62	\$ 106.08

Tax Assessor's Number				Assessment Diagram #	Assessment Amount
211	0840	084	0000	63	\$ 106.08
211	0840	085	0000	64	\$ 106.08
211	0840	086	0000	65	\$ 106.08
211	0840	087	0000	66	\$ 106.08
211	0840	088	0000	67	\$ 106.08
211	0840	089	0000	68	\$ 106.08
211	0840	090	0000	69	\$ 106.08
211	0840	091	0000	70	\$ 106.08
211	0840	092	0000	46	\$ 106.08
211	0840	093	0000	47	\$ 106.08
211	0840	094	0000	48	\$ 106.08
211	0840	095	0000	49	\$ 106.08
211	0840	096	0000	50	\$ 106.08
211	0840	097	0000	51	\$ 106.08
211	0840	098	0000	52	\$ 106.08
211	0840	099	0000	53	\$ 106.08
211	0840	100	0000	54	\$ 106.08
211	0840	101	0000	55	\$ 106.08
211	0840	102	0000	56	\$ 106.08
211	0840	103	0000	57	\$ 106.08
211	0840	104	0000	58	\$ 106.08

**ASSESSMENT DISTRICT 98-02 ZONE 1 for
SORENSEN RANCH UNITS NO. 1, 2, 3 and 4
UNIT 4**

Tax Assessor's Number				Assessment Diagram #	Assessment Amount
211	0840	001	0000	165	\$ 106.08
211	0840	002	0000	166	\$ 106.08
211	0840	003	0000	167	\$ 106.08
211	0840	004	0000	168	\$ 106.08
211	0840	005	0000	169	\$ 106.08
211	0840	006	0000	170	\$ 106.08
211	0840	007	0000	171	\$ 106.08
211	0840	008	0000	172	\$ 106.08
211	0840	009	0000	173	\$ 106.08
211	0840	010	0000	174	\$ 106.08
211	0840	011	0000	175	\$ 106.08
211	0840	012	0000	176	\$ 106.08
211	0840	013	0000	177	\$ 106.08
211	0840	014	0000	178	\$ 106.08
211	0840	015	0000	179	\$ 106.08
211	0840	016	0000	182	\$ 106.08
211	0840	017	0000	183	\$ 106.08
211	0840	018	0000	184	\$ 106.08
211	0840	019	0000	185	\$ 106.08
211	0840	020	0000	186	\$ 106.08
211	0840	021	0000	195	\$ 106.08
211	0840	022	0000	196	\$ 106.08
211	0840	023	0000	197	\$ 106.08
211	0840	024	0000	198	\$ 106.08
211	0840	025	0000	199	\$ 106.08
211	0840	026	0000	200	\$ 106.08

Tax Assessor's Number				Assessment Diagram #	Assessment Amount
211	0840	027	0000	201	\$ 106.08
211	0840	028	0000	202	\$ 106.08
211	0840	029	0000	203	\$ 106.08
211	0840	030	0000	204	\$ 106.08
211	0840	031	0000	205	\$ 106.08
211	0840	032	0000	206	\$ 106.08
211	0840	033	0000	207	\$ 106.08
211	0840	034	0000	208	\$ 106.08
211	0840	035	0000	209	\$ 106.08
211	0840	036	0000	210	\$ 106.08
211	0840	037	0000	211	\$ 106.08
211	0840	038	0000	212	\$ 106.08
211	0840	039	0000	213	\$ 106.08
211	0840	040	0000	214	\$ 106.08
211	0840	041	0000	215	\$ 106.08
211	0840	042	0000	216	\$ 106.08
211	0840	043	0000	217	\$ 106.08
211	0840	044	0000	218	\$ 106.08
211	0840	045	0000	219	\$ 106.08
211	0840	046	0000	220	\$ 106.08
211	0840	047	0000	1	\$ 106.08

222 Parcels; Total 98-02 Zone 1 Assessments is \$24,256.25

ASSESSMENT DISTRICT 98-02 – Zone 2 (Autumnwood Subdivision)

GENERAL

Landscape Maintenance Assessment District (LMAD) 98-02, Zone 2 (Autumnwood Subdivision), first created in 2014, is located south side of Antelope Road and west of Amsterdam Avenue. This LMAD provides for the maintenance of certain areas within and adjacent to the Autumnwood subdivision development. All improvements are on public property. There are 46 residential parcels in this district, whose boundaries are more particularly described on the Assessment Diagram contained in Figure 3.1.

Zone 2 consists of forty-six (46) residential lots and seven (7) lots used for landscaping, pedestrian pathways, and drainage detention basins.

Development of the property was conditioned upon establishing a funding source to provide for ongoing maintenance of landscaping, open space, pedestrian/bike trails, masonry walls, drainage detention basins and related appurtenances.

The facilities in Zone 2 include landscaping south of Antelope Road (Lots E and along the frontage of 7106 Antelope Road) and also within the subdivision (Lots A, B, C, D, F, and H). On-going maintenance of the landscaped areas require routine care of trees, shrubs, and groundcover, including weed control, fertilization, mulch replacement, and litter removal. The pedestrian pathways require routine maintenance, including surface and structural maintenance, and graffiti abatement.

The facilities in Zone 2 also include masonry walls on the North and East sides of the subdivision located within Lots A, B, C, E, and the frontage along 7106 Antelope Road. The walls require routine maintenance, including surface and structural maintenance, and graffiti abatement.

The walls and landscaping within the City's Right-of-Way along the frontage of 7106 Antelope Road (APN: 204-0193-027-0000) as dedicated by separate instrument (County of Sacramento Book 20140715, Page 0721) is also included as areas to be maintained in LMAD 98-02, Zone 2.

The facilities in Zone 2 also include a drainage detention basin located in the northwest corner of the property in Lot D and a drainage detention basin located in the southeast corner of the property in Lot F. The drainage detention basins and appurtenances require routine maintenance including surface and structural maintenance, graffiti abatement, landscape maintenance, and litter removal.

Additionally, the facilities in Zone 2 include a pedestrian trail for circulation (Lots D, F, and H). The trail will require routine maintenance and replacement.

Figure 3.2 contains a detailed listing of items to be maintained and/or replacement of each of the items. City performs/manages the maintenance for the LMAD using its own forces or those of contract providers.

DISTRICT FINANCING/METHOD OF ASSESSMENT

As a condition of approval, the developer of the single family Autumnwood subdivision was required to establish a funding source to provide for ongoing maintenance of the landscaping, irrigation, detention basins, pedestrian pathways, and masonry walls located within Lots A, B, C, E, and the frontage along 7106 Antelope Road. Funding for the LMAD 98-02, Zone 2 is from annual assessments levied on properties within the assessment boundary (Figure 3.1) pursuant to the Landscaping and Lighting Act of 1972. Because each of the single-family lots within the District was created as a result of compliance with this condition, each lot benefits in the same proportion. Therefore, the assessment costs are allocated on a per parcel basis for all Assessment Diagram parcels located in the Assessment District that could qualify as a buildable single-family parcel per the current City of Citrus Heights Zoning Ordinances. The original annual assessment adopted for District 98-02, Zone 2 upon formation in 2014 was \$354.09 per parcel.

The formation of this district also included a cost of living adjustment provision. Should the cost of landscape maintenance activities and utilities rise, this provision allows for the City of Citrus Heights to increase the annual assessment. Each annual increase, if any, shall not exceed a maximum of four percent 4%.

ANNUAL ASSESSMENT

In recent years continued increases in the costs of regular maintenance activities and utilities have resulted in LMAD 98-02, Zone 2's operating reserves being depleted below the level needed to provide for unscheduled maintenance expenditures (i.e. soundwall repairs, oak tree trimming and irrigation/electrical system repairs). As a result, in FY 2022/2023, the City of Citrus Heights, for the first time, utilized the cost of living increase provision and increased the annual assessment by 3%.

An adjustment in the annual assessment per parcel is proposed for Fiscal Year 2023/2024. As shown in Figure 3.3. "Summary Analysis", the Fiscal Year 2023/2024 annual assessments for District 98-02, Zone 2, are proposed to again increase by 3% (less than the maximum allowable 4%), or approximately \$375.64 per residential parcel, over the rates for FY 2022/2023. These additional revenues are necessary to support the District's continued maintenance operations and preserve an appropriate operating reserve to address unforeseen maintenance and repair expenses.

The district's Assessment Roll is contained in Figure 3.4.

BOUNDARY DESCRIPTION OF AREA TO BE MAINTAINED

All that real property situated in the City of Citrus Heights, County of Sacramento, State of California, which is further described as follows:

Lots A, B, C, D, E, F, and H of the Autumnwood Subdivision and also including the frontage along 7106 Antelope Road; more particularly described on the Assessment Diagram contained in Figure 3.1.

FIGURE 3.1

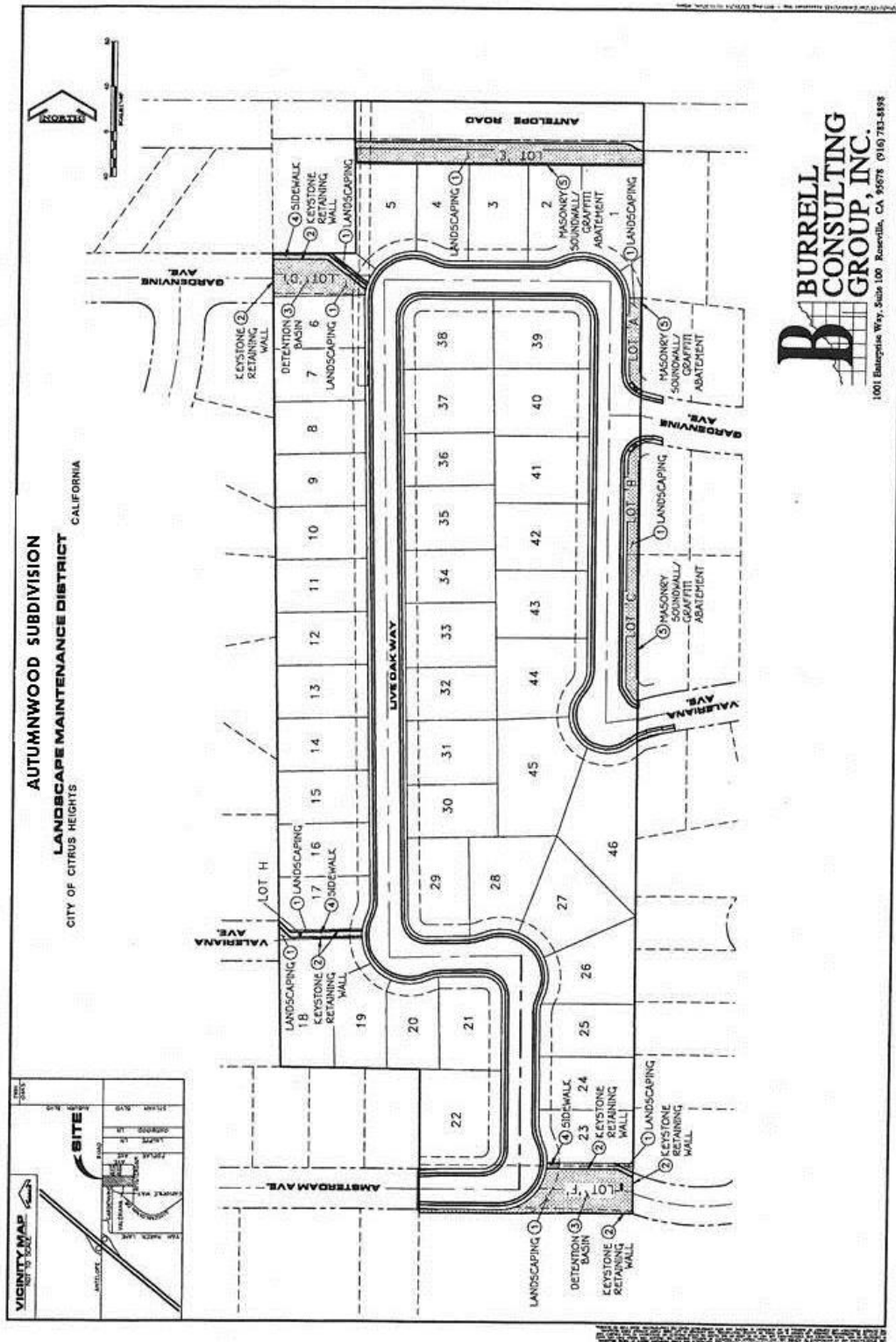


FIGURE 3.2**ASSESSMENT DISTRICT NO. 98-02
Zone 2 (Autumnwood Subdivision)****MAINTENANCE SPECIFICATION**

- 1) Maintain trees and other plantings along frontage of the subdivision along Antelope Road (Lot E) and Live Oak Way (Lots A-C) a minimum of once every two weeks. Maintain irrigation system, weekly. Weed area a minimum of once every two weeks. Fertilize area a minimum of twice per year. Control infestation of fungus, diseases and/or insects. This item includes irrigation repair, landscaping materials (wood chips, chemicals, etc.), and replanting as needed.
- 2) Maintain trees and other plantings within the detention basins (Lots D and F)
- 3) Maintain masonry walls (Lots A-F). Clean all graffiti from street side of wall as needed. Perform structural repairs/replacement as needed.
- 4) Maintain pedestrian pathways (Lots D, F, and H). Clean all graffiti as needed. Perform structural repairs/replacement as needed.

FIGURE 3.3**ASSESSMENT DISTRICT 98-02 ZONE 2**

285-75-295; County DL 0268

DESCRIPTION		FY 22/23** ACTUAL	FY 23/24 PROPOSED BUDGET
<u>ASSESSMENT RATES:</u>			
	Rate Per Parcel	\$ 364.70	\$ 375.64
	Total Number of Parcels	46	46
	Total Special Assessments	\$ 16,776.20	\$ 17,279.44
<u>REVENUE:</u>			
	Interest on Fund Balance	\$ 545.53	\$ -
	Special Assessments	\$ 16,726.66	\$ 17,279.44
	Total Revenue:	\$ 17,272.19	\$ 17,279.44
<u>EXPENDITURES:</u>			
	Advertising & Mail	\$ 322.51	\$ 567.00
	Utilities	\$ 2,369.09	\$ 3,296.00
	Professional Services	\$ -	\$ 155.00
	Contract - Landscape Maintenance	\$ 6,228.00	\$ 8,755.00
	Contract - Construction, Repairs & Extra Work	\$ 165.55	\$ -
	Contract - Materials & Supplies	\$ -	\$ 2,575.00
	Cost Allocation (Overhead)	\$ 3,145.00	\$ 3,239.00
	Total Expenditures:	\$ 12,230.15	\$ 18,587.00
<u>Annual Operating Balance</u>		\$ 5,042.04	\$ (1,307.56)
	Transfer to/from Operating Reserve	\$ (5,042.04)	\$ 1,307.56
<u>Annual Ending Balance</u>		\$ -	\$ -
<u>OPERATING RESERVE</u>			
	Beginning Fund Balance (July 1st)	\$ 35,073.28	\$ 40,115.32
	Operating Reserve Set-a-side	\$ -	\$ -
	Transfer from (to) Annual Operating Balance	\$ 5,042.04	\$ (1,307.56)
	Ending Operating Reserve Balance (June 30th)	\$ 40,115.32	\$ 38,807.76
**	Recorded actual expenses for the first 3 quarters of the current Fiscal Year plus projection for the 4th quarter.		
\$xx.xx	Audited Fund Balance from previous Fiscal Year		

FIGURE 3.4
ASSESSMENT DISTRICT 98-02 ZONE 2
for AUTUMNWOOD

Tax Assessor's Number	Assessment Diagram #	Assessment Amount		Tax Assessor's Number	Assessment Diagram #	Assessment Amount
204 0740 001 0000	1	\$ 375.64		204 0740 029 0000	29	\$ 375.64
204 0740 002 0000	2	\$ 375.64		204 0740 030 0000	30	\$ 375.64
204 0740 003 0000	3	\$ 375.64		204 0740 031 0000	31	\$ 375.64
204 0740 004 0000	4	\$ 375.64		204 0740 032 0000	32	\$ 375.64
204 0740 005 0000	5	\$ 375.64		204 0740 033 0000	33	\$ 375.64
204 0740 006 0000	6	\$ 375.64		204 0740 034 0000	34	\$ 375.64
204 0740 007 0000	7	\$ 375.64		204 0740 035 0000	35	\$ 375.64
204 0740 008 0000	8	\$ 375.64		204 0740 036 0000	36	\$ 375.64
204 0740 009 0000	9	\$ 375.64		204 0740 037 0000	37	\$ 375.64
204 0740 010 0000	10	\$ 375.64		204 0740 038 0000	38	\$ 375.64
204 0740 011 0000	11	\$ 375.64		204 0740 039 0000	39	\$ 375.64
204 0740 012 0000	12	\$ 375.64		204 0740 040 0000	40	\$ 375.64
204 0740 013 0000	13	\$ 375.64		204 0740 041 0000	41	\$ 375.64
204 0740 014 0000	14	\$ 375.64		204 0740 042 0000	42	\$ 375.64
204 0740 015 0000	15	\$ 375.64		204 0740 043 0000	43	\$ 375.64
204 0740 016 0000	16	\$ 375.64		204 0740 044 0000	44	\$ 375.64
204 0740 017 0000	17	\$ 375.64		204 0740 045 0000	45	\$ 375.64
204 0740 018 0000	18	\$ 375.64		204 0740 046 0000	46	\$ 375.64
204 0740 019 0000	19	\$ 375.64				
204 0740 020 0000	20	\$ 375.64				
204 0740 021 0000	21	\$ 375.64				
204 0740 022 0000	22	\$ 375.64		46 Parcels; Total 98-02 Zone 2 Assessments =		\$ 17,279.44
204 0740 023 0000	23	\$ 375.64				
204 0740 024 0000	24	\$ 375.64				
204 0740 025 0000	25	\$ 375.64				
204 0740 026 0000	26	\$ 375.64				
204 0740 027 0000	27	\$ 375.64				
204 0740 028 0000	28	\$ 375.64				

ASSESSMENT DISTRICT 98-02 – Zone 3 (Mariposa Creek Subdivision)

GENERAL

Landscape Maintenance Assessment District (LMAD) 98-02, Zone 3 (Mariposa Creek Subdivision), first created in 2018, is located north side of Antelope Road at Turner Court. This LMAD provides for the maintenance of certain areas within and adjacent to the Mariposa Creek Subdivision development. All improvements are on public property. There are 15 residential parcels in this district, whose boundaries are more particularly described on the Assessment Diagram contained in Figure 4.1.

Zone 3 consists of fifteen (15) residential parcels and three (3) lots used for landscaping, pedestrian pathways, and creek open space.

Development of the property was conditioned upon establishing a funding source to provide for ongoing maintenance of landscaping, open space, pedestrian/bike pathways, masonry walls, and related appurtenances.

The facilities in Zone 3 include landscaping north of Antelope Road (Lots A and B) and also within the subdivision (Lot C). On-going maintenance of the landscaped areas require routine care of trees, shrubs, and groundcover, including weed control, fertilization, mulch replacement, litter removal, irrigation systems and pathway lighting. The pedestrian pathways require routine maintenance, including surface and structural maintenance, maintenance and repairs of pathway lighting and graffiti abatement.

The facilities in Zone 3 also include masonry walls on the north side of Antelope Road (within Lots A & B of the subdivision) The walls require routine maintenance, including surface and structural maintenance, and graffiti abatement.

The facilities in Zone 3 also include a pedestrian pathway, street paving, storm drain system and retaining walls located in the northwest corner of the development in Lot C. The walls, pedestrian pathways, and various appurtenances require routine maintenance including surface and structural maintenance, graffiti abatement, landscape maintenance, litter removal, and electrical & irrigation repairs.

The facilities in Zone 3 also include a drainage system along the north property line of the subdivision and creek open space along the east side of the development (Lot B). The drainage system & creek open space appurtenances require routine maintenance including structural maintenance, keeping the creek & floodplain area clear of debris and paving maintenance.

Figure 4.2 contains a detailed listing of items to be maintained and/or replacement of each of the items. City performs/manages the maintenance for the LMAD using its own forces or those of contract providers.

DISTRICT FINANCING/METHOD OF ASSESSMENT

As a condition of approval, the developer of the single family Mariposa Creek Subdivision was required to establish a funding source to provide for ongoing maintenance of the landscaping, irrigation, storm drain system, creek open space, pedestrian pathways, and masonry walls located within Lots A, B, and C. Funding for LMAD 98-02, Zone 3 will be from annual assessments levied on residential parcels within the zone's assessment boundary (Figure 4.1), pursuant to the Landscaping and Lighting Act of 1972. Because each of the single-family lots within the zone was created as a result of compliance with this condition, each lot benefits in the same proportion. Therefore, the assessment costs are allocated on a per parcel basis for all assessment diagram parcels located in the Assessment District that qualified as a buildable single-family parcel per the current City of Citrus Heights Zoning Ordinances. The original annual assessment adopted for District 98-02, Zone 3 upon formation in 2018 was \$753.33 per parcel.

The formation of this district also included a cost of living adjustment provision. Should the cost of landscape maintenance activities and utilities rise, this provision allows for the City of Citrus Heights to increase the annual assessment. Each annual increase, if any, shall not exceed a maximum of four percent 4%.

ANNUAL ASSESSMENT

In recent years continued increases in the costs of regular maintenance activities and utilities have resulted in LMAD 98-02 Zone 3's operating reserves being depleted below the level needed to provide for unscheduled maintenance expenditures (i.e. soundwall repairs and irrigation/electrical system repairs). As a result, in FY 2022/2023, the City of Citrus Heights, for the first time, utilized the cost of living increase provision and increased the annual assessment by 3%.

An adjustment in the annual assessment per parcel is proposed for Fiscal Year 2023/2024. As shown in Figure 4.3. "Summary Analysis", the Fiscal Year 2023/2024 annual assessments for District 98-02, Zone 3, are proposed to again increase by 3% (less than the maximum allowable 4%), or approximately \$799.18 per residential parcel, over the rates for FY 2022/2023. These additional revenues are necessary to support the District's continued maintenance operations and preserve an appropriate operating reserve to address unforeseen maintenance and repair expenses.

The district's Assessment Roll is contained in Figure 4.4.

BOUNDARY DESCRIPTION OF AREA TO BE MAINTAINED

All that real property situated in the City of Citrus Heights, County of Sacramento, State of California, which is further described as follows:

Lots A, B and C of the Mariposa Creek Subdivision; more particularly described on the Assessment Diagram contained in Figure 4.1.

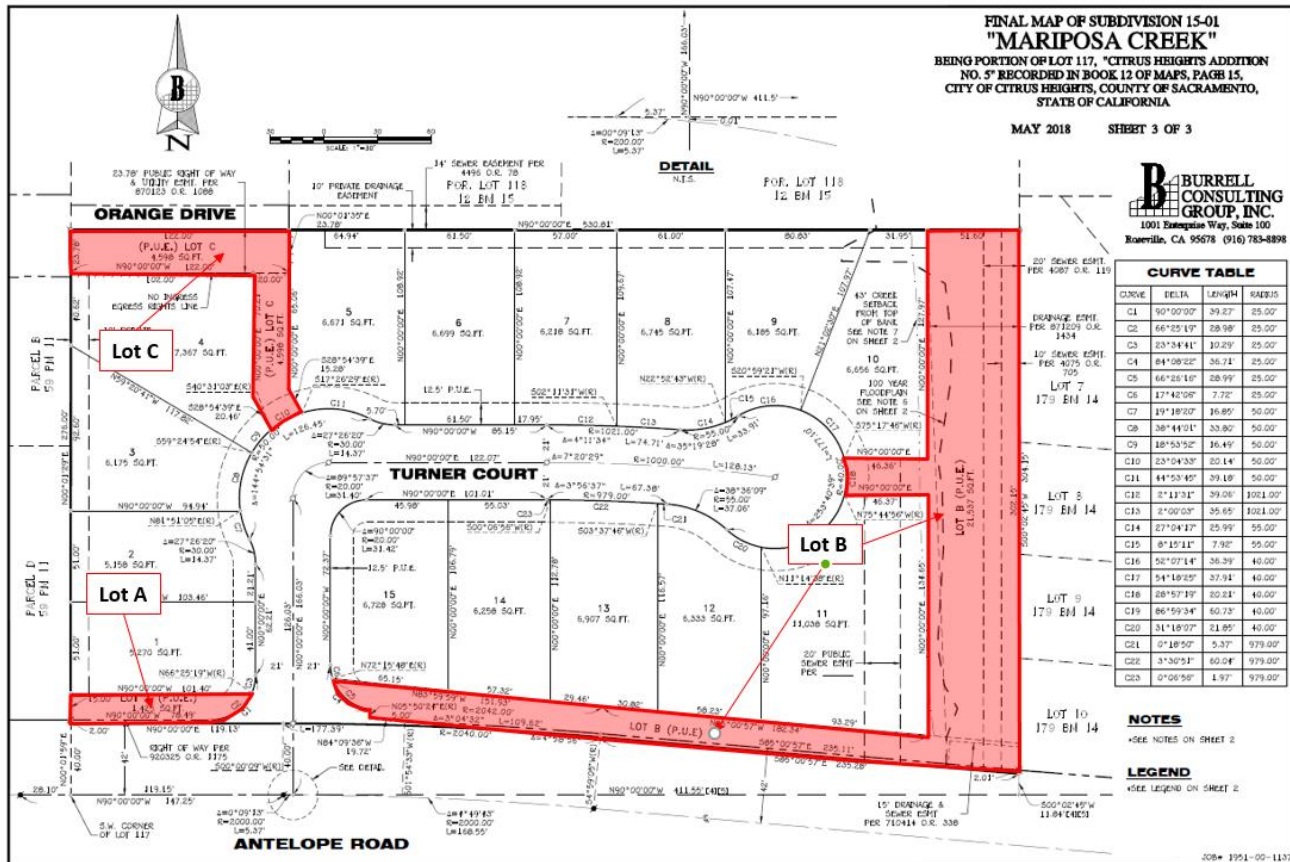
FIGURE 4.1

FIGURE 4.2**ASSESSMENT DISTRICT NO. 98-02
Zone 3 (Mariposa Creek Subdivision)****MAINTENANCE SPECIFICATION**

- 1) Maintain trees and other plantings a minimum of once every two weeks along frontage of the subdivision along Antelope Road (Lots A & B) and the pedestrian pathway within Lot C of subdivision development. Maintain irrigation system, weekly. Weed area a minimum of once every two weeks. Fertilize area a minimum of twice per year. Control infestation of fungus, diseases and/or insects. This item includes irrigation repair, landscaping materials (wood chips, chemicals, etc.), and replanting as needed.
- 2) Maintain masonry walls (Lots A & B). Clean all graffiti from street-facing side of wall(s) as needed. Perform structural repairs/replacement as needed.
- 3) Maintain pedestrian pathway (Lot C). Clean all graffiti as needed. Perform structural repairs/replacement as needed. This item includes repair and materials to maintain the light bollards along the pathway.
- 4) Maintain the creek open space and storm drain system (Lots B & C and along the north property lines of the subdivision development). Keep the existing creek open space free from debris to assure flow of Cripple Creek, repair and maintenance of storm drain system within Lot C and public drainage system along the north property lines of the subdivision development. This item includes any paving repairs and miscellaneous items for the small portion of Orange Drive located within Lot C.

FIGURE 4.3**ASSESSMENT DISTRICT 98-02 ZONE 3**

292-75-300; County DL0281

<u>DESCRIPTION</u>		FY 22/23** ACTUAL	FY 23/24 PROPOSED BUDGET
<u>ASSESSMENT RATES:</u>			
	Rate Per Parcel	\$ 775.92	\$ 799.18
	Total Number of Parcels	15	15
	Total Special Assessments	\$ 11,638.79	\$ 11,987.70
<u>REVENUE:</u>			
	Interest on Fund Balance	\$ 342.99	\$ -
	Special Assessments	\$ 11,604.45	\$ 11,987.70
	Total Revenue:	\$ 11,947.44	\$ 11,987.70
<u>EXPENDITURES:</u>			
	Materials and Supplies	\$ -	\$ -
	Advertising & Mail	\$ 322.51	\$ 361.00
	Utilities	\$ 788.62	\$ 978.00
	Professional Services	\$ -	\$ -
	Contract - Landscape and Tree Maintenance	\$ 3,816.00	\$ 4,738.00
	Construction and/or Repairs		\$ -
	Cost Allocation* (Overhead)	\$ -	\$ -
	Total Expenditures:	\$ 4,927.13	\$ 6,077.00
<u>Annual Operating Balance</u>		\$ 7,020.31	\$ 5,910.70
	Transfer to/from Operating Reserve	\$ (7,020.31)	\$ (5,910.70)
<u>Annual Ending Balance</u>		\$ -	\$ -
<u>OPERATING RESERVE</u>			
	Beginning Fund Balance (July 1st)	\$ 20,744.56	\$ 27,764.87
	Transfer from (to) Annual Operating Balance	\$ 7,020.31	\$ 5,910.70
	Ending Operating Reserve Balance (June 30th)	\$ 27,764.87	\$ 33,675.57
* Cost Allocation for this district zone is not included. This is the initial year and staff does not have data from a previous year.			
** Recorded actual expenses for the first 3 quarters fo the current Fiscal Year plus projections for the 4th quarter.			
\$xx.xx	Audited Fund Balance from previous Fiscal Year		

FIGURE 4.4
ASSESSMENT DISTRICT 98-02 ZONE 3
for MARIPOSA CREEK

Tax Assessor's Number	Assessment Diagram #	Assessment Amount
204-0500-060-0000	1	\$ 799.18
204-0500-061-0000	2	\$ 799.18
204-0500-062-0000	3	\$ 799.18
204-0500-063-0000	4	\$ 799.18
204-0500-064-0000	5	\$ 799.18
204-0500-065-0000	6	\$ 799.18
204-0500-066-0000	7	\$ 799.18
204-0500-067-0000	8	\$ 799.18
204-0500-068-0000	9	\$ 799.18
204-0500-069-0000	10	\$ 799.18
204-0500-070-0000	11	\$ 799.18
204-0500-071-0000	12	\$ 799.18
204-0500-072-0000	13	\$ 799.18
204-0500-073-0000	14	\$ 799.18
204-0500-074-0000	15	\$ 799.18
15 Parcels; Total 98-02 Zone 3 Assessments is		\$ 11,987.70

ASSESSMENT DISTRICT 98-02 – Zone 4 (Wyatt Ranch Subdivision)

GENERAL

Landscape Maintenance Assessment District (LMAD) 98-02, Zone 4 (Wyatt Ranch Creek Subdivision), first created by City Council action on November 14, 2019, is located on the west side of Sunrise Boulevard at Lawrence Avenue. This LMAD provides for the maintenance of certain areas within and adjacent to the Wyatt Ranch Subdivision development. All improvements are on public property or easements. There are 23 residential parcels in this zone, whose boundaries are more particularly described on the Assessment Diagram contained in Figure 5.1.

Zone 4 consists of twenty three (23) residential parcels and one (1) public utility, wall, landscape and pedestrian walkway easement used for landscaping, masonry wall and walkway along Sunrise Boulevard.

Development of the property was conditioned upon establishing a funding source to provide for ongoing maintenance of landscaping, masonry wall, walkways, and related appurtenances.

The facilities in Zone 4 include landscaping along the west side of Sunrise Boulevard. On-going maintenance of the landscaped areas require routine care of trees, shrubs and groundcover, including weed control, fertilization, mulch replacement, and litter removal. The pedestrian walkways require routine maintenance, including surface and structural maintenance and graffiti abatement. This includes replacement of the walkways in the next 40 years.

The facilities in Zone 4 also include a masonry wall along the west side of Sunrise Boulevard. The walls require routine maintenance, including surface and structural maintenance and graffiti abatement. This item includes replacement of the masonry wall, in the next 40 years.

Figure 5.2 contains a detailed listing of items to be maintained and/or replacement of each of the items. City performs/manages the maintenance for the LMAD using its own forces or those of contract providers.

DISTRICT FINANCING/METHOD OF ASSESSMENT

As a condition of approval, the developer of the single family Wyatt Ranch Subdivision was required to establish a funding source to provide for ongoing maintenance of the landscaping, irrigation, pedestrian pathways, and masonry wall located within the Public Utility, Wall, Landscape and Pedestrian Walkway Easement. Funding for Zone 4 is be from annual assessments levied on residential parcels within the zone's assessment boundary (Figure 5.1), pursuant to the Landscaping and Lighting Act of 1972. Because each of the single-family lots within the zone was created as a result of compliance with this condition, each lot benefits in the same proportion. Therefore, the assessment costs are allocated on a per parcel basis for all assessment diagram parcels located in the Assessment District that qualified as a buildable single-family parcel per the current City of Citrus Heights Zoning Ordinances. The original annual assessment adopted for District 98-02, Zone 4 upon formation in 2018 was \$401.06 per parcel.

The formation of this district also included a cost of living adjustment provision. Should the cost of landscape maintenance activities and utilities rise, this provision allows for the City of Citrus Heights to increase the annual assessment. Each annual increase, if any, shall not exceed a maximum of four percent 4%.

ANNUAL ASSESSMENT

Although formally created by the City Council in November 2019, no assessments were levied on the parcels in this zone until FY 2022/2023 due to the uncertainty of the Covid-19 situation and delays in construction.

Completion of construction of the subdivision and transfer of landscape maintenance responsibilities to the City of Citrus Heights is expected in the next year. Therefore, no adjustment in the annual assessment is proposed for this zone. As shown in Figure 5.3. “Summary Analysis”, the Fiscal Year 2023/2024 assessments for District 98-02, Zone 4 are proposed to be levied at the same rate levied in FY 2022/2023.

The district’s Assessment Roll is contained in Figure 5.4.

BOUNDARY DESCRIPTION OF AREA TO BE MAINTAINED

All that real property situated in the City of Citrus Heights, County of Sacramento, State of California, which is further described as follows:

P.U.E., Wall, Landscape and Pedestrian Easement of the Wyatt Ranch Subdivision; more particularly described on the Assessment Diagram contained in Figure 5.1.

FIGURE 5.1

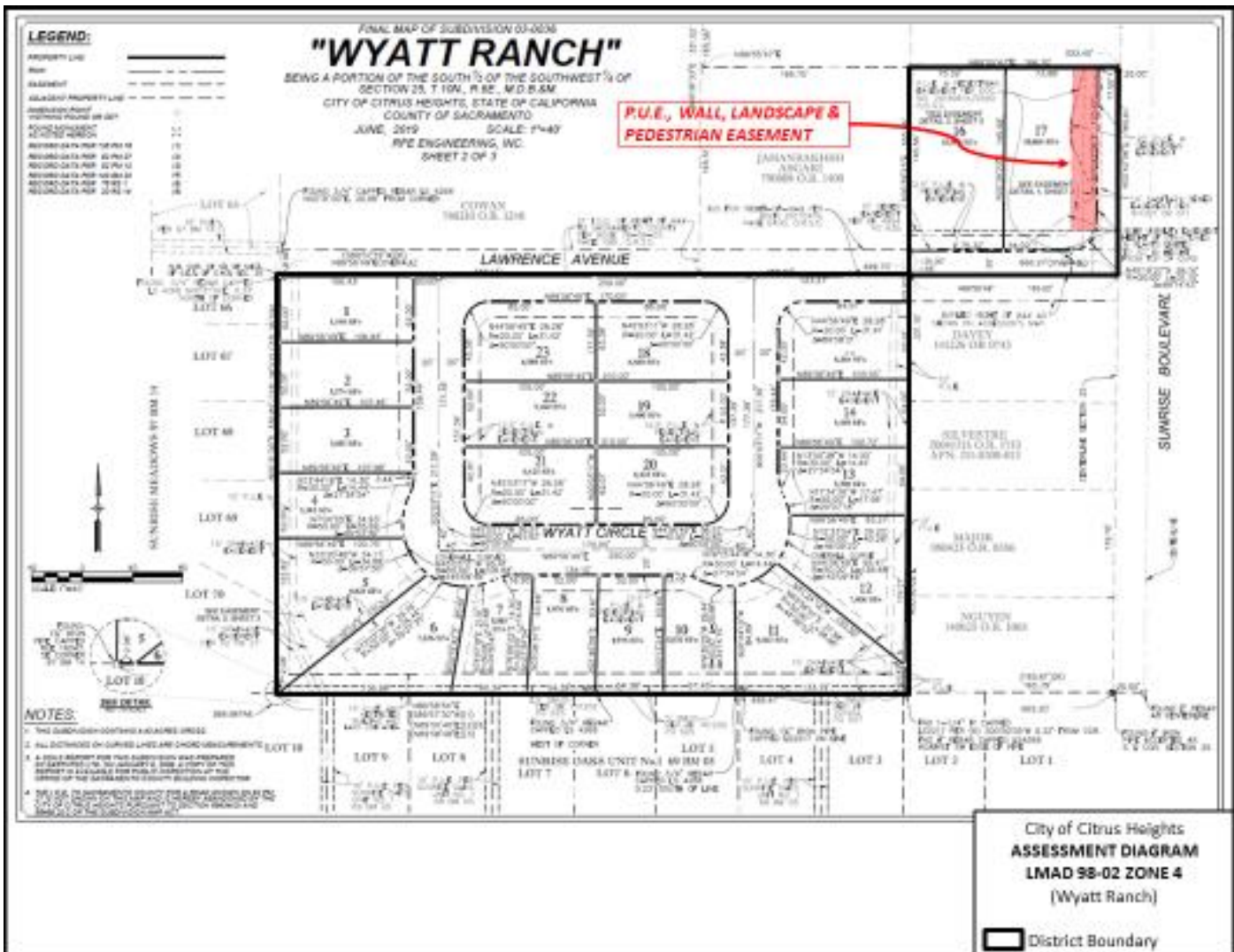


FIGURE 5.2**ASSESSMENT DISTRICT NO. 98-02
Zone 4 (Wyatt Ranch Subdivision)****MAINTENANCE SPECIFICATION**

- 1) Maintain trees and other plantings a minimum of once every two weeks along the Sunrise Boulevard frontage of the subdivision (P.U.E., Wall, Landscape and Pedestrian Easement). Maintain irrigation system & litter removal, weekly. Weed area a minimum of once every two weeks. Fertilize area a minimum of twice per year. Control infestation of fungus, diseases and/or insects. This item includes utilities (water & electricity), irrigation repair, landscaping materials (wood chips, chemicals, etc.), and replanting as needed.
- 2) Maintain masonry wall. Clean all graffiti from street-facing side of wall(s) as needed. Perform structural repairs/replacement as needed.
- 3) Maintain pedestrian pathway. Clean all graffiti as needed. Perform structural repairs/replacement as needed.

FIGURE 5.3
ASSESSMENT DISTRICT 98-02 ZONE 4

Fund and County DL 1170

<u>DESCRIPTION</u>		FY 22/23⁽¹⁾ ACTUAL	FY 23/24 ⁽²⁾ PROPOSED BUDGET
<u>ASSESSMENT RATES:</u>			
	Rate Per Parcel	\$ 401.06	\$ 401.06
	Total Number of Parcels	\$ 23.00	\$ 23.00
	Total Special Assessments	\$ 9,224.38	\$ 9,224.38
<u>REVENUE:</u>			
	Release from Maintenance/Repair Reserve Balance		
	Release from Facility Replacement Reserve Balance	\$ -	\$ -
	Interest on Fund Balance	\$ -	\$ -
	Special Assessments	\$ 762.70	\$ 9,224.38
	Other Revenue	\$ -	\$ -
	Total Revenue:	\$ 762.70	\$ 9,224.38
<u>EXPENDITURES:</u>			
	Materials and Supplies	\$ -	\$ -
	Advertising & Mail	\$ 322.51	\$ 325.00
	Utilities		\$ 300.00
	Professional Services	\$ -	\$ 50.00
	City Contract Landscape		\$ 1,000.00
	Cost Allocation (Overhead)		
	Total Expenditures:	\$ 322.51	\$ 1,675.00
<u>Annual Operating Balance</u>		\$ 440.19	\$ 7,549.38
	Transfer to Maintenance/Repair Reserve	\$ (440.19)	\$ (5,598.28)
	Transfer to Facility Replacement Reserve		\$ (1,866.10)
<u>Annual Ending Balance</u>		\$ -	\$ 85.00
<u>MAINTENANCE /REPAIR RESERVE</u>			
	Beginning Fund Balance (July 1st)	\$ -	\$ 440.19
	Release to Operating Revenue		\$ -
	Transfer from Operating Balance	\$ 440.19	\$ 5,598.28
	Ending Operating Reserve Balance (June 30th)	\$ 440.19	\$ 6,038.47
<u>FACILITY REPLACEMENT RESERVE</u>			
	Beginning Facility Replacement Balance (July 1st)	\$ -	\$ -
	Transfer from Operating Balance		\$ 1,866.10
	Ending Facility Replacement Balance (June 30th)	\$ -	\$ 1,866.10
	(1) No assessments or expenditures for FY 21/22; FY 22/23 is the first year assessments will be levied.		
	(2) Assessments and estimated expenditures for FY 22/23 derived from estimate contained in original Engineer's Report dated November 14, 2019		
\$xx.xx	Audited Fund Balance from previous Fiscal Year		

FIGURE 5.4
ASSESSMENT DISTRICT 98-02 ZONE 4
for WYATT RANCH

Tax Assessor's Number	Assessment Diagram #	Assessment Amount
211-0920-001-0000	1	\$ 401.06
211-0920-002-0000	2	\$ 401.06
211-0920-003-0000	3	\$ 401.06
211-0920-004-0000	4	\$ 401.06
211-0920-005-0000	5	\$ 401.06
211-0920-006-0000	6	\$ 401.06
211-0920-007-0000	7	\$ 401.06
211-0920-008-0000	8	\$ 401.06
211-0920-009-0000	9	\$ 401.06
211-0920-010-0000	10	\$ 401.06
211-0920-011-0000	11	\$ 401.06
211-0920-012-0000	12	\$ 401.06
211-0920-013-0000	13	\$ 401.06
211-0920-014-0000	14	\$ 401.06
211-0920-015-0000	15	\$ 401.06
211-0920-016-0000	16	\$ 401.06
211-0920-017-0000	17	\$ 401.06
211-0920-018-0000	18	\$ 401.06
211-0920-019-0000	19	\$ 401.06
211-0920-020-0000	20	\$ 401.06
211-0920-023-0000	21	\$ 401.06
211-0920-022-0000	22	\$ 401.06
211-0920-021-0000	23	\$ 401.06
23 Parcels; Total 98-02 Zone 4 Assessments is		\$ 9,224.38

ASSESSMENT DISTRICT 03-01 - ZONE 1 Stock Ranch NORTH (Auburn Commerce District)

GENERAL

This assessment district, first created in 2003, is for the maintenance of certain areas within and adjacent to the Stock Ranch development. All improvements are on public property.

Assessment District 03-01 has two service areas, Zones 1 and 2. The boundaries of Zone 1 are more particularly described on the Assessment Diagram contained in Figure 6.1.

Zone 1 (Auburn Commerce District) is responsible for the landscaping along Auburn Boulevard between San Tomas Drive and Raintree Drive (both sides of the street and the medians), sound walls (surface and structural maintenance) along the east and west sides of the development and the open space north of Arcade Creek including the drainage basins, pedestrian trails and bridge. The City is committed to the appearance of the development through proper maintenance of the plantings as well as periodic replacement of the plant materials. Additionally, the City also focuses on immediate abatement of graffiti on walls and other public structures.

The City maintains LMAD related landscape areas in and adjacent to public streets using City forces or those of contract providers. Facilities located in the open-space areas within the District are maintained by the Sunrise Park and Recreation District. Figure 6.2 describes the maintenance specifications for the district.

DISTRICT FINANCING/METHOD OF ASSESSMENT

As a condition of approval, the developer of the commercial zone of Stock Ranch development was required to establish a funding source to provide for ongoing maintenance of the landscaping and irrigation along Auburn Boulevard between San Tomas Drive and Raintree Drive (both sides of the street and the medians), sound walls (surface and structural maintenance) along the east and west sides of the development and the open space north of Arcade Creek including the drainage basins, pedestrian trails and bridge. Funding for the LMAD 03-01 Zone 1 is from annual assessments levied on property within the zone's assessment boundary (Figure 6.1) pursuant to the Landscaping and Lighting Act of 1972. By agreement, the developer of the Stock Ranch subdivisions installed and maintained all landscaping improvements described in this Engineer's Report until the City's acceptance.

The method used to spread the assessments for Zone 1 is as follows:

- Zone 1 consists of 67.20 total acres with 36.82 acres designated for commercial uses.
- The cost to maintain the improvements within Zone 1 is to be allocated as follows:
 1. The assessment for each parcel is calculated by multiplying the total developable acres, as shown in Figure 4.4, by the cost per acre.
 2. The assessment is subject to an annual adjustment not to exceed 4% beginning with FY 2004-2005.

METHOD OF ASSESSMENT:

An adjustment in the annual assessment rate per acre is proposed for Fiscal Year 2023/2024. As shown in Figure 6.3. “Summary Analysis”, the Fiscal Year 2023/2024 assessments for District 03-01 Zone 1 are proposed to increase by 3% (less than the maximum allowable 4%) by approximately \$2,555.70 per acre. These additional revenues are necessary to support the LMAD 03-01 Zone 1’s operations and maintenance, provided by the Sunrise Recreation and Park District and City forces, and to preserve existing operating and replacement reserves.

Figure 6.4 contains the Assessment Roll for A.D. 03-01 – Zone 1.

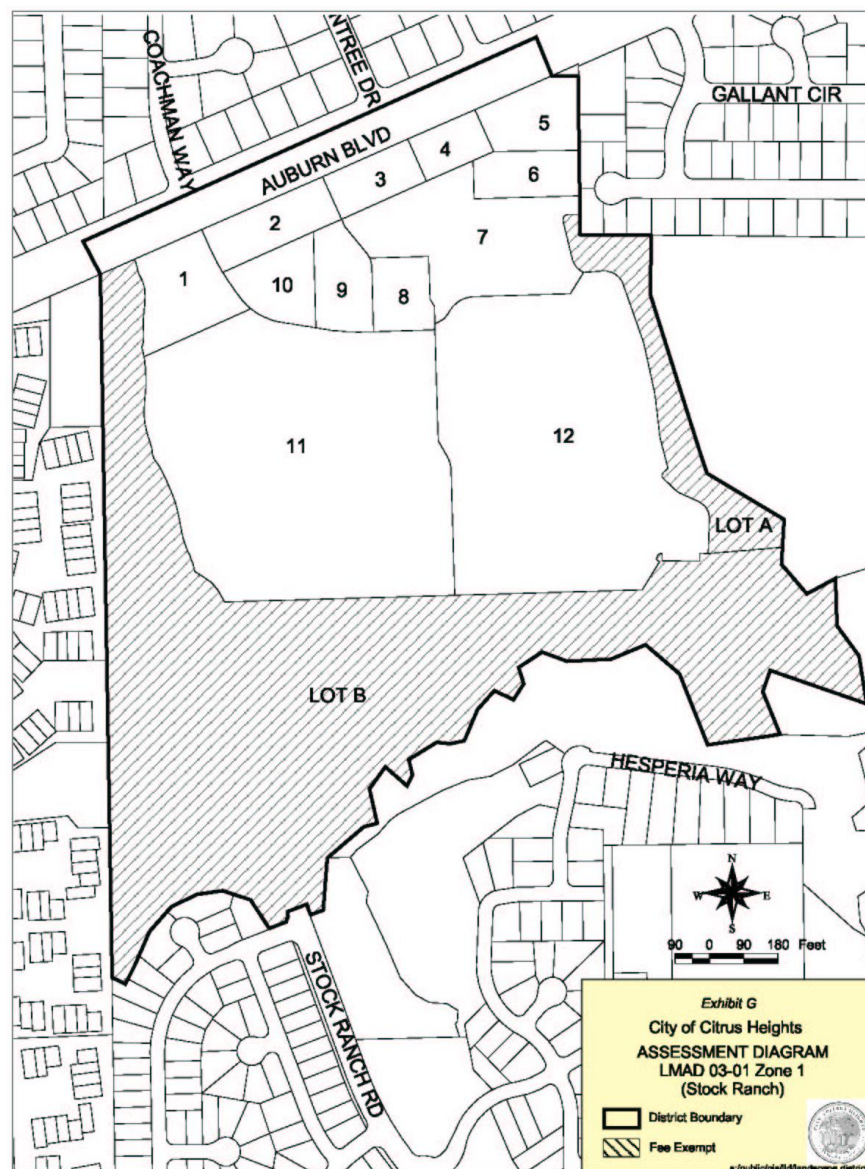
FIGURE 6.1

FIGURE 6.2**ASSESSMENT DISTRICT NO. 03-01
Zone 1****MAINTENANCE SPECIFICATION**

The following sections provide detailed explanations and describe the zone of benefit and the facilities to be maintained.

ZONE 1**Maintained by the City or City contractors:**

Landscaping north of Auburn Boulevard and within the median on Auburn Boulevard. On-going maintenance of the Auburn Boulevard landscape requires routine care of lawn, trees, shrubs and groundcover, including weed control, fertilization and litter removal.

Drainage facilities in the open space area next to the creek way include three detention basins and drain manholes which will require routine maintenance and include cleaning and clearing of debris.

Maintained by the Sunrise Parks and Recreation District

Masonry walls on the east and west side of the zone adjacent to open space areas. These walls require routine maintenance, including surface and structural maintenance and graffiti abatement.

Pedestrian circulation facilities in the Zone includes a pedestrian trail with lighting and benches and pedestrian bridge. The trail and benches will require routine maintenance and lighting along the trail will require period maintenance and replacement of bulbs.

FIGURE 6.3
ASSESSMENT DISTRICT 03-01 ZONE 1

286-75-296; County DL 0276

DESCRIPTION	FY 22/23** ACTUAL	FY 23/24 PROPOSED BUDGET
ASSESSMENT RATES:		
Rate Per Acre	\$ 2,481.28	\$ 2,555.70
Total Number of Acres (12 Parcels)	36.82	36.82
Total Special Assessments***	\$ 91,360.73	\$ 94,100.80
REVENUE:		
Release from Fund Balance	\$ -	\$ -
Interest on Fund Balance	\$ 13,197.51	\$ -
Special Assessments	\$ 91,327.80	\$ 94,100.80
Contributions	\$ -	\$ -
Other Revenue	\$ -	\$ -
Total Revenues:	\$ 104,525.31	\$ 94,100.80
EXPENDITURES:		
Advertising	\$ 430.01	\$ 361.00
Utilities - Electrical	\$ 2,063.60	\$ 2,472.00
Utilities - Water	\$ 2,630.44	\$ 2,678.00
Professional Services (includes SRPD Services)	\$ 76,783.91	\$ 80,340.00
Contract - Repairs & Extra Work	\$ 770.70	\$ -
Contract - Landscape Maintenance	\$ 17,568.00	\$ 21,574.00
Contract - Bus Stop Maintenance	\$ 4,833.00	\$ 5,000.00
Contract - Materials & Supplies	\$ -	\$ -
Cost Allocation (Overhead)	\$ 3,605.00	\$ 3,713.00
Total Uses of Funds:	\$ 108,684.66	\$ 116,138.00
Annual Operating Balance	\$ (4,159.35)	\$ (22,037.20)
Transfer to/from Operating Reserve	\$ 4,159.35	\$ 22,037.20
Annual Ending Balance	\$ -	\$ -
OPERATING RESERVE		
Beginning Operating Reserve Balance (July 1st)	\$ 825,784.89	\$ 821,625.54
Operating Reserve Set-aside	\$ -	\$ -
Transfer from (to) Annual Operating Balance	\$ (4,159.35)	\$ (22,037.20)
Ending Operating Reserve Balance (June 30th)	\$ 821,625.54	\$ 799,588.34
FACILITY REPLACEMENT RESERVE		
Beginning Facility Replacement Balance (July 1st)	\$ 392,535.00	\$ 392,535.00
Facility Replacement Set-aside	\$ -	\$ -
Replacement Project Cost	\$ -	\$ -
Ending Facility Replacement Balance (June 30th)	\$ 392,535.00	\$ 392,535.00
MAINTENANCE RESERVE	\$ 429,090.54	\$ 407,053.34
** Recorded actual expenses for the first 3 quarters of the current Fiscal Year plus projection for the 4th		
\$xx.xx Audited Fund Balance from previous Fiscal Year		
*** Total Assessment adjusted down per Sac County Assessor Requirements		

FIGURE 6.4**ASSESSMENT DISTRICT 03-01 ZONE 1
for Auburn Commerce District**

Tax Assessor's Number	Assessment Diagram #	Area (acres)	Amount per Acre	Total Assessment
211 0870 012 0000	1	1.44	\$ 2,555.70	\$ 3,680.20
211 0870 011 0000	2	1.1	\$ 2,555.70	\$ 2,811.26
211 0870 007 0000	3	0.78	\$ 2,555.70	\$ 1,993.44
211 0870 006 0000	4	0.61	\$ 2,555.70	\$ 1,558.98
211 0870 005 0000	5	1.06	\$ 2,555.70	\$ 2,709.04
211 0870 004 0000	6	0.81	\$ 2,555.70	\$ 2,070.12
211 0870 003 0000	7	3.55	\$ 2,555.70	\$ 9,072.74
211 0870 008 0000	8	0.76	\$ 2,555.70	\$ 1,942.32
211 0870 009 0000	9	0.98	\$ 2,555.70	\$ 2,504.58
211 0870 010 0000	10	0.98	\$ 2,555.70	\$ 2,504.58
211 0870 001 0000	11	13.19	\$ 2,555.70	\$ 33,709.68
211 0870 002 0000	14	11.56	\$ 2,555.70	\$ 29,543.88
14 Parcels; Total 03-01 Zone 1 Assessments is				\$ 94,100.80

ASSESSMENT DISTRICT 03-01 - ZONE 2 Stock Ranch SOUTH

GENERAL

This assessment district, first created in 2003, is for the maintenance of certain areas within and adjacent to the Stock Ranch development. All improvements are on public property.

Assessment District 03-01 has two service areas, Zones 1 and 2. On July 13, 2006 the City Council approved the annexation of Phases 3 and 4 of the Stock Ranch Residential development into Zone 2. The boundaries of Zone 2 are more particularly described on the Assessment Diagram contained in Figure 7.1.

Zone 2 is responsible for the open space on the south side of Arcade Creek and along the north side of Stock Ranch Road, the landscape strip along the north side of Stock Ranch Road (Sol Way to Woodside Drive), the pedestrian trails and park facilities, a future median in Stock Ranch Road, east of the roundabout, and a future landscape strip along the south side of Stock Ranch Road. The City is committed to the appearance of the development through proper maintenance of the plantings as well as periodic replacement of the plant materials. Additionally, the City also focuses on immediate abatement of graffiti on walls and other public structures.

The City maintains LMAD related landscape areas in and adjacent to public streets using City forces or those of contract providers. Facilities located in the open-space areas within the District are maintained by the Sunrise Park and Recreation District. Figure 7.2 describes the maintenance specifications for the district.

DISTRICT FINANCING/METHOD OF ASSESSMENT

As a condition of approval, the developer of the commercial zone of Stock Ranch development was required to establish a funding source to provide for ongoing maintenance of open space on the south side of Arcade Creek and along the north side of Stock Ranch Road, the landscape strip along the north side of Stock Ranch Road (Sol Way to Woodside Drive), the pedestrian trails and park facilities, a future median in Stock Ranch Road, east of the roundabout, and a future landscape strip along the south side of Stock Ranch Road. Funding for the District is from annual assessments levied on properties within the zone's assessment boundary (Figure 7.1) pursuant to the Landscaping and Lighting Act of 1972. The original annual assessment adopted for District 03-01 Zone 2, upon formation in FY 2003/2004 was \$82.42 per single-family residential parcel and \$411.86 per acre of undeveloped/commercial property.

The formation of this district also included a cost of living adjustment provision. Should the cost of landscape maintenance activities and utilities rise, this provision allows for the City of Citrus Heights to increase the annual assessment by an amount not exceed a maximum of four percent 4% per year.

ANNUAL ASSESSMENT:

Initially LMAD 03-01 Zone 2, was fully funded by its assessments. However, in recent years continued increases in the costs of regular maintenance activities and utilities have resulted in the annual expenses exceeding the annual assessment revenue and operating reserves being depleted

to make up the difference. As a result, in FY 2021/2022 and FY 2022/2023, the City of Citrus Heights utilized the cost of living increase provision and increased the annual assessment by 4% and 3%, respectively.

Annual adjustments in the assessment rate are proposed for Fiscal Year 2023/2024. As shown in Figure 7.3. “Summary Analysis”, the Fiscal Year 2023/2024 assessments for District 03-01 Zone 2 are again proposed to increase by 3% (less than the maximum allowable 4%) over the rates charged in FY 2022/2023. This represents increases of approximately \$90.92 per residential parcel and \$454.40 per acre of undeveloped/commercial land. These additional revenues are necessary to support the extensive maintenance needs for the District, provided by the Sunrise Recreation and Park District as well as the City through contract services.

Figure 7.4 contains the Assessment Roll for A.D. 03-01 – Zone 2.

FIGURE 7.1

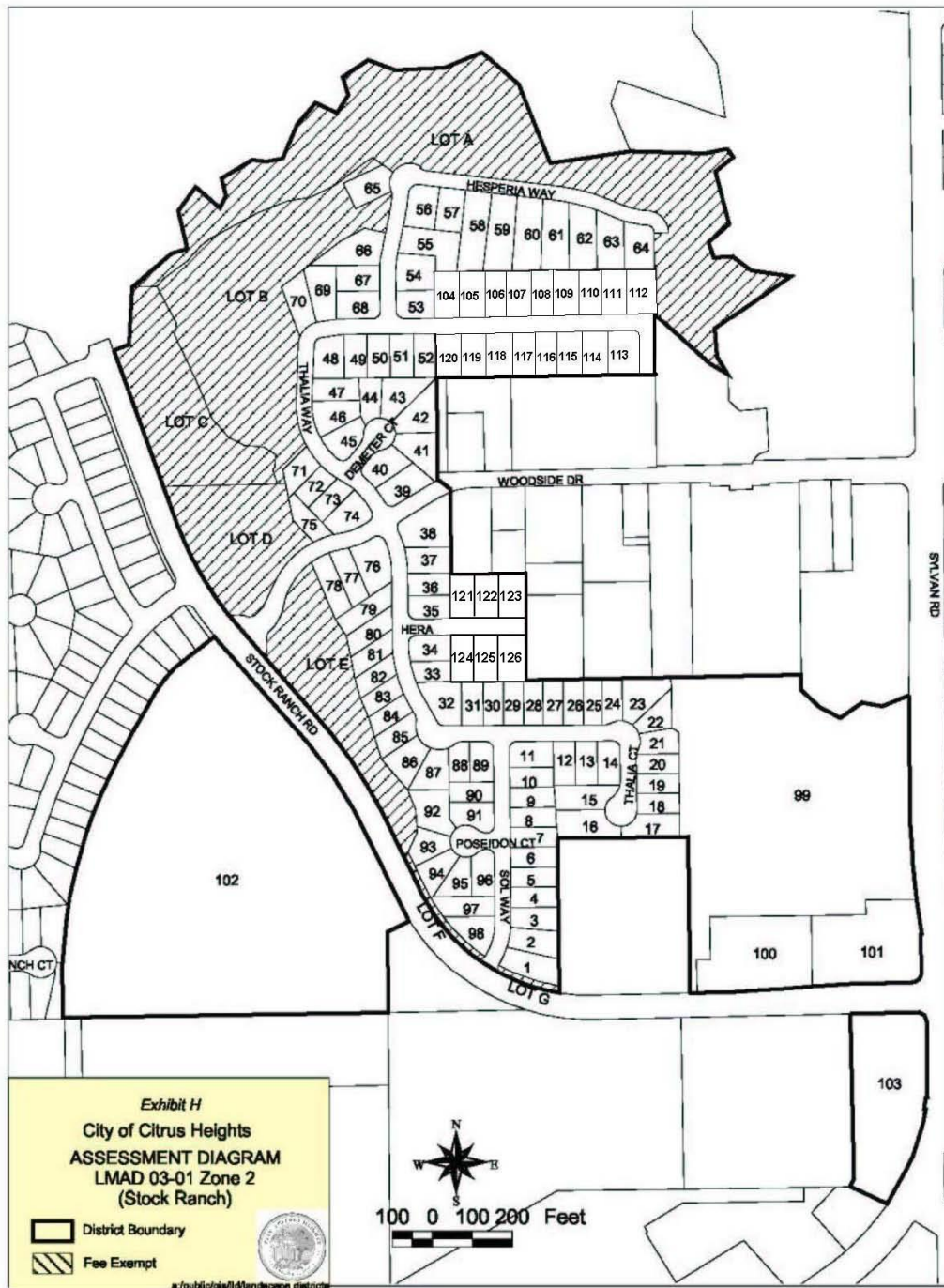


FIGURE 7.2**ASSESSMENT DISTRICT NO. 03-01
Zone 2****MAINTENANCE SPECIFICATION**

The following sections provide detailed explanations and describe the zone of benefit and the facilities to be maintained.

ZONE 2**Maintained by the City or City contractors:**

Along the north side of Stock Ranch Road, the landscaping and irrigation of land within the 15-foot landscape corridor shall be maintained and repaired as necessary. The street frontage landscape includes lawn, trees, shrubs and groundcover. Ongoing street frontage maintenance requires weekly care of the lawn, trees, shrubs and groundcover including weed control, fertilization, pruning and litter removal.

A future median in Stock Ranch Road between Fountain Square Drive and Sol Way and a landscape corridor along the south side of Stock Ranch Road, east of Fountain Square Drive will also be maintained. Once construction is complete, maintenance of these future improvements will begin following a required plant establishment period.

Maintained by the Sunrise Parks and Recreation District:

Zone 2 includes maintenance of the open space area south of Arcade Creek and within the open space parcels located immediately east of Stock Ranch Road. Routine maintenance includes pruning, tree and shrub maintenance and weed abatement adjacent to homes within the District. A post and cable fence between Stock Ranch Road and the open space parcels will require periodic maintenance and replacement.

Pedestrian circulation facilities in the Zone include a pedestrian trail that requires routine maintenance.

FIGURE 7.3
ASSESSMENT DISTRICT 03-01 ZONE 2

287-75-297; County DL 0278

<u>DESCRIPTION</u>	FY 22/23** ACTUAL	FY 23/24 PROPOSED BUDGET
<u>ASSESSMENT RATES:</u>		
Rate Per Parcel (Residential)	\$ 88.28	\$ 90.92
Total Number of Residential Parcels	121	121
Sub-Total A	\$ 10,681.88	\$ 11,001.32
Rate Per Acre (Commercial/Undeveloped)	\$ 441.18	\$ 454.40
Total Number of Acres (5 Parcels)***	22.7	22.7
Sub-Total B	\$ 10,014.78	\$ 10,532.96
Total Special Assessments (A+B)	\$ 20,696.66	\$ 21,534.28
<u>REVENUE:</u>		
Release from Fund Balance	\$ -	\$ -
Interest on Fund Balance	\$ 350.38	\$ -
Special Assessments	\$ 20,727.54	\$ 21,534.28
Contributions	\$ -	\$ -
Other Revenue	\$ -	\$ -
Total Revenues:	\$ 21,077.92	\$ 21,534.28
<u>EXPENDITURES:</u>		
Advertising	\$ 430.01	\$ 361.00
Utilities - Electric	\$ 736.68	\$ 773.00
Utilities - Water	\$ 1,715.27	\$ 2,472.00
Professional Services (includes SRPD Services)	\$ 1,316.18	\$ 10,000.00
Contract - Landscape Maintenance	\$ 11,016.00	\$ 3,750.00
Contract - Repairs, Tree Trimming & Extra Work	\$ 454.35	\$ -
Cost Allocation (Overhead)	\$ 3,273.00	\$ 3,371.00
Total Expenditures:	\$ 18,941.49	\$ 20,727.00
Annual Operating Balance	\$ 1,786.05	\$ 807.28
Transfer to/from Operating Reserve	\$ -	\$ -
Annual Ending Balance	\$ 1,786.05	\$ 807.28
<u>OPERATING RESERVE</u>		
Beginning Fund Balance (July 1st)	\$ 22,677.54	\$ 24,813.97
Operating Reserve Set-a-side	\$ 21,077.92	\$ 21,534.28
Transfer from (to) Annual Operating Balance	\$ 18,941.49	\$ 20,727.00
Ending Operating Reserve Balance (June 30th)	\$ 24,813.97	\$ 25,621.25
<u>FACILITY REPLACEMENT RESERVE</u>		
Beginning Facility Replacement Balance (July 1st)	\$ -	\$ -
Annual Replacement Set-aside	\$ -	\$ -
Subtract Replacement Project Cost	\$ -	\$ -
Ending Facility Replacement Balance (June 30th)	\$ -	\$ -
MAINTENANCE RESERVE	\$ 24,813.97	\$ 25,621.25
** Recorded actual expenses for the first 3 quarters of the current Fiscal Year plus projection for the 4th		
\$xx.xx Audited Fund Balance from previous Fiscal Year		
*** estimated acreage to be verified with County Assessors		

FIGURE 7.4
ASSESSMENT DISTRICT 03-01 ZONE 2 for STOCK RANCH

Tax Assessor's Number				Assessment Diagram #	Assessment Amount		Tax Assessor's Number				Assessment Diagram #	Assessment Amount
243	0590	026	0000	1	\$ 90.92		211	0880	003	0000	50	\$ 90.92
243	0590	027	0000	2	\$ 90.92		211	0880	004	0000	51	\$ 90.92
243	0590	028	0000	3	\$ 90.92		211	0880	005	0000	52	\$ 90.92
243	0590	029	0000	4	\$ 90.92		211	0880	006	0000	53	\$ 90.92
243	0590	030	0000	5	\$ 90.92		211	0880	007	0000	54	\$ 90.92
243	0590	031	0000	6	\$ 90.92		211	0880	008	0000	55	\$ 90.92
243	0590	032	0000	7	\$ 90.92		211	0880	009	0000	56	\$ 90.92
243	0590	033	0000	8	\$ 90.92		211	0880	010	0000	57	\$ 90.92
243	0590	034	0000	9	\$ 90.92		211	0880	011	0000	58	\$ 90.92
243	0590	035	0000	10	\$ 90.92		211	0880	012	0000	59	\$ 90.92
243	0590	036	0000	11	\$ 90.92		211	0880	013	0000	60	\$ 90.92
243	0590	037	0000	12	\$ 90.92		211	0880	014	0000	61	\$ 90.92
243	0590	038	0000	13	\$ 90.92		211	0880	015	0000	62	\$ 90.92
243	0590	039	0000	14	\$ 90.92		211	0880	016	0000	63	\$ 90.92
243	0590	040	0000	15	\$ 90.92		211	0880	017	0000	64	\$ 90.92
243	0590	041	0000	16	\$ 90.92		211	0880	018	0000	65	\$ 90.92
243	0590	042	0000	17	\$ 90.92		211	0880	019	0000	66	\$ 90.92
243	0590	043	0000	18	\$ 90.92		211	0880	020	0000	67	\$ 90.92
243	0590	044	0000	19	\$ 90.92		211	0880	021	0000	68	\$ 90.92
243	0590	045	0000	20	\$ 90.92		211	0880	022	0000	69	\$ 90.92
243	0590	046	0000	21	\$ 90.92		211	0880	023	0000	70	\$ 90.92
243	0590	047	0000	22	\$ 90.92		243	0590	073	0000	71	\$ 90.92
243	0590	048	0000	23	\$ 90.92		243	0590	074	0000	72	\$ 90.92
243	0590	049	0000	24	\$ 90.92		243	0590	075	0000	73	\$ 90.92
243	0590	050	0000	25	\$ 90.92		243	0590	001	0000	74	\$ 90.92
243	0590	051	0000	26	\$ 90.92		243	0590	002	0000	75	\$ 90.92
243	0590	052	0000	27	\$ 90.92		243	0590	003	0000	76	\$ 90.92
243	0590	053	0000	28	\$ 90.92		243	0590	004	0000	77	\$ 90.92
243	0590	054	0000	29	\$ 90.92		243	0590	005	0000	78	\$ 90.92
243	0590	055	0000	30	\$ 90.92		243	0590	006	0000	79	\$ 90.92
243	0590	056	0000	31	\$ 90.92		243	0590	007	0000	80	\$ 90.92
243	0590	057	0000	32	\$ 90.92		243	0590	008	0000	81	\$ 90.92
243	0590	058	0000	33	\$ 90.92		243	0590	009	0000	82	\$ 90.92
243	0590	059	0000	34	\$ 90.92		243	0590	010	0000	83	\$ 90.92
243	0590	060	0000	35	\$ 90.92		243	0590	011	0000	84	\$ 90.92
243	0590	061	0000	36	\$ 90.92		243	0590	012	0000	85	\$ 90.92
243	0590	062	0000	37	\$ 90.92		243	0590	013	0000	86	\$ 90.92
243	0590	063	0000	38	\$ 90.92		243	0590	014	0000	87	\$ 90.92
243	0590	064	0000	39	\$ 90.92		243	0590	015	0000	88	\$ 90.92
243	0590	065	0000	40	\$ 90.92		243	0590	016	0000	89	\$ 90.92
243	0590	066	0000	41	\$ 90.92		243	0590	017	0000	90	\$ 90.92
243	0590	067	0000	42	\$ 90.92		243	0590	018	0000	91	\$ 90.92
243	0590	068	0000	43	\$ 90.92		243	0590	019	0000	92	\$ 90.92
243	0590	069	0000	44	\$ 90.92		243	0590	020	0000	93	\$ 90.92
243	0590	070	0000	45	\$ 90.92		243	0590	021	0000	94	\$ 90.92
243	0590	071	0000	46	\$ 90.92		243	0590	022	0000	95	\$ 90.92
243	0590	072	0000	47	\$ 90.92		243	0590	023	0000	96	\$ 90.92
211	0590	001	0000	48	\$ 90.92		243	0590	024	0000	97	\$ 90.92
211	0880	002	0000	49	\$ 90.92		243	0590	025	0000	98	\$ 90.92

ASSESSMENT DISTRICT 03-01 ZONE 2 for STOCK RANCH

Tax Assessor's Number				Assessment Diagram #	Assessment Amount
211	0880	026	0000	104	\$ 90.92
211	0880	027	0000	105	\$ 90.92
211	0880	028	0000	106	\$ 90.92
211	0880	029	0000	107	\$ 90.92
211	0880	030	0000	108	\$ 90.92
211	0880	031	0000	109	\$ 90.92
211	0880	032	0000	110	\$ 90.92
211	0880	033	0000	111	\$ 90.92
211	0880	034	0000	112	\$ 90.92
211	0880	035	0000	113	\$ 90.92
211	0880	036	0000	114	\$ 90.92
211	0880	037	0000	115	\$ 90.92
211	0880	038	0000	116	\$ 90.92
211	0880	039	0000	117	\$ 90.92
211	0880	040	0000	118	\$ 90.92
211	0880	041	0000	119	\$ 90.92
211	0880	042	0000	120	\$ 90.92
211	0590	081	0000	121	\$ 90.92
211	0590	082	0000	122	\$ 90.92
211	0590	083	0000	123	\$ 90.92
211	0590	084	0000	124	\$ 90.92
211	0590	085	0000	125	\$ 90.92
211	590	086	0000	126	\$ 90.92
Sub-total Assessment on 121 Residential Parcels; 03-01 Zone 2 =					\$ 11,001.32

ASSESSMENT DISTRICT 03-01 – ZONE 2 (COMMERCIAL PARCELS)

Revised Tax Assessor's Number*	Assessment Diagram #	Area (acres)	Amount per Acre	Total Assessment
243 0010 0045 0000	99	8.00	\$ 454.40	\$ 3,635.20
243 0010 051 0000	100	0.55	\$ 454.40	\$ 249.92
243 0010 050 0000	101	1.77	\$ 454.40	\$ 804.28
243 0010 027 0000**	102	11.08	\$ 454.40	\$ 5,034.74
243 0020 051 0000	103	1.78	\$ 454.40	\$ 808.82
Sub-total Assessment on 5 Commercial Parcels in 03-01, Zone 2 =				\$ 10,532.96
*based on current county parcel viewer data; reflects lot splits and new assigned parcel numbers				
**no change to parcel number.				

ASSESSMENT DISTRICT 03-01 – Zone 3 (Mitchell Farms Subdivision)

GENERAL

Landscape Maintenance Assessment District (LMAD) 03-01, Zone 3 (Mitchell Farms Subdivision), first created by City Council action on April 23, 2020, is located east of Sunrise Boulevard, north of Arcadia Drive, and west of Fair Oaks Boulevard. This LMAD provides for the maintenance of a large open-space lot within the Mitchell Farms Subdivision development and landscaping within a roundabout on Arcadia Drive. All improvements are on public property. There are 258 residential parcels in this district, whose boundaries are more particularly described on the Assessment Diagram contained in Figure 8.1.

This subdivision of land, covered by Zone 3, includes 258 residential lots, one public park lot (Lot A) and 51 common area and alley lots owned and maintained by the Home Owners Association (HOA). Upon recordation of the Final Map and completion of the construction of the park improvements, Lot A will be dedicated to Sunrise Recreation and Parks District (SRPD).

To supplement the available funding for the long-term maintenance and replacement costs for the improvements within Lot A and the landscaping and irrigation within the new Arcadia Drive roundabout, the development was conditioned to create a new Landscape Maintenance Assessment District (LMAD).

Public amenities in Zone 3, to be maintained on an annual basis with this LMAD funding, include trees, natural grasses, irrigation systems, pedestrian/bike pathways, pathway lighting and bridges within the open-space lot (Lot A) and landscaping and irrigation system within the Arcadia Drive roundabout. On-going maintenance of the landscaped areas require routine care of trees, shrubs, and groundcover, including weed control, fertilization, mulch replacement, litter removal and irrigation systems. The pedestrian pathways and associated bridges require routine maintenance, including surface and structural maintenance, maintenance and repairs of pathway lighting and graffiti abatement.

In addition to regular annual maintenance, the facilities in Zone 3 (pedestrian/bike pathway, bridges, pathway lighting system, irrigation system, and roundabout landscape and irrigation) require periodic major repairs and/or replacement. Zone 3 provides a funding set-aside for long-term capital replacement of these items.

Figure 8.2 contains a detailed listing of items to be maintained and/or replacement of each of the items. City and the SRPD perform/manage the maintenance for the LMAD using its own forces or those of contract providers.

DISTRICT FINANCING/METHOD OF ASSESSMENT

As a condition of approval, the developer of the single family Mitchell Farms Subdivision was required to establish a funding source to provide for ongoing maintenance of the landscaping include trees, natural grasses, irrigation systems, pedestrian/bike pathways, pathway lighting and bridges within the open-space lot (Lot A) and landscaping and irrigation system within the Arcadia Drive roundabout. The funding for LMAD 03-01, Zone 3 will be from annual assessments levied on property within the zone's assessment boundary (Figure 8.1), pursuant to the Landscaping and Lighting Act of 1972. Because each of the single-family lots within the zone was created as a result of compliance with this condition, each lot benefits in the same proportion. Therefore, the assessment costs are allocated on a per parcel basis for all assessment diagram parcels located in the Assessment District that qualified as a buildable single-family parcel per the current City of Citrus Heights Zoning Ordinances.

The method used to spread the initial assessments for each lot are as follows:

- Zone 3 consists 258 residential lots, 30 lettered HOA landscape lots, 20 alley lots, and one public park lot (Lot A).
- The costs of the maintenance for the improvements within Mitchell Farms are to be allocated as follows:
- The assessment for each Assessor's Parcel is calculated by dividing the total annual cost, by the total number of residential lots within the subdivision. As follows: Annual cost/number of lots = Annual cost of \$88,851.20 divided by 258 lots = \$344.38 per lot per year.
- The formation of this district also included a cost of living adjustment provision. Should the cost of landscape maintenance activities and utilities rise, this provision allows for the City of Citrus Heights to increase the annual assessment by an amount not exceed a maximum of four percent 4% per year.

The development is currently under construction, so the developer has agreed to maintain the landscaped areas and other features until the proposed improvements are formally accepted by the agencies (Sunrise Recreation and Parks District for Lot A and the City of Citrus Heights for the Arcadia Drive roundabout).

ANNUAL ASSESSMENT

The district's Maintenance Summary is contained in Figure 8.3. The Fiscal Year 2023/2024 assessments proposed for District 03-01, Zone 3 are proposed to remain the same as Fiscal Year 2021/2022. **No annual adjustments are proposed for Fiscal Year 2023/2024.**

The district's Assessment Roll is contained in Figure 8.4.

BOUNDARY DESCRIPTION OF AREA TO BE MAINTAINED

All that real property situated in the City of Citrus Heights, County of Sacramento, State of California, which is further described as follows:

Lot A of the Mitchell Farms Subdivision and the adjacent Arcadia Drive roundabout; more particularly described on the Assessment Diagram contained in Figure 8.1.

FIGURE 8.1

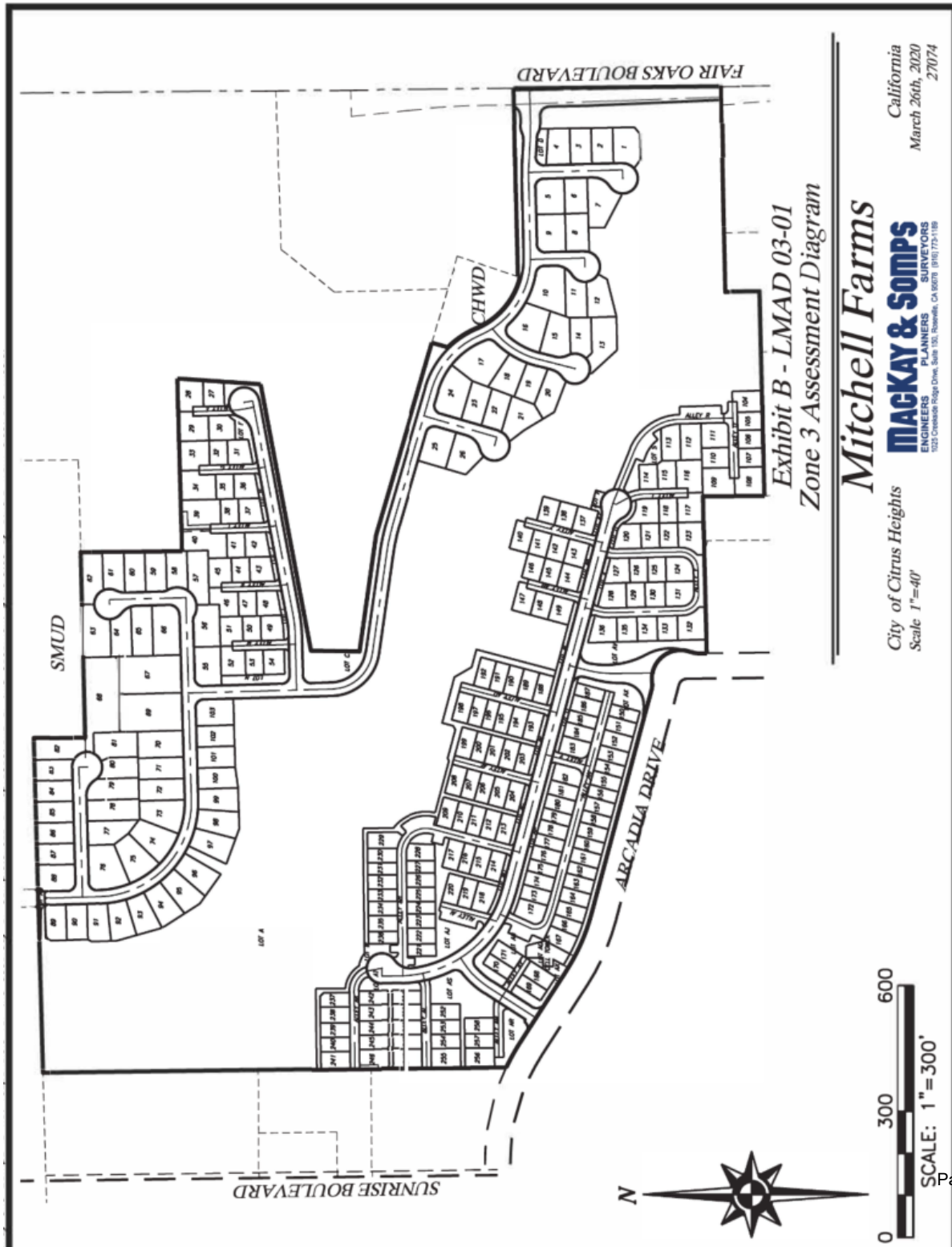


FIGURE 8.2**ASSESSMENT DISTRICT NO. 03-01
Zone 3 (Mitchell Farms Subdivision)****MAINTENANCE SPECIFICATION**

- 1) Maintain pedestrian pathway (Lot A). Clean all graffiti as needed. Perform structural repairs/replacement as needed. This item includes repair and materials to maintain the light bollards along the pathway.
- 2) Maintain pedestrian pathway bridges (Lot A). Clean all graffiti as needed. Perform structural repairs/replacement to hand rails, deck, abutments and other bridge appurtenances as needed.
- 3) Maintain the creek open space (Lot A). Keep the existing creek open space free from debris to assure flow of Arcade Creek, maintain irrigation system and regular inspection and pruning for health of all trees (including planted mitigation trees), Mow open-space as needed for fuel-load management and appearance.
- 4) Maintain trees and other plantings a minimum of once every two weeks in the planters (center of roundabout and three approach islands) at the Arcadia Drive roundabout. Maintain irrigation system as needed to ensure proper operation and optimum health of the plantings. Weed area a minimum of once every two weeks. Fertilize area a minimum of twice per year. Control infestation of fungus, diseases and/or insects. This item includes irrigation repair, landscaping materials (wood chips, chemicals, etc.), and replanting as needed.

FIGURE 8.3
ASSESSMENT DISTRICT 03-01 ZONE 3

296-75-289; County DL1128

<u>DESCRIPTION</u>		FY 22/23 ⁽¹⁾ ACTUAL	FY 23/24 ⁽²⁾ PROPOSED BUDGET
ASSESSMENT RATES:			
	Rate Per Parcel	\$344.38	\$344.38
	Total Number of Parcels	258	258
	Total Special Assessments	\$88,850.04	\$88,850.04
REVENUE:			
	Release from Maintenance/Repair Reserve Balance	\$0.00	\$0.00
	Release from Facility Replacement Reserve Balance	\$0.00	\$0.00
	Interest on Fund Balance	\$1,644.08	\$0.00
	Special Assessments	\$87,319.10	\$88,850.04
	Contributions (SRPD Participation)	\$0.00	\$35,000.00
	Other Revenue	\$0.00	\$0.00
	Total Revenue:	\$88,963.18	\$123,850.04
EXPENDITURES:			
	Materials and Supplies	\$0.00	\$0.00
	Advertising & Mail	\$430.01	\$365.00
	Utilities	\$0.00	\$150.00
	Professional Services (Cnty Tax Collection fees)	\$0.00	\$150.00
	City Contract Landscape	\$0.00	\$1,200.00
	SRPD Maintenance	\$0.00	\$32,000.00
	Cost Allocation* (Overhead)	\$0.00	\$0.00
	Maintenance/Repair Annual Accrual ⁽³⁾	\$5,349.85	\$5,349.85
	Facility Replacement Annual Accrual ⁽³⁾	\$51,416.42	\$51,416.42
	Total Expenditures:	\$57,196.28	\$90,631.27
Annual Operating Balance		\$31,766.90	\$33,218.77
	Transfer to Maintenance/Repair Reserve	-\$31,766.90	-\$33,218.77
Annual Ending Balance		\$0.00	\$0.00
ACCRUAL SUMMARY			
MAINTENANCE/REPAIR RESERVE			
	Beginning Maintenance/Repair Reserve Balance (7/1)	\$ 87,655.63	\$119,422.53
	Release to Revenue (to cover annual operating costs)	\$0.00	\$0.00
	Maintenance/Repair Reserve Annual Accrual	\$5,349.85	\$5,349.85
	Transfer from Annual Operating Balance	\$31,766.90	\$33,218.77
	Ending Maintenance/Repair Reserve Balance (6/30)	\$119,422.53	\$152,641.30
FACILITY REPLACEMENT RESERVE			
	Beginning Facility Replacement Reserve Balance (7/1)	\$51,416.42	\$102,832.84
	Release to Revenue (for scheduled facility replacement)	\$0.00	\$0.00
	Facility Replacement Annual Accrual	\$51,416.42	\$51,416.42
	Ending Facility Replacement Reserve Balance (6/30)	\$102,832.84	\$154,249.26
(1) Assessments and expenditures for FY 22/23 reflect partial year maintenance.			
(2) Assessments and expenditures for FY 23/24 based on first full year of City and SRPD maintenance.			
(3) Annual set-aside amounts from Exhibits D1 & D2 in original Engineer's Report dated April 23, 2020.			
\$xx.xx	Audited Fund Balance from previous Fiscal Year		

FIGURE 8.4**A.D. 03-01, Zone 3 Assessment Roll Mitchell Farms**

A.D. 03-01, Zone 3 Assessment Roll					
Assessor's Number	Tax Assessment Diagram #	Assessment	Assessor's Number	Tax Assessment Diagram #	Assessment
243-0600-001-0000	1	344.38	243-0610-020-0000	46	344.38
243-0600-002-0000	2	344.38	243-0610-021-0000	47	344.38
243-0600-003-0000	3	344.38	243-0610-022-0000	48	344.38
243-0600-004-0000	4	344.38	243-0610-023-0000	49	344.38
243-0600-005-0000	5	344.38	243-0610-024-0000	50	344.38
243-0600-006-0000	6	344.38	243-0610-025-0000	51	344.38
243-0600-007-0000	7	344.38	243-0610-026-0000	52	344.38
243-0600-008-0000	8	344.38	243-0610-027-0000	53	344.38
243-0600-009-0000	9	344.38	243-0610-028-0000	54	344.38
243-0600-010-0000	10	344.38	243-0610-029-0000	55	344.38
243-0600-011-0000	11	344.38	243-0610-030-0000	56	344.38
243-0600-012-0000	12	344.38	243-0610-031-0000	57	344.38
243-0600-013-0000	13	344.38	243-0610-032-0000	58	344.38
243-0600-014-0000	14	344.38	243-0610-033-0000	59	344.38
243-0600-015-0000	15	344.38	243-0610-034-0000	60	344.38
243-0600-016-0000	16	344.38	243-0610-035-0000	61	344.38
243-0600-017-0000	17	344.38	243-0610-036-0000	62	344.38
243-0600-018-0000	18	344.38	243-0610-037-0000	63	344.38
243-0600-019-0000	19	344.38	243-0610-038-0000	64	344.38
243-0600-020-0000	20	344.38	243-0610-039-0000	65	344.38
243-0600-021-0000	21	344.38	243-0610-040-0000	66	344.38
243-0600-022-0000	22	344.38	243-0610-041-0000	67	344.38
243-0600-023-0000	23	344.38	243-0610-042-0000	68	344.38
243-0600-024-0000	24	344.38	243-0610-043-0000	69	344.38
243-0600-025-0000	25	344.38	243-0610-044-0000	70	344.38
243-0600-026-0000	26	344.38	243-0610-045-0000	71	344.38
243-0610-001-0000	27	344.38	243-0610-046-0000	72	344.38
243-0610-002-0000	28	344.38	243-0610-047-0000	73	344.38
243-0610-003-0000	29	344.38	243-0610-048-0000	74	344.38
243-0610-004-0000	30	344.38	243-0610-049-0000	75	344.38
243-0610-005-0000	31	344.38	243-0610-050-0000	76	344.38
243-0610-006-0000	32	344.38	243-0610-051-0000	77	344.38
243-0610-007-0000	33	344.38	243-0610-052-0000	78	344.38
243-0610-008-0000	34	344.38	243-0610-053-0000	79	344.38
243-0610-009-0000	35	344.38	243-0610-054-0000	80	344.38
243-0610-010-0000	36	344.38	243-0610-055-0000	81	344.38
243-0610-011-0000	37	344.38	243-0610-056-0000	82	344.38
243-0610-012-0000	38	344.38	243-0610-057-0000	83	344.38
243-0610-013-0000	39	344.38	243-0610-058-0000	84	344.38
243-0610-014-0000	40	344.38	243-0610-059-0000	85	344.38
243-0610-015-0000	41	344.38	243-0610-060-0000	86	344.38
243-0610-016-0000	42	344.38	243-0610-061-0000	87	344.38
243-0610-017-0000	43	344.38	243-0610-062-0000	88	344.38
243-0610-018-0000	44	344.38	243-0610-063-0000	89	344.38
243-0610-019-0000	45	344.38	243-0610-064-0000	90	344.38

A.D. 03-01, Zone 3 Assessment Roll Mitchell Farms

Tax Assessment			Tax Assessment		
Assessor's Number	Diagram #	Assessment	Assessor's Number	Diagram #	Assessment
243-0610-065-0000	91	344.38	243-0620-033-0000	136	344.38
243-0610-066-0000	92	344.38	243-0620-034-0000	137	344.38
243-0610-067-0000	93	344.38	243-0620-035-0000	138	344.38
243-0610-068-0000	94	344.38	243-0620-036-0000	139	344.38
243-0610-069-0000	95	344.38	243-0620-037-0000	140	344.38
243-0610-070-0000	96	344.38	243-0620-038-0000	141	344.38
243-0610-071-0000	97	344.38	243-0620-039-0000	142	344.38
243-0610-072-0000	98	344.38	243-0620-040-0000	143	344.38
243-0610-073-0000	99	344.38	243-0620-041-0000	144	344.38
243-0610-074-0000	100	344.38	243-0620-042-0000	145	344.38
243-0610-075-0000	101	344.38	243-0620-043-0000	146	344.38
243-0610-076-0000	102	344.38	243-0620-044-0000	147	344.38
243-0610-077-0000	103	344.38	243-0620-045-0000	148	344.38
243-0620-001-0000	104	344.38	243-0620-046-0000	149	344.38
243-0620-002-0000	105	344.38	243-0620-047-0000	150	344.38
243-0620-003-0000	106	344.38	243-0620-048-0000	151	344.38
243-0620-004-0000	107	344.38	243-0620-049-0000	152	344.38
243-0620-005-0000	108	344.38	243-0620-050-0000	153	344.38
243-0620-006-0000	109	344.38	243-0630-001-0000	154	344.38
243-0620-007-0000	110	344.38	243-0630-002-0000	155	344.38
243-0620-008-0000	111	344.38	243-0630-003-0000	156	344.38
243-0620-009-0000	112	344.38	243-0630-004-0000	157	344.38
243-0620-010-0000	113	344.38	243-0630-005-0000	158	344.38
243-0620-011-0000	114	344.38	243-0630-006-0000	159	344.38
243-0620-012-0000	115	344.38	243-0630-007-0000	160	344.38
243-0620-013-0000	116	344.38	243-0630-008-0000	161	344.38
243-0620-014-0000	117	344.38	243-0630-009-0000	162	344.38
243-0620-015-0000	118	344.38	243-0630-010-0000	163	344.38
243-0620-016-0000	119	344.38	243-0630-011-0000	164	344.38
243-0620-017-0000	120	344.38	243-0630-012-0000	165	344.38
243-0620-018-0000	121	344.38	243-0630-013-0000	166	344.38
243-0620-019-0000	122	344.38	243-0630-014-0000	167	344.38
243-0620-020-0000	123	344.38	243-0630-015-0000	168	344.38
243-0620-021-0000	124	344.38	243-0630-016-0000	169	344.38
243-0620-022-0000	125	344.38	243-0630-017-0000	170	344.38
243-0620-023-0000	126	344.38	243-0630-018-0000	171	344.38
243-0620-024-0000	127	344.38	243-0630-019-0000	172	344.38
243-0620-025-0000	128	344.38	243-0630-020-0000	173	344.38
243-0620-026-0000	129	344.38	243-0630-021-0000	174	344.38
243-0620-027-0000	130	344.38	243-0630-022-0000	175	344.38
243-0620-028-0000	131	344.38	243-0630-023-0000	176	344.38
243-0620-029-0000	132	344.38	243-0630-024-0000	177	344.38
243-0620-030-0000	133	344.38	243-0630-025-0000	178	344.38
243-0620-031-0000	134	344.38	243-0630-026-0000	179	344.38
243-0620-032-0000	135	344.38	243-0630-027-0000	180	344.38

A.D. 03-01, Zone 3 Assessment Roll Mitchell Farms

Assessor's	Tax	Assessment	
Number	Diagram #	Assessment	
243-0630-028-0000	181	344.38	
243-0630-029-0000	182	344.38	
243-0620-051-0000	183	344.38	
243-0620-052-0000	184	344.38	
243-0620-053-0000	185	344.38	
243-0620-054-0000	186	344.38	
243-0620-055-0000	187	344.38	
243-0620-056-0000	188	344.38	
243-0620-057-0000	189	344.38	
243-0620-058-0000	190	344.38	
243-0620-059-0000	191	344.38	
243-0620-060-0000	192	344.38	
243-0630-030-0000	193	344.38	
243-0630-031-0000	194	344.38	
243-0630-032-0000	195	344.38	
243-0630-033-0000	196	344.38	
243-0630-034-0000	197	344.38	
243-0630-035-0000	198	344.38	
243-0630-036-0000	199	344.38	
243-0630-037-0000	200	344.38	
243-0630-038-0000	201	344.38	
243-0630-039-0000	202	344.38	
243-0630-040-0000	203	344.38	
243-0630-041-0000	204	344.38	
243-0630-042-0000	205	344.38	
243-0630-043-0000	206	344.38	
243-0630-044-0000	207	344.38	
243-0630-045-0000	208	344.38	
243-0630-046-0000	209	344.38	
243-0630-047-0000	210	344.38	
243-0630-048-0000	211	344.38	
243-0630-049-0000	212	344.38	
243-0630-050-0000	213	344.38	
243-0630-051-0000	214	344.38	
243-0630-052-0000	215	344.38	
243-0630-053-0000	216	344.38	
243-0630-054-0000	217	344.38	
243-0630-055-0000	218	344.38	
243-0630-056-0000	219	344.38	
243-0630-057-0000	220	344.38	
243-0630-058-0000	221	344.38	
243-0630-059-0000	222	344.38	
243-0630-060-0000	223	344.38	
243-0630-061-0000	224	344.38	
243-0630-062-0000	225	344.38	

258 parcels at \$344.38 each = \$88,850.04

Assessor's	Tax	Assessment	
Number	Diagram #	Assessment	
243-0630-063-0000	226	344.38	
243-0630-064-0000	227	344.38	
243-0630-065-0000	228	344.38	
243-0630-066-0000	229	344.38	
243-0630-067-0000	230	344.38	
243-0630-068-0000	231	344.38	
243-0630-069-0000	232	344.38	
243-0630-070-0000	233	344.38	
243-0630-071-0000	234	344.38	
243-0630-072-0000	235	344.38	
243-0630-073-0000	236	344.38	
243-0630-074-0000	237	344.38	
243-0630-075-0000	238	344.38	
243-0630-076-0000	239	344.38	
243-0630-077-0000	240	344.38	
243-0630-078-0000	241	344.38	
243-0630-079-0000	242	344.38	
243-0630-080-0000	243	344.38	
243-0630-081-0000	244	344.38	
243-0630-082-0000	245	344.38	
243-0630-083-0000	246	344.38	
243-0630-084-0000	247	344.38	
243-0630-085-0000	248	344.38	
243-0630-086-0000	249	344.38	
243-0630-087-0000	250	344.38	
243-0630-088-0000	251	344.38	
243-0630-089-0000	252	344.38	
243-0630-090-0000	253	344.38	
243-0630-091-0000	254	344.38	
243-0630-092-0000	255	344.38	
243-0630-093-0000	256	344.38	
243-0630-094-0000	257	344.38	
243-0630-095-0000	258	344.38	



CITY OF CITRUS HEIGHTS

CITY COUNCIL STAFF REPORT MEMORANDUM

DATE: July 13, 2023

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

FROM: Regina Cave, General Services Director
Leslie Blomquist, City Engineer

SUBJECT: Citrus Heights Lighting Assessment District
Initiate Proceedings for Fiscal Year 2023/2024 Annual Update

Summary and Recommendation

Each year, the City is required to update the assessments for the Citrus Heights Lighting District (CHLD). In order to accomplish this, the City Council must first adopt a Resolution Initiating Proceedings for the Fiscal Year 2023/2024 update. Next, City Council must adopt a Resolution of Intention setting the time and date for a public hearing on the proposed assessments and directing staff to publish the appropriate notice of the hearing. An Engineer's Report, prepared by the City Engineer, is attached hereto and describes the levels of maintenance, outlines the proposed financial summary, and includes the assessment diagram for the CHLD.

No changes are recommended to the assessment rates in conjunction with the annual update of the CHLD. However, over the past fiscal year, new street lights and infrastructure have been installed at various locations throughout the City. Staff has updated the assessment role to reflect the new rates for several individual parcels that now benefit from the newly installed lighting.

Staff recommends the City Council approve the resolutions below, in order:

1. Resolution No. 2023-___: A Resolution of the City Council of the City of Citrus Heights, California, to initiate proceedings pursuant to the Landscaping and Lighting Act of 1972 for the Citrus Heights Lighting District
2. Resolution No. 2023-___: A Resolution of the City Council of the City of Citrus Heights, California, for the intention to levy and collect assessments for Fiscal Year 2023/2024 for the Citrus Heights Lighting District

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."

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Fiscal Impact

For Fiscal Year 2023/2024, the annual special assessment revenue and reimbursement from Caltrans for several shared facilities are projected to cover a portion of the CHLD's anticipated expenditures. However, as a result of the continuing increases to electrical power costs and the ongoing repairs related to aging equipment, the proposed Fiscal Year 2023/2024 budget reflects an anticipated shortfall of approximately \$132,028.22.

In FY 21/22 the City upgraded 593 street lights to low energy LED models utilizing a low interest (1%) loan granted by the California Energy Commission. While this effort resulted in annual electricity cost savings, the City began repayment of the loan in FY 22/23 which is paid for utilizing associated energy cost savings.

A summary of the CHLD budget is as follows:

Description	FY 22/23 Actual	FY 23/24 Anticipated
<u>REVENUE:</u>		
Special Assessments ⁽¹⁾	\$335,524.00	\$336,000.00
Shared Maintenance Cost Reimbursement from Caltrans	\$125.28	\$127.50
Total District Funding	\$335,649.28	\$336,127.50
<u>EXPENDITURES:</u>		
SMUD Electric Costs ⁽¹⁾	\$250,323.68	\$260,000.00
Scheduled Maintenance Costs	\$90,597.88	\$92,000.00
Unscheduled Maintenance Costs and Knockdowns ⁽¹⁾	\$61,889.13	\$65,000.00
CEC Loan Repayment ⁽²⁾	\$15,431.11	\$23,155.72
Other Costs	\$25,133.77	\$28,000.00
Total District Expenditures	\$443,375.57	\$468,155.72
<u>DISTRICT SHORTFALL</u>	<u>-\$107,726.29</u>	<u>\$132,028.22</u>

(1) At the time this staff report was written, June 2023 utility and unscheduled maintenance costs had yet to be finalized. Special Assessments had yet to be finalized. Costs are estimated.

(2) FY 23/24 represents the second year for repayment of a low interest (1%) Energy Efficiency Loan from the California Energy Commission (CEC) for conversion of approximately 593 street lights to energy efficient models. Actual energy cost savings will be used to repay the loan.

Although there is no impact to the General Fund, Measure A Maintenance funds (Fund 210) are proposed to supplement the special assessments to cover the CHLD budget shortfall.

With the passage of Proposition 218 in 1996, lighting assessment rates are essentially frozen and can only be changed by a two-thirds vote of the people since this is considered a special tax.

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Therefore, the assessment rates were unchanged for Fiscal Year 22/23 and, as summarized in the table below, no changes are recommended for Fiscal Year 23/24.

Assessment Rate	FY 2023/2024 Rates (Unchanged from FY 2022/2023 Rates)
Safety Light Only	\$2.56/parcel
Safety and Street Light (single family residential)	\$17.88/parcel
Safety and Street Light (non-single family residential)	\$2.56/parcel + \$0.2519 per linear foot of frontage

During Fiscal Year 22/23, CHLD (Fund 289) had an estimated shortfall of \$107,726.29, which was covered using Measure A Maintenance funds (Fund 210).

Background and Analysis

Sacramento County created County Service Area No. 1 (CSA-1) to provide revenue to operate and maintain street and safety lights throughout the County. In June 2005, the City Council voted to begin the process of detaching from CSA-1 in an effort to improve levels of service on safety and street lighting within the City. In June 2006, the City completed the process by forming the CHLD and became fully responsible for operation and maintenance of all street and safety lights within the City.

Pursuant to the Landscaping and Lighting Act of 1972, assessment districts of this type must be updated annually. A Resolution to Initiate Proceedings is required as the first action of the City Council in order to initiate the update of the CHLD. Subsequent approval of the assessments to be levied and collected will be for the purpose of meeting operating expenses and purchasing equipment or materials necessary to maintain street and safety lights for the CHLD.

By the Resolution of Intention, the City Council approves the Engineer's Report for the CHLD Annual Update for Fiscal Year 23/24, sets the date for a public hearing on the assessments, and directs staff to give the required notice.

Staff recommends July 27, 2023, 6:00 p.m. or as soon thereafter, be set as the date and time for the public hearing. At that time, public comment will be received and the City Council will consider adopting required resolutions. Notice of this meeting will be published in accordance with State code.

Staff has reviewed the anticipated expenditures and revenues and has developed a Fiscal Year 23/24 budget for the CHLD. An Engineer's Report has been prepared for the proposed assessments and a copy is attached. The Engineer's Report summarizes the maintenance effort and proposes levying assessments at the same level as in Fiscal Year 22/23.

Through ongoing analysis of the District, the City has substantially improved the level of service related to street light maintenance and operations, and fine-tuned the scope of the annual maintenance contract. In the past several years, continued efforts by staff have resulted in reductions to the annual expenses. Currently, a total of approximately 2,239 energy efficient LED lights (approximately 47% of the District's total inventory) have been installed and/or

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converted from existing street lights. Early efforts to install more efficient LED lighting and lower annual maintenance rates reduced the District's total expenditures. However, repeated increases in electric utility rates, more frequent repair of aging street lighting equipment, and damages due to auto accidents have offset these cost savings resulting in a projected shortfall of approximately \$132,028.22 for Fiscal Year 23/24. The increase of the number of safety lights included in the City's Capital Improvement Projects (CIPs) and development projects has also added additional electricity and maintenance costs. Staff proposes using Measure A Maintenance revenues to offset the estimated funding shortfall.

Staff continues to identify and evaluate additional measures to reduce District expenditures and offset rising electricity costs. In 2019, the City conducted a feasibility study evaluating the possibility to update various City-owned equipment and facilities with the goal of reducing energy costs. On April 8, 2020, the California Energy Commission (CEC) approved a low interest (1%) Energy Efficiency Loan for the implementation of an energy efficiency upgrade project consisting of a significant number of street light retrofits. In June 2021, a City-retained contractor began replacing existing street lights with LED fixtures, which was completed in October 2021. As a result of the LED upgrades, the City's electrical bills from the Sacramento Municipal Utility District (SMUD) decreased on average \$2,243.59 per month for the six month period of December 2021 to May 2022 compared to the same timeframe the prior year.

In addition, LED conversions have become part of the regular maintenance program and staff continue to work with the Sacramento Municipal Utility District (SMUD) to ensure accurate billings, including quantities, type, and wattages for the entire District inventory. Monthly updates, LED conversions and changes are communicated to SMUD which are subsequently reflected in the monthly utility billings.

No major expansion of the existing system, except when included in major transportation projects funded by grants or new development projects, will be considered until additional revenues can be identified to cover the initial and ongoing costs associated with an expansion.

Since the City first took over the CHLD from Sacramento County in 2006, it was underfunded and many efforts have been made to reduce costs (i.e. installing LED lights and negotiating lower maintenance rates). However, continually increasing utility rates and monthly maintenance costs as well as updated methods for allocation of the City's overhead costs have all contributed to the ever increasing shortfall. The underlying problem is that the assessment rates, outlined in Fiscal Impact section above, have remained unchanged since 1996 when Proposition 218, which requires a vote of those assessed to approve an increase, was passed by the California voters.

Attachments

1. Resolution No. 2023-____ A Resolution of the City Council of the City of Citrus Heights, California, to initiate proceedings pursuant to the Landscaping and Lighting Act of 1972 for the Citrus Heights Lighting District.
2. Resolution No. 2023-____ A Resolution of the City Council of the City of Citrus Heights, California, for the intention to levy and collect assessments for Fiscal Year 2023/2024 for the Citrus Heights Lighting District.
3. Engineer's Report

RESOLUTION NO. 2023-__

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CITRUS HEIGHTS,
CALIFORNIA, TO INITIATE PROCEEDINGS PURSUANT TO THE LANDSCAPING AND
LIGHTING ACT OF 1972 FOR THE CITRUS HEIGHTS LIGHTING DISTRICT**

WHEREAS, In order to continue to finance the costs of maintaining and servicing street lights, highway safety lights and related facilities in the Citrus Heights Lighting District and to equitably distribute the costs among benefited landowners, the City Council (the “City Council”) of the City of Citrus Heights (the “City”) has decided to undertake proceedings pursuant to the Landscaping and Lighting Act of 1972, being California Streets and Highways Code Sections 22500 et seq. (the “Act”), to levy assessments for Fiscal Year 2023/2024.

NOW, THEREFORE, BE IT RESOLVED AND ORDERED by the City Council of the City of Citrus Heights hereby declares that:

Section 1. Recitals: The foregoing recitals are true and correct and the City Council so finds and determines.

Section 2. Proposal to levy assessments: The City Council proposes to levy assessments for Fiscal Year 2023/2024 for Citrus Heights Lighting District.

Section 3. Description of Improvements: The operations and maintenance to be financed by assessments levied in the City of Citrus Heights Lighting District consist of street lights, highway safety lights and associated facilities.

Section 4. Appointment of Engineer: The City Council hereby appoints the City Engineer as engineer (the “Engineer”) for all purposes of proceedings undertaken by the City with respect to the assessment district. The City Council hereby directs the Engineer to prepare and file with the City Clerk, a report for Fiscal Year 2023/2024 in accordance with Article 4 of Chapter 1 of the Act and Article XIII D, Section 4, of the California Constitution.

Section 5. Effective Date. This resolution shall become effective on and after the date of its passage.

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 13th day of July, 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 2023-__**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CITRUS HEIGHTS, CALIFORNIA, FOR THE INTENTION TO LEVY AND COLLECT ASSESSMENTS FOR FISCAL YEAR 2023/2024 FOR THE CITRUS HEIGHTS LIGHTING DISTRICT**

WHEREAS, on July 13, 2023, the City Council (the “Council”) of the City of Citrus Heights (the “City”) adopted Resolution No. 2023- __ initiating proceedings pursuant to the Landscaping and Lighting Act of 1972, being California Streets and Highways Code sections 22500 et seq. (the “Act”), to levy and collect assessments for Fiscal Year 2023/2024 for the City of Citrus Heights Lighting District

WHEREAS, the City Engineer has prepared and filed with the City Clerk a report for Fiscal Year 2023/2024 (the “Engineer’s Report”) in accordance with the Act; and

WHEREAS, the establishment or approval of the assessments proposed by this resolution will be for the purpose of meeting operating expenses and purchasing supplies, equipment, or materials necessary to maintain service within existing service areas.

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

Section 1. Recitals. The foregoing recitals are true and correct and this Council so finds and determines.

Section 2. Approval of Engineer’s Report. This Council hereby approves the Engineer’s Report as filed.

Section 3. Declaration of Intention. This Council hereby declares its intention to order the levy and collection of assessments for the City of Citrus Heights Lighting District.

Section 4. Description of Improvements. The Citrus Heights Lighting District's activities shall consist of the operation and maintenance of all lighting improvements and facilities within the City which are currently maintained and serviced through the Citrus Heights Lighting District, including highway safety lights and street lights. Highway safety lights are those lights located at intersections, on major streets and along the rear of properties that abut major streets. Street lights are all lights not designated as highway safety lights, and primarily consist of local street lighting.

Section 5. Location of District. The Citrus Heights Lighting District is described in the Engineer’s Report and is the entire area within the Citrus Heights city limits.

Section 6. Reference to Engineer’s Report for Particulars. A full and detailed description of the improvements, the boundaries of the assessment district, and the proposed assessments upon assessable lots and parcels of land within the district is set forth in the Engineer’s Report. The Engineer’s Report is on file in the City Clerk’s office, 6360 Fountain Square Drive, Citrus Heights, CA 95621, and is available for review by any interested member of the public during normal business hours.

Section 7. Notice of Public Hearing. On Thursday, July 27, 2023 at 6:00 p.m., or as soon thereafter as the matter may be heard, at the Citrus Heights City Hall Council Chambers, 6360 Fountain

Square Drive, Citrus Heights, California, 95621 the City Council shall hold a public hearing on the levy of the proposed assessments.

Section 8. Publication of Resolution. The City Clerk is directed to give notice of the public hearing by publication of this Resolution of Intention once in a newspaper of general circulation not less than 10 days before the date of the public hearing.

Section 9. Amount of Assessment. The City does not propose to increase the assessment above last year's amounts for Citrus Heights Lighting District.

Section 10. Effective Date. This resolution shall take effect from and after the date of its passage.

PASSED AND ADOPTED by the City Council of the City of Citrus Heights, California, this 13th day of July 2023, by the following vote to wit:

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

Tim Schaefer, Mayor

ATTEST:

Amy Van, City Clerk

CITY OF CITRUS HEIGHTS

SACRAMENTO COUNTY

CALIFORNIA



ENGINEER'S REPORT

For

Citrus Heights Lighting District

Annual Update for Fiscal Year 2023/2024

Prepared by

Leslie Blomquist

City Engineer

July 13, 2023



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Section I: Overview

A. Contents of the Engineer's Report

This Report describes the District boundaries and the proposed improvements to be assessed to the property owners located within the District. The Report is made up of the following sections:

Section I: Introduction and Background – Provides a general introduction into the Report and provides background on the assessment.

Section II: Plans and Specifications – Contains a general description of the improvements that are maintained and serviced by the District.

Section III: Estimate of Costs – Identifies the cost of the maintenance and services to be provided by the District including incidental costs and expenses.

Section IV: Method of Apportionment – Describes the basis in which costs have been apportioned to lots and parcels within the District, in proportion to the special benefit received by each lot and parcel.

Section V: Assessment Roll – The assessment roll identifies the maximum assessment to be levied to each lot or parcel within the District.

Section VI: Assessment Diagram – Displays a diagram of the District showing the boundaries of the District.

For this Report, each lot or parcel to be assessed, refers to an individual property assigned its own Assessment Parcel Number by the Sacramento County Assessor's Office as shown on the last equalized roll of the assessor.

B. Introduction and Background

County Service Area 1 (CSA-1) was created in 1986 by the Sacramento County Board of Supervisors (Board) by reorganizing five existing street light maintenance districts. CSA-1 provides street light services to those portions of Sacramento County that were unincorporated in 1986. Since that time, the Cities of Citrus Heights, Elk Grove and Rancho Cordova have incorporated, but street light services remained with CSA-1. On June 14, 2005 the County Board of Supervisors approved the establishment of separate zones within CSA-1 for each of the incorporated cities served. The City of Citrus Heights was identified as CSA-1 Zone 3.

The City of Citrus Heights (City) incorporated on January 1, 1997. In the time between when the City incorporated and assumed ownership of CSA-1 Zone 3, City staff worked with County staff regarding street light maintenance and repairs by forwarding requests for service from City residents to the County. CSA-1's revenues were essentially fixed since the passage of Proposition 218 in 1996 and expenses (electricity, labor, materials, etc.) continued to rise. Ultimately, CSA-1 was forced to reduce staffing levels, which eventually increased the response time for repairs.

Believing the transfer of street light maintenance responsibilities and assessments from CSA-1 Zone 3 to the City was essential to improving maintenance response on City street lights, the Citrus Heights

City Council adopted Resolution No. 2005-58 on June 22, 2005 advising the County Board of Supervisors of the City's desire to detach Zone 3 from CSA-1.

After working closely with CSA-1 and the Local Agency Formation Commission (LAFCO) over the next year, on June 8, 2006, the City Council adopted Resolution No. 2006-63 declaring its intent to form the Citrus Heights Lighting District. The final step in the process came on June 22, 2006, when the City Council adopted Resolution No. 2006-70 forming the Citrus Heights Lighting District (CHLD or District) pursuant to the *Landscape and Lighting Act of 1972, Part 2 of Division 15 of the California Streets and Highways Code §22500* (1972 Act). Formation of the CHLD in this way allowed the City to continue to levy the direct assessment charges previously authorized under CSA-1. The City assumed revenues and maintenance responsibilities from Sacramento County at the start of Fiscal Year 2006/2007.

This Engineer's Report (Report) has been prepared pursuant to the 1972 Act (*Part 2 of Division 15 Sections 22500 through 22679 of the Streets and Highways Code*) and describes the District and the proposed assessments for the annual update. The proposed assessments are based on the historical cost to maintain the improvements, energy rates, and historical information from neighboring jurisdictions. Assessments will be applied to those parcels that receive a special benefit from street and safety lights. Each parcel within the District is required to be assessed proportionately for the special benefits provided to the parcel from the improvements.

Section II: Plans and Specifications

A. General Description of the District

The boundaries of the Citrus Heights Lighting District are coterminous with the boundaries of the City of Citrus Heights (see Figure 1.1). Citrus Heights is located in the northernmost section of Sacramento County along Interstate 80 and covers approximately 14 square miles.

B. Description of Services and Improvements to be Maintained

All lighting improvements and facilities maintained and serviced through District assessments are owned or operated by the City of Citrus Heights or Sacramento Municipal Utility District (SMUD). For the purposes of the Report, charges are separated into two categories by type of light. Highway Safety Lights are those lights located at intersections, on major streets and along the rear of properties that abut major streets. Street Lights are all lights not designated as Highway Safety lights, primarily local street lighting. Maintenance services will be provided by City personnel, contractors, and SMUD. The District provides funding for all Street and Highway Safety Lighting services within the City, including, but not limited to the following activities:

- Maintenance, repair and replacement of street light poles and fixtures, including changing light bulbs, painting, photoelectric cell repair or replacement, and repairing damage caused by automobile accidents, vandalism, time and weather.
- Electrical conduit and pullbox repair and replacement due to damage by construction, vehicle accidents, and weather.
- Payment of the electrical bill for the existing street light system.

- Responding to constituent and business inquiries and complaints regarding street lighting.
- Remedial projects for major repairs or upgrading of facilities. Engineering services are provided by General Services Department staff or by consultant.
- Installation of Highway Safety Lights for highway safety purposes only along major streets and at intersections. These Safety Lights are normally installed with new construction of signalized intersections, or as a condition of development. The capital costs are typically paid through the City's Capital Improvement Program for newly signalized intersections and by the developer for new installations adjacent to new development construction.
- Street light inventory database creation and maintenance, pole numbering, and mapping to establish and keep current the number of street lights that must be maintained, as well as the condition and location of these street lights as part of an effective maintenance program.
- Acquisition of land, easements, and rights of way necessary to maintain the Street and Highway Safety Lighting system.
- Administration of the District.

Maintenance means the furnishing of services and materials for the ordinary and usual operation of the public lighting facilities. This includes repair, removal, or replacement of all or part of any of the improvements or appurtenant facilities necessary for the operation of the lighting improvements.

Service means the furnishing of all labor materials, equipment, and utilities necessary to maintain and operate all public facilities provided by the City.

Based upon current maintenance records, the combined number of Street Lights and Highway Safety Lights within the Citrus Heights Lighting District is 4,810.

Section III: District Budget

A. Proposed Fiscal Year Budget

Since taking over responsibility for the lighting district from the County in June 2006, the City has identified current revenue sources and developed a clear understanding of all District expenditures. Additionally, the City has substantially improved the level of service related to street light and highway safety light maintenance and operations and refined the procedures guiding the annual maintenance contract to reduce expenditures to a minimum.

The 2023/2024 Fiscal Year funds collected through special assessments are projected to cover the majority of the District's anticipated expenditures. However, as a result of the increased electrical power costs and ongoing repair related to aging equipment, there is a projected total shortfall of approximately \$107,726.29. Costs for contract unscheduled maintenance work (materials & repairs for damages due to knockdowns and aging infrastructure) are difficult to predict each year. For FY 2023/2024, the estimated costs for unscheduled maintenance work is projected to be \$70,000. Cost recovery related to insurance settlements on street light knockdowns will be pursued as appropriate.

In the past year, the City has converted existing street lights and added new energy efficient Light Emitting Diode (LED) fixtures with roadway projects; bringing the total to approximately 2,239 LED lights citywide (47% of the District's total inventory).

Staff continues to identify and evaluate additional measures to reduce District expenditures and offset rising electricity costs. In 2019, the City conducted a feasibility study evaluating the possibility to update various City-owned equipment and facilities with the goal of reducing energy costs. On April 8, 2020, the California Energy Commission (CEC) approved a low interest (1%) Energy Efficiency Loan for the implementation of an energy efficiency upgrade project consisting of a significant number of street light retrofits. In June 2021, a City-retained contractor began replacing existing street lights with LED fixtures, which was completed in October 2021. As a result of the LED upgrades, the City's electrical bills from the Sacramento Municipal Utility District (SMUD) decreased on average \$2,243.59 per month for the six month period of December 2021 to May 2022 compared to the same timeframe the prior year.

In December 2022, the City began paying back the low interest loan from the CEC, which expense is included in Table 1.1 at the end of this report. The bi-annual loan payment of \$11,577.86 will be paid for utilizing the energy savings reflected in lower utility bills. After the 20 year payback period, District expenditures will decrease by the yearly loan payment amount.

In addition, staff regularly work with SMUD to ensure accurate billings, including quantities, type, and wattages for the entire District inventory. As street light fixtures are updated, SMUD reflects these changes in monthly utility billings.

No major expansion of the existing system, except when included in major transportation projects funded by grants or new development projects, will be considered until additional revenues can be identified to cover the initial and ongoing costs associated with an expansion.

The proposed District budget is summarized in the Budget Analysis shown on Table 1.1, including the estimated costs to provide the improvements, the collection of administrative costs and the special benefit assessment (Balance to Levy).

B. Description of Budget Items

The following is a brief description of the various components of the District budget including the sources and uses of funds, which are included in Table 1.1.

Sources of Funds – This includes the sources of funds used by the District in maintaining and servicing lighting improvements. This may include interest on any fund balance, special assessments, cost recovery and other sources.

- Interest on Fund Balance – Includes any interest earned on the balances in the District's fund.
- Special Assessments – Revenue received from assessments levied on properties within the District that benefit from the street and highway safety lights.
- Cost Recovery – Revenue from cost recovery efforts associated with insurance settlements on knockdowns and/or damage to street lights and highway safety lights.

- Other Revenue – Contributions from the City's General Fund or other source to offset excess expenditures.

Uses of Funds – This includes the costs of maintaining and servicing lighting improvements. This may include, but is not limited to, the costs for labor, utilities, equipment, supplies, repairs, replacements and upgrades that are required to properly maintain the items that provide a direct benefit to the District.

- Electrical Costs – Includes the cost of providing electricity to the lights. Additionally, some lights are maintained by SMUD, the cost for maintenance of these lights is also included on the utility bill.
- Professional Services – Includes costs for the City's consultant to verify that all assessor information is correct for each parcel on the assessment role for the district. The consultant also incorporates all new parcels into the role, assessment collection fees charged by the Sacramento County Assessor's office to collect the District assessments from property owners and disperse those proceeds to the City. Also includes costs charged by Sacramento County to levy each parcel with the approved assessment.
- Contract Maintenance (Scheduled) – Includes the contract labor associated with the monthly maintenance of the street lights and the cost of preparing and maintaining the light inventory.
- Contract Maintenance (Unscheduled) – Includes work by the contractor for repairs & materials for aging infrastructure, knock-down repairs & replacements, and other work not included in the monthly scheduled maintenance program.
- Construction – Funds set aside for special projects to upgrade street and safety lights and related facilities.

Section IV: Method of Apportionment

A. General

The 1972 Act permits the establishment of assessment districts by agencies for the purpose of providing certain public improvements, which include the construction, maintenance, and servicing of street lights, traffic signals, landscaping, parks and drainage facilities.

Streets and Highways Code Section 22573 requires that maintenance assessments be levied according to benefit rather than the assessed value.

“The net amount to be assessed upon lands within an assessment district may be apportioned by any formula or method which fairly distributes the net amount among all assessable lots or parcels in proportion to the estimated benefits to be received by each such lot or parcel from the improvements.”

Section 22574 of the 1972 Act also allows the designation of zones of benefit within an assessment district if “by reason of variations in the nature, location, and extent of the improvements, the various areas will receive differing degrees of benefit from the improvements.”

In addition, Article XIIID and the Implementation Act require that a parcel's assessment may not exceed the reasonable cost for the proportional special benefit conferred to that parcel. Article XIIID and the Implementation Act further provides that only special benefits are assessable and the City must separate the general benefits from the special benefits. They also require that publicly owned properties which specifically benefit from the improvements be assessed.

B. Special Benefit Analysis

All properties within the District benefit equally from the enhanced safety provided by Highway Safety Lights as roadways and major intersections are illuminated. This lighting assists drivers traveling to or from a property in seeing traffic controls (stop signs, yield signs), in reading street name signs, and identifying pedestrians that may be attempting to cross the street after dark. These features also assist emergency service providers (police, fire, etc.) to respond and locate properties within the District.

In addition to the Highway Safety Light special benefit, individual parcels may receive special benefit from the presence of a Street Light on or near the parcel which enhances safety/security in the area. For a parcel to receive this safety/security benefit from street lighting, fifty percent or more of the property's frontage must be illuminated (based on the road width and spacing of the lights found in the County of Sacramento Improvement Standards). The Street Lighting service charge is apportioned only to those parcels that benefit directly from street lighting. A distinction is made between residential benefit parcels and non-residential benefit parcels based on the zoning of the parcel. This results in a flat rate service charge on each residential benefit parcel and a service charge per front foot on each non-residential benefit parcel.

The formula used for calculating the District assessment reflects the composition of the parcels, the improvements and the services provided, and fairly proportions the costs based on special benefit to each parcel. Only parcels receiving benefit from Street Lights and Highway Safety Lights will be assessed.

General Benefits

There are no general benefits related to Highway Safety Lights or Street Lights.

C. Assessment Methodology

When the original CSA-1 was established the assessment methodology was as follows:

Highway Safety Lighting – All properties are considered to benefit equally from Safety Lighting, as defined above in Special Benefit Analysis. As such, all parcels within CSA-1 were levied a flat rate calculated by the following formula:

$$\text{Safety Light Maintenance Cost/Total Parcels} = \text{Levy per parcel}$$

Street Lighting – Only properties that benefit from a street light are levied this assessment. Service charges for parcels that benefit from both safety and street lights are classified as residential parcels or non-residential parcels with separate services charges as follows:

Residential Parcels (Zoned RD1, RD2, RD3, RD4, RD5, RD7): The service charge for a residential parcel was levied utilizing the following formula:

Street Light Maintenance Cost * % of Residential lights / Residential Parcels =
Levy per residential parcel

Non-Residential Parcels (all other zoning): The service charge for a residential parcel was levied utilizing the following formula:

Street Light Maintenance Cost * % of Non-Residential lights / Non- Residential
Front Footage of Parcels = Levy per linear feet of non-residential front footage

Levy per linear feet of non-residential front footage * Non-Residential Parcel Front
Footage = Levy per Parcel

The passage of Proposition 218 in 1996 mandated that assessment increases must be approved by a two-thirds vote of the assessed property owners. As a result, the assessment rates for the Sacramento County's CSA-1 were essentially frozen at the levels in effect at that time. These same rates remained in place and were carried over in 2006 upon creation of the Citrus Heights Lighting District, and have not increased since then. The current assessment methodology is therefore:

Highway Safety Lighting – All properties are considered to benefit equally from Safety Lighting, as defined above in Special Benefit Analysis. The service charge per parcel is equal to \$2.56 per year.

Street Lighting – Only properties that benefit from a street light are levied this assessment. Service charges for parcels that benefit from both safety and street lights are classified as residential parcels or non-residential parcels with separate services charges as follows:

Residential Parcels (Zoned RD1, RD2, RD3, RD4, RD5, RD7): The service charge for a residential parcel is equal to \$15.32 per year.

Non-Residential Parcels (all other zoning): The service charge for a non-residential parcel is equal to \$0.2519 per linear foot length of the parcel's public street frontage.

Exempt – Exempt from the assessment would be the areas of public streets and other roadways (typically not assigned an APN by the County), dedicated public easements, open space areas and rights of ways including public greenbelts and parkways. Also exempt from assessment would be utility rights of ways, common areas (such as in condominium complexes), landlocked parcels, small parcels vacated by City/County, bifurcated lots, and any other property that cannot be developed. These types of parcels have little or no value and therefore do not benefit from the improvements.

Land use classification for each parcel is based on the Sacramento County Assessor's Roll. Zoning classification for each parcel is based on the City of Citrus Heights Zoning Map.

D. Rates

The Fiscal Year 2023/2024 assessment rates for the District are proposed to remain the same as Fiscal Year 2022/2023. The following shows the assessments proposed to be levied:

Street Lighting

Residential (Zoned RD1, RD2, RD3, RD4, RD5, RD7)	\$15.32 per parcel
Non-Residential (all other zones)	\$0.2519 per front foot

Highway Safety Lighting

All parcels (except 'Exempt')

\$2.56 per parcel

Section V: Assessment Roll

Parcel identification, for each lot or parcel within the District, shall be the parcel as shown on the Sacramento County Assessor's map for the year in which this Report is prepared.

Non-assessable lots or parcels include all developed non-residential parcels, vacant parcels, government-owned and public utility-owned parcels, land principally encumbered with public rights of way and other tax exempt parcels such as common areas or open space for which the County does not generate a tax bill. These parcels will not be assessed for the District improvements.

A listing of parcels assessed within this District, along with the proposed assessment amounts, is on file with the City Clerk, and by reference is made part of this Report. Said listing of parcels to be assessed shall be submitted to the County Auditor/Controller and included on the property tax roll for each parcel in FY 2023/2024. If any parcel submitted for collection is identified by the County Auditor/Controller to be an invalid parcel number for the current fiscal year, a corrected parcel number and/or new parcel numbers will be identified and resubmitted to the County Auditor/Controller. The assessment amount to be levied and collected for the resubmitted parcel(s) shall be based on the method of apportionment and the assessment rate approved in this Report. Therefore, if a single parcel has changed to multiple parcels, the assessment amount applied to each of the new parcels shall be recalculated and applied according to the approved method of apportionment and assessment rate rather than a proportionate share of the original assessment.

Section VI: Assessment Diagram

The boundaries of the District are coterminous with the boundaries of the City of Citrus Heights (see Figure 1.1).

FIGURE 1.1
Lighting District Boundary

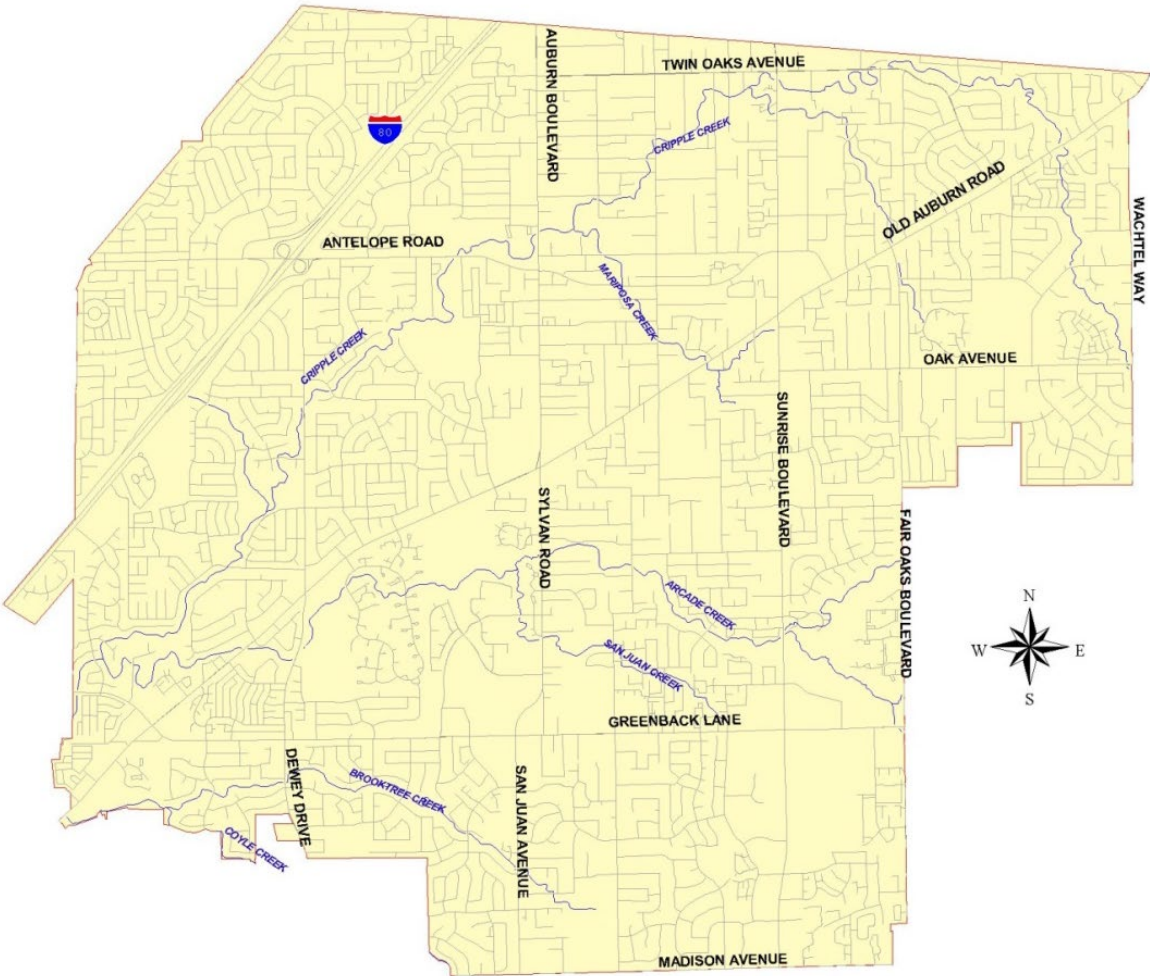


TABLE 1.1
Citrus Heights Lighting District
Budget Analysis

<u>DESCRIPTION</u>	FY 21/22 ACTUAL	FY 22/23 ACTUAL	FY 23/24 PROPOSED BUDGET
SOURCES OF FUNDS:			
Interest on Fund Balance	\$0.00	\$0.00	\$0.00
Special Assessments	\$332,131.30	\$335,524.00	\$336,000.00
Shared Maintenance Cost Reimbursement (1)	\$122.60	\$125.28	\$127.50
Total Sources of Funds:	\$332,253.90	\$335,649.28	\$336,127.50
USES OF FUNDS:			
Advertising	\$1036.84	\$1,226.73	\$1,500.00
Utilities (2)	\$252,188.33	\$250,323.68	\$260,000.00
CEC Loan Repayment (3)	\$0.00	\$15,431.11	\$23,155.72
Professional Services	\$7,742.35	\$7,813.27	\$10,000.00
Contract Maintenance (Scheduled)	\$92,045.40	\$90,597.88	\$92,000.00
Membership Dues	\$3,146.86	\$3,482.77	\$3,500.00
Contract Maintenance (Unscheduled) (4)	\$42,113.86	\$61,889.13	\$65,000.00
Cost Allocations	\$12,244.00	\$12,611.00	\$13,000.00
Total Uses of Funds:	\$410,517.64	\$443,375.57	\$468,155.72
FUND BALANCE:			
Beginning Fund Balance (July 1st)	\$0.00	\$0.00	\$0.00
Add Sources of Funds	\$332,253.90	\$335,649.28	\$336,127.50
Subtract Uses of Funds	\$410,517.64	\$443,375.57	\$468,155.72
Fund Shortfall:	(\$78,263.74)	(\$107,726.29)	(\$132,028.22)
OTHER FUNDING SOURCES			
Measure A Maintenance Funds (Fund 210) to cover District shortfall	78,263.74	\$107,726.29	\$132,028.22
Ending Fund Balance (June 30th)	\$0.00	\$0.00	\$0.00

- (1) The costs for four streets lights located on Antelope Road, near the I-80 Ramps, are shared with Caltrans (Caltrans reimburses the City for 50% of associated costs).
- (2) Includes SMUD maintenance costs – Certain street lights are mounted on SMUD-owned power poles. The District reimburses SMUD for the operation and maintenance of these lights.
- (3) The city received a low interest (1%) Energy Efficiency Loan from the California Energy Commission (CEC) to cover the capital costs to convert approximately 593 street lights to energy efficient models. Actual energy cost savings will be used to repay the loan.
- (4) Contract Maintenance (unscheduled) work includes knock-downs, repairs & materials for aging infrastructure, etc.)



CITY OF CITRUS HEIGHTS

CITY COUNCIL STAFF REPORT MEMORANDUM

DATE: July 13, 2023

TO: Mayor and City Council Members

FROM: Ashley J. Feeney, City Manager

SUBJECT: Adoption of Nine-Month Strategic Planning Objectives

Summary and Recommendation

The City Council and staff held a Strategic Planning Retreat on June 15, 2023, where the City Council heard the results of the adopted strategic goals that covered a six-month planning period ending in May 2023. The Strategic Planning Retreat was held to review the last six-month goal period and to discuss strategic goals for the next nine-month planning period June 2023 to March 2024 which will coincide with the end of the City Council Three-Year Goals period. The next strategic planning retreat is anticipated to be held in March 2024.

Consistent with the discussion from the retreat, staff have proposed Nine-Month Strategic Objectives for adoption through March, 2024. Many of the proposed objectives come from the Work Plan Matrix that was reviewed by City Council as part of the memorandum associated with the June 15, 2023 retreat.

Staff recommends the City Council adopt Resolution No. 2023-____, a resolution of the City Council of the City of Citrus Heights, California, Adopting the “Nine-Month Strategic Planning Objectives for June 1, 2023 to March 1, 2024” (Attachment 1).

Council Goal

This item supports all of the City Council three-year goals.

Fiscal Impact

There is no fiscal impact with this action. Funding needed to achieve strategic goals and objectives is considered as part of the City’s budget adoption process.

Subject: Adoption of Nine-Month Strategic Planning Objectives

Date: July 13, 2023

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Background

Since incorporation, Citrus Heights has placed an emphasis on strategic planning to prioritize its policies, programs, and services for the coming year. The City Council, City Manager, and executive staff members participate in the goal and objective-setting process. It is the responsibility of the City Manager to oversee the implementation of the Strategic Plan, coordinating with the City's operating departments and divisions. The current adopted Three-Year Goals (2021-2024) associated with the Strategic Plan are as follows:

- Maintain and enhance fiscal stability
- Maintain public infrastructure and enhance alternative modes of transportation
- Diversify for a resilient economy
- Preserve and enhance public safety
- Enhance community vibrancy and engagement

Historically, a strategic planning retreat is held where the City Council reviews the goals and identifies a list of objectives to support the core goals. Implementation of these objectives is how the City achieves our shared vision of a city of choice for residents and businesses to prosper and thrive.

Focus Area Work Plan

Consistent with one of the May 2022 six-month strategic goals, City Council adopted the Focus Area Work Plan by Resolution at the May 26, 2022 City Council meeting. The Focus Area Work Plan outlines a list of Strategic Objectives through March 2024, clarifying the mission and focus for the remainder of the Three-Year Goal Period. The Focus Area Work Plan list of Strategic Objectives is intended to serve as a road map that provides clarity of mission for strategic planning as many of these actions build off one another.

The Focus Area Work Plan is organized into the following categories:

- Community Image
- Economic Development
- Community Connection
- Infrastructure Maintenance

Several of the proposed nine-month strategic objectives for the upcoming planning period were included in the Focus Area Work Plan.

Public Comment

No public comment was provided at the strategic planning retreat.

Subject: Adoption of Nine-Month Strategic Planning Objectives

Date: July 13, 2023

Page 3 of 3

Proposed Strategic Objectives and Ongoing Work Plan Matrix

The Work Plan Matrix (Attachment 2) tracks the strategic objective recommendations tables from the Focus Area Work Plan. This Work Plan Matrix serves to track the staff-recommended and City Council-approved strategic objectives that are designed to create progress and meet community needs in each focus area. The matrix follows the progress of each recommendation through the life of the Focus Area Work Plan:

- The left-hand column is a comprehensive list all focus area objective staff recommendations initially presented in May 2022. The bolded recommendations have recommended activities for the current objective setting cycle.
- Progress updates and metrics on all recommendations are noted in the center column
- Recommended next actions are in the right hand columns: bolded items are suggested next strategic objectives.

The recommended draft strategic objective statements and implementation measures are specifically designed to be community facing and serving to help address the community focus areas referenced above. The proposed nine-month strategic objectives for the June 2023 to the March 2024 planning cycle include a number of non-Focus Area Work Plan items as well but are important to the organization and consistent with the discussion that came out of the June 15, 2023 Strategic Planning Retreat. The volume of City Council and staff work being delivered throughout 2023 continues to be impressive. The City Council will be kept abreast of progress through monthly status reports.

Attachments:

1. Attachment 1 – Resolution of the City Council of the City of Citrus Heights, California, Adopting the “Nine-Month Strategic Planning Objectives for June 1, 2023 to March 1, 2024”.
 - a. Exhibit A – Nine-Month Strategic Planning Objectives for June 1, 2023 – March 1, 2024
2. Attachment 2 – Work Plan Matrix

RESOLUTION NO. 2023- ____**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CITRUS HEIGHTS, CALIFORNIA, ADOPTING THE “NINE-MONTH STRATEGIC PLANNING OBJECTIVES FOR JUNE 1, 2023 – MARCH 1, 2024”**

WHEREAS, since incorporation, Citrus Heights has placed an emphasis on strategic planning to prioritize its policies, programs, and services for the coming year;

WHEREAS, the City Council held its Strategic Planning Session on June 15, 2023. At this meeting, strategic objectives were discussed for each of the three-year goal areas (2021-2024), which are: maintain and enhance fiscal stability; maintain public infrastructure and enhance alternative modes of transportation; diversify for a resilient economy; preserve and enhance public safety; and enhance community vibrancy and engagement;

WHEREAS, strategic planning is a disciplined effort to produce fundamental actions that shape and guide an organization. The “Nine-Month Strategic Planning Objectives for June 1, 2023 – March 1, 2024” reflects finalized goals and objectives established by City Council and staff;

WHEREAS, the adoption of the “Nine-Month Strategic Planning Objectives for June 1, 2023 – March 1, 2024” would confirm the City Council’s focus and direction to staff as a work plan for the next nine month period;

WHEREAS, the City Council intends to hold the next Strategic Planning Session in March 2024 to discuss the next three-year goals period; and will thereafter intend to hold a Strategic Planning Session annually in March of each year, and

WHEREAS, there are numerous benefits to strategic planning, including; organizations can increase effectiveness and efficiency, improve understanding of the community’s needs, enhance organizational capabilities, and improve communications, and public relations.

NOW THEREFORE BE IT RESOLVED AND ORDERED the City Council hereby adopts the “Nine-Month Strategic Planning Objectives for June 1, 2023 – March 1, 2024” as outlined in Exhibit A.

BE IT FURTHER RESOLVED staff would report out on implementation of the “Nine-Month Strategic Planning Objectives for June 1, 2023– March 1, 2024” to provide opportunities for modifications based upon evolving needs, results, and return on investment.

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 13th day of July 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

Exhibit

A. Nine-Month Strategic Planning Objectives for June 1, 2023 – March 1, 2024

Attachment 1
June 15, 2023

CITY OF CITRUS HEIGHTS STRATEGIC OBJECTIVES

June 2023 – March 2024

THREE-YEAR GOAL: MAINTAIN AND ENHANCE FISCAL STABILITY						
WHEN	WHO	WHAT	STATUS			COMMENTS
			DONE	ON TARGET	REVISED	
August 1, 2023	Economic Development & Community Engagement Director	Launch Comprehensive Grants Strategy and Grants Tracker tool (FAWP)				
March 1, 2024	Administrative Services Director	Complete implementation of the Financial Module component of the TylerMunis ERP system to include new project accounting functions and workflows				
March 1, 2024	Administrative Services Director	Initiate and develop a city-wide cost allocation plan to better utilize grant programs and maximize cost recovery				
September 28, 2023	Community Development Director	Present the Fiscal Impact Study associated with the Annexation Study and Outreach Initiative to the City Council for feedback and direction				
October 1, 2023	City Attorney	Evaluate feasibility and benefits of retaining a City lobbyist to advocate for City guiding principles and goals.				

*FAWP – Focus Area Work Plan Matrix Document

Attachment 1
June 15, 2023

THREE-YEAR GOAL: MAINTAIN PUBLIC INFRASTRUCTURE AND ENHANCE ALTERNATIVE MODES OF TRANSPORTATION						
WHEN	WHO	WHAT	STATUS			COMMENTS
			DONE	ON TARGET	REVISED	
November 9, 2023	General Services Director	Report to City Council three-year street resurfacing recommendations for major roadways in addition to the residential resurfacing program (FAWP)				
December 14, 2023	General Services Director	Finalize MOU with SRPD and Orangevale Park District for maintenance of Arcade Cripple Creek Trail, complete construction of trail project and plan for ribbon cutting/trail opening ceremony. (FAWP)				
January 11, 2024	General Services Director	Refurbish traffic delineation, crosswalks, and stop legends through restriping programs with a prioritization on areas that are most deteriorated, irrespective of pavement status Specific restriping locations shall be identified and restriped or addressed and reported to City Council. (FAWP)				
January 25, 2024	General Services Director	Advertise for bidding and award construction contract for Auburn Blvd Compete Streets Phase 2 – Rusch Park to North City Limits				

*FAWP – Focus Area Work Plan Matrix Document

Attachment 1
June 15, 2023

THREE-YEAR GOAL: DIVERSIFY FOR A RESILIENT ECONOMY						
WHEN	WHO	WHAT	STATUS			COMMENTS
			DONE	ON TARGET	REVISED	
December 20, 2023	City Manager, Economic Development & Community Engagement Director, Community Development Director	Present results of Sunrise Tomorrow Infrastructure Financing Strategy study and next steps to owners and stakeholders (FAWP)				
March 1, 2024	Economic Development & Community Engagement Director	Effectively market the Business Attraction Incentive Program to generate leads (FAWP)				
February 22, 2024	Community Development Director	Evaluate market challenges for Auburn Blvd development viability, assess Specific Plan relevancy in current and foreseeable market, and present options for consideration				

*FAWP – Focus Area Work Plan Matrix Document

Attachment 1
June 15, 2023

THREE-YEAR GOAL: PRESERVE & ENHANCE PUBLIC SAFETY						
WHEN	WHO	WHAT	STATUS			COMMENTS
			DONE	ON TARGET	REVISED	
September 14, 2023	City Manager, Police Chief, Community Development Director	Resolve Navigator contract issues and present report to City Council (FAWP)				
October 15, 2023	City Manager, Police Chief, General Services Director	Collaborate with area stakeholders to develop a coordinated plan to reduce crime, mitigate blight and increase vibrancy in the Sylvan Oaks Library vicinity (FAWP)				
January 25, 2024	Police Chief	Develop and present a plan to City Council to provide crime detection and prevention technology in commercial areas (Library of Things concept) (FAWP)				
September 21, 2023	Police Chief and City Attorney	Evaluate red light program and provide a report to City Council				

*FAWP – Focus Area Work Plan Matrix Document

Attachment 1
June 15, 2023

THREE-YEAR GOAL: ENHANCE COMMUNITY VIBRANCY AND ENGAGEMENT						
WHEN	WHO	WHAT	STATUS			COMMENTS
			DONE	ON TARGET	REVISED	
March 1, 2024	Police Chief, General Services Director	Create a system of coordination to optimize GSD and PD efforts to increase efficiencies and advance community beautification and cleanliness priorities and provide quarterly reports to City Council and report out to the community (FAWP)				
November 30, 2023	Economic Development & Community Engagement Director	Implement the next phase of the "Citrus Heights Cares" multi-channel signage and marketing campaign (FAWP)				
June 22, 2023	General Services Director	Present to City Council program for the Stars and Stripes Celebration at a regular meeting (FAWP)	x			Presented to City Council on Thursday, June 22, 2023.
November 30, 2023	Economic Development & Community Engagement Director	Coordinate citywide mailer that promotes community connection goals and resources. (FAWP)				

*FAWP – Focus Area Work Plan Matrix Document

Attachment 1
June 15, 2023

September 14, 2023	General Services Director	Report to City Council event scope for Sunday Funday at a regular meeting (event on Sept 24, 2023) (FAWP)				
November 9, 2023	General Services Director	Issue RFP and award contract for sound wall beautification at future City Council meetings (FAWP)				

FOCUS AREA WORK PLAN OBJECTIVES MATRIX

COMMUNITY IMAGE FOCUS AREA WORK PLAN RECOMMENDATIONS			
	Focus Area Work Plan Strategic Objectives *Current objective if bolded*	Progress Update November 2022 – May 2023	Next Steps/Recommendation June 2023 – March 2024 *Recommended objective if bolded*
	<i>Community Image Subcategory: Programs and Partners</i>		
1.	Present to the City Council quarterly reports on the Self Help Program that is coordinated through the City's Navigator reporting out on program successes, challenges and local partner coordination effectiveness.	Ongoing statistics will be collected and distributed.	Resolve Navigator contract issues and present report to City Council
	<i>Community Image Subcategory: Jurisdictional Relationship Challenges and Opportunities</i>		
2.	Contact government agencies that have jurisdictional responsibilities for public areas within the City limits (Caltrans) or on the edge of the City where enforcement and cleanup challenges present problems for residents and businesses to discuss establishing a memorandum of agreement that would allow Citrus Heights greater clean up and enforcement ability.-	Major cleanup at Antelope and I-80 Interchange and Auburn Blvd eastbound off-ramp exit.	Caltrans reviewing a revised Designated Maintenance Agreement allowing Citrus Heights greater clean-up and enforcement authority.
3.	Should the revised designated maintenance agreement pursuit be successful, request other government agencies provide reimbursement funding to compensate the City for the costs associated with increased service demands.		Execute designated maintenance agreement with CalTrans
	<i>Community Image Subcategory: Blighted Commercial Properties and Trespass Issues</i>		
4.	Proactively contact commercial property owners where code violations create attractive nuisances and trespassing problems to inform them that the issues need to be abated in a timely manner with notice that inattention may result in code violation fines, penalties, clean up liens or other remedies as allowed by law.	Code is proactively scanning commercial properties for violations and sending notices when needed. Once identified, Code conducts spot checks for those locations. Patrol also conducts	Currently, CHPD Code Enforcement has 31 cases open for businesses: <ul style="list-style-type: none"> - 17 voluntary compliance - 14 cases remain open with business owners - 1 business issue fine/fee

Attachment 2
Focus Area Work Plan Objectives Matrix
July 13, 2023

		checks at vacant buildings with ongoing issues.	
5.	Offer Crime Prevention Through Environmental Design (CPTED) surveys and recommendations to owners of problematic properties where physical improvements may help address trespassing problems.	Approximately 40-50 CPTED evaluations for business owners and residents have been conducted since the implementation of this plan.	See #23 for CPTED strategic objective
6.	Seek standing approval from property owners for officers to enter property and serve trespass notices enhancing a Police Officer's ability to remove unwelcome individuals from private property in an expeditious manner where trespass issues persist.	The CHPD currently has approximately 207 active trespass notices on file for individuals and 33 standing notices on file for businesses throughout the city.	Collaborate with area stakeholders to develop a coordinated plan to reduce crime, mitigate blight and increase vibrancy in the Sylvan Oaks Library vicinity
7.	Notify store managers within the City that nuisance abatement supports a vibrant business ecosystem and compliance will fall back on the property owner if a business or store manager will not cooperate with code enforcement officers in addressing trespassing and nuisance abatement.	Since the implementation of this plan, CHPD has logged 96 formal business checks to communicate this message to businesses throughout the city. Additionally, Detective Schouten estimates another 200 walk-in Business Checks throughout the SMP weekly.	
<i>Community Image Subcategory: Blight and Illegal Camps on Public Property</i>			
8.	Bring a proposal to the City Council for a Beautification Crew that will be charged with actively maintaining the public right-of-way to be free and clear of debris and obstructions, both for public safety as well as for aesthetic benefit, contributing to the community's vibrancy and quality of life.		Actively operating
9.	With support from the Beautification Crew allowing for expeditious cleanup and response, active enforcement of encampments and nuisance situations that impede public right-of-ways and other public areas that are detrimental to the public enjoyment and safety.	Deployed Beautification Crew early November	Create a system of coordination to optimize GSD and PD efforts to increase efficiencies and advance community beautification and cleanliness priorities and provide quarterly reports to City Council

Attachment 2

Focus Area Work Plan Objectives Matrix

July 13, 2023

<i>Legal Tools to Support Proactive Enforcement, Prevention and Care</i>			
10.	Evaluate the process and cost to support a Chronic Nuisance Offender Program which would involve collaboration with partner agencies and the District Attorney's Office to prosecute chronic offenders of codes and ordinances for individuals and/or property owners that continually drain public resources and commit quality of life crimes in the City.	PD and City Attorney collaboratively developed a chronic nuisance function utilizing our current firm and are working to develop test cases.	Continue to monitor for applicable cases which qualify for Chronic Nuisance
11.	Evaluate the cost to participate in the Community Prosecutor Program operated out of the Sacramento County District Attorney's Office and/or to seek support from their office for facilitation of prosecution for chronic nuisances through the City Attorney's Office.	The Chronic Nuisance Offender program listed above was determined more appropriate and cost effective than a DA community prosecutor. This goal can be removed from future workload.	
12.	Pursue a conservatorship legal process to help residents experiencing homelessness that are gravely disabled as a result of an untreated mental health disorder or impairment through chronic alcoholism or drug addiction that are incapacitated as a result of their condition.	CHPD identified a few possible candidates for the program but none reached the conservatorship stage due to unforeseen issues which removed them from the City.	Continue to monitor for applicable cases
13.	In an effort to get treatment for suffering residents, engage with Sacramento County Behavioral Health as their department implements Laura's Law which provides for court-ordered assisted outpatient treatment for individuals who meet strict legal criteria.	Sac County has implemented Assisted outpatient treatment program: Persons must have a history of serious mental health hospitalization within 36 months and/or serious/repeat violent acts within the previous 48 months	CHPD has not yet found a suitable candidate for this program. This tool will continue to be part of future evaluations.
14.	Explore licensing opportunities or leasing arrangements with recognized community organizations in certain public spaces (i.e. plazas proximate to business districts) for increased involvement in activity planning and better enforcement of rules relative to undesirable activities that negatively affect business, their patrons and the general public.	Potential tool if a situation warrants	
<i>Campaign for Community Pride and Cleanliness</i>			

Attachment 2

Focus Area Work Plan Objectives Matrix

July 13, 2023

15.	Develop a Shopping Cart Ordinance and present it for City Council consideration that among other requirements, require that shopping cart fleets be retrofitted with lockable wheel devices to prevent shopping carts from leaving business premises thereby reducing long-term costs for businesses relative to shopping cart replacement and addressing the public nuisance created by stolen shopping carts that become community blight and litter.	Ordinance approved by Council on October 27, 2022 *464 carts were picked up Nov – end of April. *4 shopping cart citations have been issued by CHPD. *Business compliance efforts underway	Quarterly reporting will be provided as part of Beautification Initiative metrics
16.	Develop an authentic Citrus Heights signage and marketing campaign reinforcing shared goals of community cleanliness and pride, themed around anti-littering and beautification of neighborhoods, commercial corridors and the local environment.	Implement “Citrus Heights Cares” multi-channel signage and marketing campaign	Implement next phase of “Citrus Heights Cares” multi-channel signage and marketing campaign
17.	Create a comprehensive engagement strategy to ensure community stakeholder education and to foster support for efforts related to addressing blight, improving the community image and homelessness prevention.	Executed engagement strategy	

ECONOMIC DEVELOPMENT FOCUS AREA WORK PLAN RECOMMENDATIONS			
	Strategic Objective Recommendation *Current objective if bolded*	Progress Update November 2022 – May 2023	Next Steps/Recommendation June 2023 – March 2024 *Recommended objective if bolded*
	<i>Economic Development Subcategory: Sunrise Tomorrow Specific Plan</i>		
18.	Explore public infrastructure financing and other economic development tools to incentivize Sunrise Tomorrow development.	Task complete, move to next phase	Present results of Infrastructure Financing Strategy study and next steps to owners and stakeholders
19.	Approach Sunrise Tomorrow property owners about securing right-of-way dedications that would allow them to access public financing tools and to meet grant eligibility requirements.	Executed MOU with Namdar Realty Group	
20.	Issue a Request for Proposals to conduct analysis of various public infrastructure financing scenarios and other economic development tools to inform future development agreement discussions.	January 2023: City Council authorized consultant selection funding for the Infrastructure Financing Strategies RFP scope.	

Attachment 2

Focus Area Work Plan Objectives Matrix

July 13, 2023

	<i>Economic Development Subcategory: Business Attraction and Retention</i>		
21.	Develop a grant program utilizing ARPA funding that advances economic development goals of effectively attracting and retaining target businesses and industries.	Business Attraction Incentive Program approved March 23, 2023	Effectively market the Business Attraction Incentive Program to generate leads
22.	Consider establishing a fund that would be designated for low-interest loans for existing businesses.	Analysis on this program grew in complexity. Next steps under evaluation.	Focus on Business Attraction Incentive Program prior to further exploration.
	<i>Economic Development Subcategory: Commercial Blight Abatement and Beautification</i>		
23.	Utilize ARPA funding to create CPTED matching grant programs that advance homeless and blight abatement strategic objectives for commercial real estate and businesses.		Develop and present a plan to City Council to provide crime detection and prevention technology in commercial areas (Library of Things concept)
24.	Create a Mural and Public Arts Program to increase community vibrancy, reduce graffiti, and create destinations and community discovery points.		Proactively market existing grant programs that could assist mural implementation
	<i>Economic Development Subcategory: Comprehensive Grants Strategy</i>		
25.	Create and implement a comprehensive grants strategy to advance city goals relative to economic development, infrastructure, public safety and community assets.	Selected consultant and approved budget to begin creation of a comprehensive grants strategy.	Launch Comprehensive Grants Strategy and Grants Tracker tool
	<i>Economic Development Subcategory: Legislative and Government Affairs</i>		
26.	Increase active engagement in regional, state, and federal legislative on matters that advance or impact the City's adopted strategic goals.		

Attachment 2

Focus Area Work Plan Objectives Matrix

July 13, 2023

COMMUNITY CONNECTION WORKPLAN FOCUS AREA RECOMMENDATIONS			
	Strategic Goal Recommendation *Current goal if bolded*	Progress Update November 2022 – May 2023	Next Steps/Recommendation June 2023 – March 2024 *Recommended objective if bolded*
	<i>Community Connection subcategory: Events</i>		
27.	Consider allocation of ARPA funding to help promote additional community building opportunities as residents recover from isolation associated with the pandemic.	Stars and Stripes Celebration approved by City Council.	
28.	Plan one new event in addition to the two existing events currently in production.	*25 th Anniversary held October 22 2023 *Determined feasibility, costs and logistics and options for a patriotic event and presented to City Council. Stars and Stripes celebration scheduled July 1 st 2023	Present to City Council program for Stars and Stripes Celebration at a regular meeting
	<i>Community Connection subcategory: Programs to Catalyze and Facilitate Connectivity</i>		
29.	Create a Community Engagement Program designed to provide support and organization to neighborhood groups to strengthen the relationship between the City of Citrus Heights and its residents.	Create Community Engagement Program framework and consistent communications outreach.	Coordinate citywide mailer that promotes community connection goals and resources.
30.	Ensure that Sunday Funday has an opportunity for attendee exposure to Neighborhood Associations, Connect Citrus Heights and historical information.	Include event as part of 2-year budget cycle.	Report to City Council event scope for Sunday Funday at a regular meeting (event on Sept 24, 2023)
31.	Present to the City Council for consideration a revised regular City Council meeting start time with an emphasis on promoting public participation through effective communications.	Objective complete	
	<i>Community Connection subcategory: Community Grants and Incentives</i>		
32.	Bring forward a proposal to City Council for purchase and outfitting of a Citrus Heights Block Party Trailer available or community organization and groups to rent stocked with essentials to host a neighborhood block party or neighborhood event.	Launched rental program February 2023.	Market Community Block Party Trailer.

Attachment 2

Focus Area Work Plan Objectives Matrix

July 13, 2023

33.	Consider a proposal that would provide seed funding for community groups to host special events or festivals during the pandemic recovery period utilizing ARPA funding.	Launch first Community Projects Grant round in February.	
34.	Consider a proposal that would provide grants to community groups that desire to execute community project that engages citizens, improves the community, and promotes community involvement and pride.	Launch first Community Projects Grant round in February.	
35.	Develop a Good Neighbor Beautification program for consideration designed to assist homeowners with public facing home repairs and improvements to enhance neighborhood integrity, improve the quality of life in Citrus Heights, increases property values, and transforms neighborhoods into safer and healthier environments.		

INFRASTRUCTURE MAINTENANCE FOCUS AREA WORK PLAN RECOMMENDATIONS			
	Strategic Goal Recommendation *Current goal if bolded*	Progress Update November 2022 – May 2023	Next Steps/Recommendation June 2023 – March 2024 *Recommended objective if bolded*
	<i>Infrastructure Maintenance Subcategory: Continued progress</i>		
36.	Finalize necessary funding agreements for Arcade-Cripple Creek trail project and present an update to City Council on the overall project schedule.	November 1 groundbreaking event and continue trail construction.	Finalize maintenance agreement with SRPD and Orangevale Park District. Complete construction of trail project and plan for ribbon cutting/trail opening ceremony.
37.	Advertise and award bids for Annual Residential Street Resurfacing Program.	Anticipate completion by November.	Project completion delayed due to weather. Expected completion June 2023.

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Focus Area Work Plan Objectives Matrix

July 13, 2023

<i>Infrastructure Maintenance Subcategory: Maintenance and Modernization</i>			
38.	Identify and present budgeting strategies that provide for funds that could be accessed for grant matching that would allow for Citrus Heights to be more competitive in pursuing funds to help facilitate capital improvement projects (CIPs).	Budget strategies relative to street repairs and City Manager target reserve funds provide for this.	
39.	Expand pothole cut and fill (mill and fill) repair operations.	Operations expanded for mill and fill projects. Over 15,625 sf of mill and fills completed since June 2022; additional 8040 sf+ in open work orders pending.	
40.	Develop a plan, program and budget for cleaning and uniform painting of older sound walls.	Presented to and approved by City Council April 27, 2023	Issue RFP and award contract for sound wall beautification at future City Council meeting.
41.	Develop a plan, program and budget for refreshing street light and traffic signal poles.		
42.	Refurbish traffic delineation, crosswalks and stop legends through restriping programs with a prioritization on areas that are most deteriorated irrespective of pavement status.	Consultant analysis for action plan being completed. The action plan will be incorporated into paving strategies for efficiencies.	Specific restriping locations shall be identified and restriped or addressed and reported to City Council.
43.	Assess, repair and/or reconstruct center median bricks within Sunrise MarketPlace medians.	Completed various locations, ongoing maintenance will be incorporated into operations.	
44.	Coordinate with other partner utility agencies to ensure future replacement schedules are well understood to facilitate coordinated infrastructure modernization efforts.	Staff are meeting quarterly with all utilities represented to discuss CIPs and replacement projects for enhanced coordination.	
<i>Infrastructure Maintenance Subcategory: Beautification and Refurbishment</i>			
45.	Develop a plan and proposal for consideration of gateway monument updating and/or refurbishment, as well as identifying key entry points of the City could support new monuments.	Two locations have been refurbished. Auburn Blvd monument is part of Phase II project.	
46.	Develop a plan and proposal for refurbishment of medians where there are large segments bare of vegetation.		

Attachment 2

Focus Area Work Plan Objectives Matrix

July 13, 2023

47.	Plan for a mulch/bark ground cover refresh to improve aesthetics, prevent irrigation system deterioration and reduce water use.	Incorporated locations into existing operating budget.	
48.	Assess and develop a plan and budget to replace faded and outdated signage.	Currently developing inventory, maps and data to assess costs and possible phasing of street name signage and regulatory signage replacement.	
	<i>Infrastructure Maintenance Subcategory: Comprehensive Grants Strategy</i>		
49.	Participate in the development and implementation a comprehensive grants strategy to pursue infrastructure funds.	Create Comprehensive Grant Strategy	Launch Comprehensive Grants Strategy



CITY OF CITRUS HEIGHTS

CITY COUNCIL STAFF REPORT MEMORANDUM

DATE: July 13, 2023

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

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

SUBJECT: On-Call Arborist Services (Tree Assistance Program)

Summary and Recommendation

In 2015, the City conducted the Citrus Heights Urban Greening Strategy which evaluated the City's urban forest for overall health and condition. While the City's urban forest is relatively healthy, the evaluation recognized that the urban forest requires maintenance to continue to thrive and expand. In this vein, in 2018, the City began offering arborist services to residential property owners who had questions about a tree(s) maintenance or health needs. The current on-call arborist provider contract is set to expire on June 30, 2023. In preparation of the contract expiration, in March 2023, staff issued a request for proposals (RFP) to procure a qualified consultant in order to continue this service to Citrus Heights property owners.

Staff recommends the City Council adopt Resolution No. 2023-__, a Resolution of the City Council of the City of Citrus Heights, California, authorizing the City Manager to execute an Agreement with Davey Resource Group for On-Call Arborist Services.

Fiscal Impact

The approval of the contract will have no fiscal impact to the City's General Fund. The proposed contract will utilize the City's Tree Preservation Fund. The Tree Preservation Funds are collected in-lieu payments received when a development project removes a qualifying protected tree and the loss of the tree is not mitigated through the replanting of new trees. The in-lieu payment is held in the Tree Mitigation Fund and those funds are used for the planting, care and maintenance of trees citywide.

The Tree Mitigation Fund as a balance of approximately \$180,000 (264-74-673-42370). The contract would expend up to \$50,000 for the 2023/2024 through 2024/2025 budget period (\$25,000 annually). Options in the contract allow up to two one-year extensions.

Subject: On-Call Arborist Services

Date: July 13, 2023

Page 2 of 2

Background and Analysis

The City has been recognized as a Tree City USA by the Arbor Foundation for the last five years. This recognition stems from the City's efforts to enhance the urban forest from both a municipal tree and private tree perspective. In 2018, the City initiated the Tree Assistance Program (TAP). The Program assists in the preservation, protection and enhancement of the City's 3.6 square miles (2,278 acres) of overall tree canopy. A main component of the program is to provide arborist-consulting services for private property owners interested in preserving and enhancing the existing urban forest.

The City's contract arborist will visit the requested property and perform an inspection and assessment of one's trees. A written assessment provides the property owner findings used to make decisions on the immediate and future maintenance of impacted trees. Since the initiation of TAP in May 2018, over 300 property owners have received no-fee arborist services, a service generally costing between \$200 - \$400 dollars.

The role that trees play in energy conservation, pollution abatement, and stormwater control is highly valued. As an example, a 24-inch oak tree provides \$69.00 in yearly energy costs and removes three pounds of pollutants known to cause asthma, coughing, headaches, respiratory and heart disease, and cancer from the surrounding atmosphere¹. In addition to the environmental benefits, tree canopy contributes to the aesthetic and cultural benefits of the Citrus Heights Community.

Staff recommends continuing the Tree Preservation Program and requests the City Council authorize the execution of a contract with Davey Resources Group to a maximum not-to-exceed amount of \$50,000 for the two-year budget cycle, with the option of two one-year extensions (four years total).

Attachments

1. Resolution 2023-__, a Resolution of the City Council of the City of Citrus Heights authorizing the City Manager to execute Agreements with Davey Resource Group for On-Call Arborist Services
2. Consultant Services Agreement
3. Davey Resource Proposal

¹ As per the [National Tree Benefits calculator](#)

RESOLUTION NO. 2023-____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CITRUS HEIGHTS
AUTHORIZING THE CITY MANAGER TO EXECUTE AN AGREEMENT WITH DAVEY
RESOURCE GROUP FOR ON-CALL ARBORIST SERVICES**

WHEREAS, in 2015, the City conducted the Citrus Heights Urban Greening Strategy which evaluated the City's urban forest for overall health and condition;

WHEREAS, the Citrus Heights Urban Greening Strategy found that the urban forest requires maintenance to continue to thrive and expand,

WHEREAS, in 2018, in efforts to maintain a healthy urban forest, the City began offering arborist services to residential property owners who had questions about a tree(s) maintenance or health needs;

WHEREAS, this arborist service has visited over 300 properties and provided a written assessment, which is used to make a decision on the immediate and future maintenance needs of the property's tree(s);

WHEREAS, in March 2023, the City circulated a request for proposals for selection of a qualified arborist;

WHEREAS, standard City procurement procedures were followed for selection of the arborist;

WHEREAS, the arborist services will be funded utilizing the City's Tree Mitigation Fund (264-74-673-43270) and the total expenditure will not exceed \$50,000 through June 2025; and

WHEREAS, the City now desires to enter into professional services agreement Davey Resource Group, Inc.

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 for on-call Arborist Services with Davey Resource Group, Inc. 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 13th day of July 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

CONSULTING SERVICES AGREEMENT BETWEEN THE CITY OF CITRUS HEIGHTS AND

Davey Resource Group
(Standard Agreement-DRAFT)

THIS Agreement (“Agreement”) for consulting services is made by and between the City of CITRUS HEIGHTS (“City”) and Davey Resource Group (“Consultant”) (together referred to as the “Parties”) as of July 1, 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 June 30, 2025. The City has the option to extend the term of the Agreement for two years with final end date of June 30, 2027 unless otherwise terminated.
- 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 _____ \$(), 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 :

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

[NAME, TITLE]

Attest:

Amy Van, City Clerk

Approved as to Form:

Ryan R. Jones, City Attorney

EXHIBIT A
SCOPE OF SERVICES

EXHIBIT B
COMPENSATION SCHEDULE

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



Proposal

On-Call Arborist Support Services

Prepared For:

The City of Citrus Heights

Alison Bermudez, Senior Planner

City of Citrus Heights
6360 Fountain Square Drive
Citrus Heights, CA 95621

Sent via email to
abermudez@citrusheights.net

Prepared By:

Anne Fenkner

Project Developer

Davey Resource Group, Inc.
295 South Water Street
Kent, Ohio 44240
Phone: (916) 214-5908
E-mail: Anne.Fenkner@Davey.com

April 13, 2023

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Overview

Trees are part of everyday life in the City of Citrus Heights. The city’s urban forest creates a sense of place and supplies real benefits to those who live in Citrus Heights. Trees along streets, in parks, around playgrounds, and in backyards provide shade and beauty and enhance the quality of life in Citrus Heights by bringing natural elements and wildlife habitats into urban settings. Trees also moderate temperatures, reduce air pollution and energy use, improve water quality, and promote human health and well-being. Davey Resource Group, Inc. “DRG” understands the benefits trees bring to your community. We also realize the challenges that come with managing public trees.

DRG recognizes the City of Citrus Heights seeks a contractor to manage the city “Tree Assistance Program.”. The person managing the project must hold certifications as an ISA Board Certified Master Arborist (BCMA) and Registered Consulting Arborist (RCA), and have past experience working in a municipal setting. A main component of the scope of work will be to provide arboriculture consulting services for private property owners throughout the City and work with staff and other interested community groups on programs and tree planting projects that promote the City’s tree canopy. The initial contract will run through June 2025 with an option for a two-year extension (June 2027).

Approach

DRG has a history of service to the City of Citrus Heights. If given the opportunity to contract again, we will refresh our relationship with a pre-project meeting. This meeting will serve a number of purposes. The first priority will be to review and confirm the project scope of work and timelines. We will discuss expectations, quality assurance standards, and other aspects of project management. DRG will review the municipal code related to trees and the infrastructure in which they grow. It is our intent to be well prepared going into the contract.

Within the contract scope of work, DRG expects to provide the following services:

- Guide city residents on policies and procedures related to urban forestry, tree preservation.
- Offer professional recommendations to improve tree health and safety. This may include meeting residents at their home, partnering with the Sacramento Tree Foundation, or consulting with the development community prior to and during construction related to trees.
- Enhance and/or protect existing tree canopy by providing professional recommendations to city residents to understand the value of and care for existing trees
- Communicate to the community the benefits of a healthy urban canopy, in terms of aesthetic impact, resource conservation, energy conservation, streetscape enhancement, etc.
- Tree placement guidance – provide guidance to property owners and residents interested in installing and growing new trees.
- Arborist Report Service –provide property owners with an Arborist Report that satisfies the reporting requirement of the City’s Tree Preservation and Protection regulations.
- Achieve or implement City programs and objectives (e.g., General Plan, Greenhouse Gas Reduction Plan, Citrus Heights Urban Greening Strategy, SMUD’s Shade Tree Program, redevelopment projects, additional trees for parks and schools)
- Provide expertise in researching grant opportunities for urban forest projects, and assist with preparation of applications and administration of awarded grants.
- Meet with City staff to review project progress and deliverables.

About Davey Resource Group, Inc.

For 30 years, DRG has provided arboriculture expertise throughout the United States. We know that quality data and assessment are critical to helping you manage your urban forest proactively and better mitigate tree-related risk. Since you rely on the contracted arborist’s findings and recommendations to make important decisions, DRG uses only qualified, experienced staff who are knowledgeable of both industry standards and the municipal work environment; and familiar with the City of Citrus Heights.

Davey Resource Group, Inc. (DRG) is a wholly-owned subsidiary of The Davey Tree Expert Company, which was established in 1880. Davey Tree employs more than 11,000 people in North America and is recognized as the eighth-largest employee-owned company in the nation. Our services range from residential and commercial tree care to utility, safety, academic, and technological research, and natural resource consulting, protection, and planning. DRG employs 1894 full-time permanent employees.

Our work throughout North America is a testament to our stability as a company, our capacity to successfully complete projects, and the resources we have available. We provide services to cities large and small and work with each municipality to develop inventory and resource assessment projects that fit specific needs and budgets.

Davey is a company that values our people, our clients, and the communities in which they live. Our trustworthiness and reliability have contributed to our reputation for quality services and a desirable company to work with. Consequently, our list of satisfied customers is extensive. By choosing DRG, Citrus Heights will benefit in the following ways:

- Leverage the Company with the most Experience and Expertise: The City of Citrus Heights can leverage our vast network, experience, and expertise to receive a customized approach using industry best management practices and innovative solutions.
- We are committed to creating value: Our arborists, GIS specialists, and urban forestry professionals have a deep understanding of their expertise. They are attuned to nuances in data and present the training, vocation, practice, and experience to interpret its meaning.
- We collaborate. Public understanding and participation are essential in urban forestry planning. The DRG team is looking forward to working with the Sacramento Tree Foundation to facilitate community engagement in caring for the canopy within the City of Citrus Heights.
- Our people are invested in your success: Our employees are committed to the idea of improving our communities through trees and urban forestry; as demonstrated by DRG's 6 years of service to the City of Citrus Heights. As an employee-owned company, our employees are committed to the success of each client and project. We are reliable and deliver on time and on budget.

Urban Forest Experts

DRG's team is your committed partner for natural resource planning and management. We understand the complex ecosystems, resource challenges, and regulatory concerns that impact the success of any city, and we leverage our expertise to deliver reliable, environmental consulting services. We combine the latest technologies with time-tested techniques to provide high-quality results in a timely and professional manner.

Quality of Service

DRG will provide extensive information with the following processes to ensure that the following quality expectations are met and exceeded:

Training - Quality operations are intended to ensure quality service. The DRG Certified Arborist will participate in training and certification as required by State and City Regulations. DRG employees receive annual ethics and harassment training and car driving standards. The DRG Operations Manager will ensure all personnel training associated with this contract aligns with City Standards.

Professionalism – Our personnel follow all Davey, OSHA and ANSI standards. Our staff will represent the City honorably in tenor, presentation and content. DRG personnel will dress appropriately to the City's cultural standards and will wear an identification badge to distinguish themselves as a Davey employee contracted by the City. Ordinance compliance, fees and regulations often generate impassioned comments. DRG personnel are level-headed, kind and courteous when responding to public commentary regarding their activities, yet implement strategies to politely stay engaged in their work.

Communications – In serving the community, we anticipate the On-Call Certified Arborist will balance her time between communicating with city staff, conducting community site visits and writing reports. DRG will provide a computer and mobile phone so the On-Call Arborist will have the ability to

communicate by way of voice, email and instant messaging. The team is committed to responding to information requests the same day or the next business day with a call or email. They will attend and participate in monthly coordination meetings and specially called meetings through the progress of the work. Reports will be completed electronically so that all communications have a permanent record of requests, correspondence and outcomes.

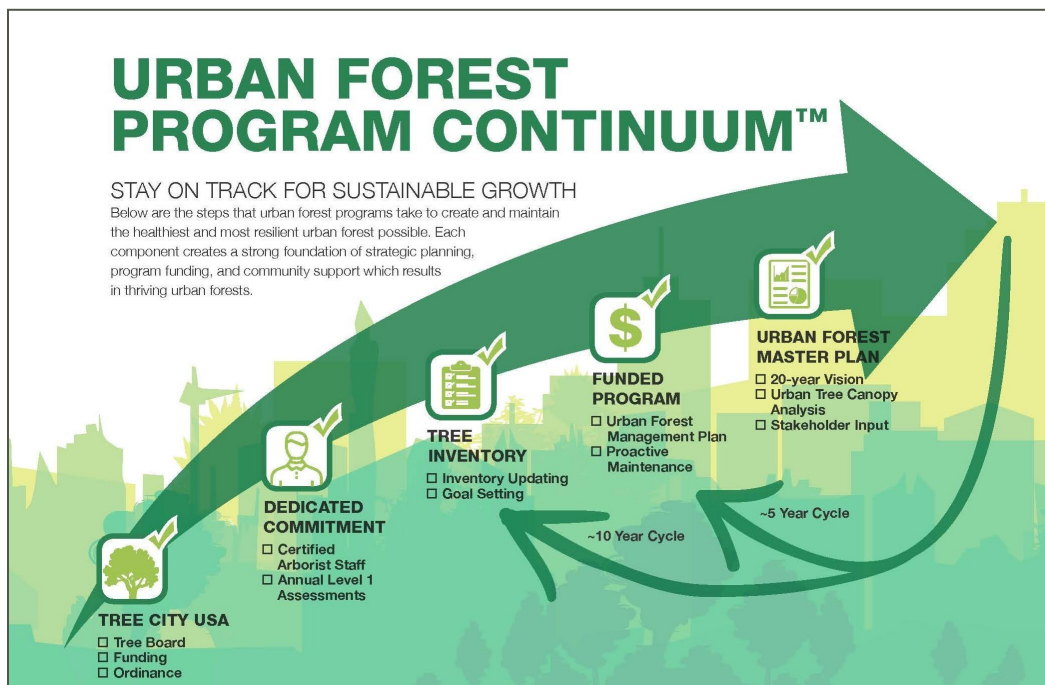
Documentation and recordkeeping practices - Prior to implementing the contract, the DRG Operations Manager will meet with appropriate City staff to develop a matrix for tracking counter visits, permit requests and reviews, site visits, compliance checks, post project audits, community outreach and other deliverables. A meeting calendar will be identified to review work requests, compliance measures, and departmental communication outcomes to ensure the contract is performing as intended. The Operations Manager will collaborate with the City Operations and Maintenance Manager or the City Operations and Maintenance Manager's designee to develop a baseline for acceptable outcomes for this contract. The On-Call Arborist will provide weekly updates of services provided in the format preferred by the City of Citrus Heights.

Project Neutrality - The urban forestry community in the Sacramento area is a tight knit community. We see each other frequently at California Urban Forest Council and California ReLeaf meetings, as well as other professional advancement workshops and infrastructure meetings. Many of us serve on land use, transportation, non-profit urban forestry and parks and recreation boards and committees. For years we have worked together to advance the science and collective benefits of the regional urban forest. Given DRG's significant and influential role in urban forest management solutions, it is likely our staff will have professional awareness of, and possible professional relationships with firms and/or individuals who submit proposals in response to tree maintenance contracts and other RFPs being developed. If selected for this contract, DRG will treat all City customers and stakeholders equally based on BMPs and program compliance. Our contractual role will be to serve as an extension of the City of Citrus Heights. We will conduct all project activities with neutrality, respect and professionalism. DRG welcomes the opportunity to discuss and design quality assurance strategies with the City staff to confirm and validate our professionalism on all levels of serving the City of Citrus Heights.

A Trusted Partner and Supporter of Arboriculture

Davey is a trusted partner of the United States Department of Agriculture (USDA) Forest Service and the Arbor Day Foundation, and a long-time supporter of the ISA and its local chapters. Davey is a founding partner with the USDA Forest Service of the i-Tree software.

Davey staff helped to develop and revise the American National Standards Institute (ANSI) standards for arboriculture, including tree risk assessment and drafted some of ISA's best management practices. Davey also works with the Tree Care Industry Association (TCIA), as safety is priority one for the Davey Company. Recently, DRG created the Urban Forest Program Continuum to help our clients gauge and grow their tree management programs.



Davey Resource Group has proven solutions to help the City of Citrus Heights advance its program forward along the Urban Forest Continuum.

Scope of Work

Within the scope of this contract DRG personnel will:

- Provide on-site consultation to city residents, including recommendations for tree removal or maintenance.
- Report on tree conditions, both orally and in written form, and provide an accurate and detailed assessment of trees' species, size, health, evaluation of root conditions, structure, and risk factors.
- Provide pest and disease diagnostics and provide protection strategies from the physical stresses of construction.
- Provide root damage mitigation options.
- Provide photographic documentation as needed.
- Work with the Community Development Department to review and comment on development plans and tree planting standards.
- Advise on the use of accepted tree care standards and BMPs.
- Advise staff on all matters related to tree plantings and removals for all street trees and trees in public areas, provide sound solutions for view disputes and review appeals regarding tree removals, plantings, trimming and pruning.
- Act in an advisory capacity to the City's Commissions, City Council, City Manager and City staff.
- Advise staff on policies, standards, guidelines, and regulations for street trees and other public trees located within City-owned spaces.

Key Personnel

We are pleased to re-introduce DRG and our team of urban forest experts to the City of Citrus Heights; as well as present our qualifications for providing arborist consulting services. Our teams' credentials include International Society of Arboriculture (ISA) Certified Arborists, with advanced Tree Risk Assessment Qualified (TRAQ) credentials, ISA Board Certified Master Arborist, and Registered Consulting Arborist. Our team presents the knowledge, certifications, and training required to address all aspects of Citrus Heights's tree and urban forestry assessment needs on time and within budget while exceeding the City's expectations.

Lori Murphy | Master Arborist

Lori Murphy has been with DRG since 2009 and serves as a Consulting Arborist for the Western Region. She has acted as field lead on many of DRG's municipal inventories, urban tree risk assessments, and the monitoring of construction and tree-protection plans. She currently serves the City of Rancho Cordova as the City Arborist, providing approximately 20 hours or less as the City's arboricultural expert. She presents experience in pest and disease diagnostics and solutions, tree risk assessment and reporting, staff and municipal leadership level advisory, and urban forestry solutions. Lori resides in Orangevale and is a well-known and respected arborist.



Lori Murphy resides in Orangevale and looks forward to continuing to serve the arboricultural interests of the City of Citrus Heights.

She has been active with the U.C. Cooperative Extension Master Gardeners since 1999, diagnosing problems with landscapes and pests at plant clinics and presenting proper pruning and pest management techniques. Prior to working with DRG, Lori worked with the Sacramento Tree Foundation as a community forester. There, she worked with homeowners, businesses, and municipalities, siting trees in appropriate locations and teaching proper tree planting, pruning, and cultural care. She has organized tree planting events and led tree tours. Lori has maintained her relationship with the Sacramento Tree Foundation by serving on the volunteer technical advisory committee. Lori is an ISA Board Certified Master Arborist and Municipal Specialist (WE-7844BM), ASCA Registered Consulting Arborist (RCA #780), and holds ISA Tree Risk Assessment Qualification (ISA TRAQ) certification.

Emily Spillett | Northern California Area Manager



Emily Spillett ensures quality operations of all DRG urban forestry projects in Northern California. She has managed significant and numerous urban forestry projects throughout California and the Western states. Ms. Spillett's leadership includes customized solutions unique to each client and coordinating the wide variety of resources Davey has to offer. In this position, her role is to ensure client satisfaction, strong communication, and adherence to project scope and timeliness. Emily Spillett works with many municipalities and has managed over 100 urban forestry projects that have included inventories, numerous management plans, and unique consulting projects. These projects have been completed on time, within budget, and to the satisfaction of Davey's clients.

Ms. Spillett holds a Bachelor of Science degree in Environmental Forest Biology from the State University of New York College of Environmental Science and Forestry. She is the former president of the Board of the California Urban Forest Council and is a member and volunteer for the Western Chapter of the International Society of Arboriculture.

Similar Contract Experience

Davey Resource Group has completed countless consulting projects throughout the country. The following contractual overviews are examples of work that closely correlate with City of Citrus Heights on-call arboriculture needs. Our projects were completed within their estimated budget and with the highest quality results or are currently active. Support for these clients is managed with weekly production reporting to the program manager to ensure cost control.

More than just a company with extensive experience, DRG values relationships. We value our people, our clients, and the communities in which they live. This approach has resulted in a long list of satisfied customers who can attest to DRG's excellence in arboricultural care. In addition to our history as the City of Citrus Heights arborist, we proudly present five contract overviews from our work in Northern California, which serve as examples of successful and high-quality projects. We welcome the opportunity to share a complete list of clients and the capacity in which we support their goals and objectives.

City of Rancho Cordova, California

Services Provided: Davey Resource Group performs various professional arboricultural services for the City of Rancho Cordova including residential site visits, serving as a community liaison in coordination with the Sacramento Tree Foundation, tree risk assessments, planning review, report writing, etc.

Client Project Manager:

Steve Harriman | Operations and Maintenance Manager
Rancho Cordova City Hall
2729 Prospect Park Drive

Rancho Cordova, CA 95670

(916) 851-8716 | sharriman@cityofranchocordova.org

Davey Resource Group staff | Responsibilities

Lori Murphy serves the role of City Arborist and Urban Forestry Manager on behalf of the City of Rancho Cordova. Davey Resource Group staff maintain a desk within the City Hall and serve as the professional services liaison between the City and the community it serves. Within this role, Davey Resource Group consulting staff manage and coordinate the planting, maintenance, removal, and preservation/protection of public trees. This includes

- Administer the city's Tree Preservation Ordinance and permit system.
- Work in coordination with the Sacramento Tree Foundation to educate the public and grow the city tree canopy.
- Guide Sacramento Tree Foundation staff on planning and implementation of tree planting projects to meet tree care standards and industry Best Management Practices (BMP's).
- Advise city and Sacramento Tree Foundation staff on policies, standards, guidelines, and regulations for street trees and other public trees located within City owned spaces.
- Provide on-site consultation to city residents, including recommendations for tree removal or maintenance.
- Work with the Community Development Department to review and comment on development plans and tree planting standards.
- Administer tree pruning and removal permits.
- Provide expertise in researching grant opportunities for tree planting projects, and assist with preparation of applications and administration of awarded grants.
- Act in an advisory capacity to the City's Commissions, City Council, City Manager, and City staff

City of Davis, California

Services Provided: Technical advanced arborist advisement and reports to address public and private trees.

Client Project Manager:

Charlie Murphy | City Forester

Department of Public Works

1717 5th Street, Davis, CA 95616

530.757.5633 | cmurphy@cityofdavis.org

Scope of Work:

- Report on tree conditions, both orally and in written form, and provide an accurate and detailed assessment of trees' species, size, health, evaluation of root conditions, structure, risk factors, and monetary value
- Provide pest and disease diagnostics and provide protection strategies from the physical stresses of construction
- Provide root damage mitigation options
- Review planning applications for urban forestry aspects

- Advise staff on all matters related to tree plantings and removals for all street trees and trees in public areas, provide sound solutions for view disputes and review appeals regarding tree removals, plantings, trimming and pruning
- Act in an advisory capacity to the City's Commissions, City Council, City Manager and City staff
- Advise staff on policies, standards, guidelines, and regulations for street trees and other public trees located within City-owned spaces
- Assist with Community Tree Planting Projects-Work with city staff, community stakeholders, and the Davis Tree Foundation on the planning and implementation of tree planting projects.

City of Menlo Park, California

Services Provided: Davey Resource Group serves as the professional technician to represent the protection and care of trees during all phases of construction. This includes validating and authorizing heritage tree removal and prescribed tree replacements.

Client Project Manager:

Joanna Chen | Management Analyst
City of Menlo Park Public Works
701 Laurel St., Menlo Park, CA 94025
650-330-6764 | JPChen@menlopark.org

Davey Resource Group staff | Responsibilities

The Davey Resource Group team reviews and evaluates development plans, tree preservation, and care strategies during construction, performs site surveys to evaluate tree health, identifies preservation potential, and determines critical root zones for trees that may be impacted by construction. Davey Resource Group provides on-site consultation for site developers and landscape architects to help preserve tree resources during construction. Our Arborist serves as a liaison to the City and works closely with architects and site developers to ensure protecting trees is “part of the plan” by communicating applicable tree preservation policies and construction site monitoring.

City of Saratoga, California

Services Provided: Services include tree health and tree risk assessment, mitigation recommendation, and development review.

Client Project Manager:

Debbie Pedro | Community Development Director
13777 Fruitvale Avenue Saratoga, CA 95070
408.868.1231 dpedro@saratoga.ca.us

Davey Resource Group Responsibilities:

A Davey Resource Group Consulting Arborist performs various duties for the County Department of Public Works which maintains the County Landscape Special Districts and Public Trails. Services include tree inventory and management plans, tree risk assessment, and tree health inspections. Each project includes a full report with maps and documentation.

Contra Costa County, California

Services Provided: Services include tree inventory and management plans, tree risk assessment and mitigation recommendations, and tree health inspections.

Client Project Manager:

Victoria Skerritt, Department of Public Works
255 Glacier Drive, Martinez, CA 94553
925-313-2272 | victoria.skerritt@pw.cccounty.us

Davey Resource Group Responsibilities: A Davey Resource Group Consulting Arborist performs various duties for the County Department of Public Works which maintains the County Landscape Special Districts and Public Trails. Services include tree inventory and management plans, tree risk assessment, and tree health inspections. Each project includes a full report with maps and documentation.

Price Proposal:

DRG rates for On-Call Arborist services are inclusive of all vehicle, equipment, and administrative incidentals including travel time required to support contract arborist services for the City of Citrus Heights. DRG does not charge extra for evening, overtime, or weekend work. The minimum charge time is two (2) hours. Given our on-call arborist contractual experience with other local municipalities, we can anticipate most on-call events taking approximately 4-5 hours inclusive of travel, meeting time, evaluation, and report writing. Specifically, our experience conducting an assessment of 5 trees or less is 3.5 hours of time.

If selected for this contract, DRG will encourage the City of Citrus Heights to group work requests to maximize the arborist's time for optimum efficiency. We welcome the opportunity to discuss our assumptions and are willing to modify our pricing and staff alternatives to best meet the needs of the City of Citrus Heights. We welcome further discussion of this rate to meet your needs and expectations.

ISA Board Certified Master Arborist/ RCA

July 2023 - June 2024\$100/Hour
July 2024 - June 2025\$107/ Hour

ISA Certified Arborist

July 2023 - June 2024\$115/Hour
July 2024 - June 2025\$122/ Hour

TERMS AND CONDITIONS

- All pricing is valid for 30 days from the date of this proposal, after which time we reserve the right to amend fees as needed.
- Time and materials (T&M) estimates may fluctuate and will be billed accordingly. Fixed fee contract prices will be billed as shown.
- Invoicing will be submitted monthly for work performed, unless otherwise agreed upon.
- Payment terms are net 30 days.
- If prevailing wage requirements are discovered after the date of this proposal, we reserve the right to negotiate our fees.
- The client is responsible for any permit fees, taxes, and other related expenses, unless noted as being included in our proposal.
- The client shall provide 48 hours' notice of any meetings where the consultant's attendance is required.
- Unless otherwise stated, one round of revisions to deliverables is included in our base fee. Additional edits or revisions will be billed on a time and material (T&M) basis.
- All reports are provided only to the client unless otherwise directed.

LIMITED WARRANTY

Davey Resource Group, Inc. ("DRG") provides this limited warranty ("Limited Warranty") in connection with the provision of services by DRG (collectively the "Services") under the agreement between the parties, including any bids, orders, contracts, or understandings between the parties (collectively the "Agreement").

Notwithstanding anything to the contrary in the Agreement, this Limited Warranty will apply to all Services rendered by DRG and supersedes all other warranties in the Agreement and all other terms and conditions in the Agreement that conflict with the provisions of this Limited Warranty. Any terms or conditions contained in any other agreement, instrument, or document between the parties, or any document or communication from you, that in any way modifies the provisions in this Limited Warranty, will not modify this Limited Warranty nor be binding on the parties unless such terms and conditions are approved in a writing signed by both parties that specifically references this Limited Warranty.

Subject to the terms and conditions set forth in this Limited Warranty, for a period of ninety (90) days from the date Services are performed (the "Warranty Period"), DRG warrants to Customer that the Services will be performed in a timely, professional and workmanlike manner by qualified personnel.

To the extent the Services involve the evaluation or documentation ("Observational Data") of trees, tree inventories, natural areas, wetlands and other water features, animal or plant species, or other subjects (collectively, "Subjects"), the Observational Data will pertain only to the specific point in time it is collected (the "Time of Collection"). DRG will not be responsible nor in any way liable for (a) any conditions not discoverable using the agreed upon means and methods used to perform the Services, (b) updating any Observational Data, (c) any changes in the Subjects after the Time of Collection (including, but not limited to, decay or damage by the elements, persons or implements; insect infestation; deterioration; or acts of God or nature [collectively, "Changes"]), (d) performing services that are in addition to or different from the originally agreed upon Services in response to Changes, or (e) any actions or inactions of you or any third party in connection with or in response to the Observational Data. If a visual inspection is utilized, visual inspection does not include aerial or subterranean inspection, testing, or analysis unless stated in the scope of work. When performing tree inventories or assessments, DRG will not be liable for the discovery or identification of non-visually observable,

latent, dormant, or hidden conditions or hazards, and does not guarantee that Subjects will be healthy or safe under all circumstances or for a specified period of time, or that remedial treatments will remedy a defect or condition.

To the extent you request DRG's guidance on your permitting and license requirements, DRG's guidance represents its recommendations based on its understanding of and experience in the industry and does not guarantee your compliance with any particular federal, state or local law, code or regulation.

DRG may review information provided by or on behalf of you, including, without limitation, paper and digital GIS databases, maps, and other information publicly available or other third-party records or conducted interviews (collectively, "Source Information"). DRG assumes the genuineness of all Source Information. DRG disclaims any liability for errors, omissions, or inaccuracies resulting from or contained in any Source Information.

If it is determined that DRG has breached this Limited Warranty, DRG will, in its reasonable discretion, either: (i) re-perform the defective part of the Services or (ii) credit or refund the fees paid for the defective part of the Services. **This remedy will be your sole and exclusive remedy and DRG's entire liability for any breach of this Limited Warranty.** You will be deemed to have accepted all of the Services if written notice of an alleged breach of this Limited Warranty is not delivered to DRG prior to the expiration of the Warranty Period.

To the greatest extent permitted by law, except for this Limited Warranty, DRG makes no warranty whatsoever, including, without limitation, any warranty of merchantability or fitness for a particular purpose, whether express or implied, by law, course of dealing, course of performance, usage of trade or otherwise.



CITY OF CITRUS HEIGHTS

CITY COUNCIL STAFF REPORT MEMORANDUM

DATE: July 13, 2023

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

FROM: Amy Van, City Clerk

SUBJECT: **Appointment to Fill Vacancy on the Citrus Heights Education Committee**

Summary and Recommendation

The Citrus Heights Education Committee (CHEC) is a limited term committee established to examine the feasibility of a Citrus Heights school district. The CHEC consists of seven members – five members who are individually appointed by each Council Member and two at-large members, subject to ratification by the City Council.

On June 22, 2023, the City Council adopted a resolution appointing seven members to the CHEC. On June 27, 2023, Thomas Scheeler (Mayor Schaefer's individual appointment) notified the City of his resignation from the CHEC effective immediately, thus creating a vacancy for one of the individually appointed positions. Mayor Schaefer reviewed the remaining CHEC applications that were presented on June 22, 2023, and desires to appoint James Remick to fill the vacancy on the CHEC, whose appointment is subject to ratification by the City Council.

Staff recommends the City Council adopt Resolution No. 2023-____ a Resolution of the City Council of the City of Citrus Heights, California, appointing a member to the Citrus Heights Education Committee (CHEC) to fill a vacancy.

Attachment

1. Resolution appointing a member to the CHEC to fill a vacancy
 - a. CHEC List of Appointees

RESOLUTION NO. 2023- ____**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CITRUS HEIGHTS, CALIFORNIA, APPOINTING A MEMBER TO THE CITRUS HEIGHTS EDUCATION COMMITTEE (CHEC) TO FILL A VACANCY**

WHEREAS, the Citrus Heights Education Committee (CHEC) will serve as a limited-term advisory committee and will provide a policy recommendation to the Citrus Heights City Council concerning the feasibility of a Citrus Heights school district;

WHEREAS, the CHEC consists of seven members – five members who are individually appointed by each Council Member and two at-large members;

WHEREAS, effective June 27, 2023, there is a vacancy for one of the individually appointed positions; and

WHEREAS, Mayor Schaefer desires to appoint James Remick to fill the individually appointed position.

NOW THEREFORE BE IT RESOLVED AND ORDERED that the City Council of the City of Citrus Heights hereby ratifies the appointment of James Remick to the CHEC to fill a vacancy.

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 13 day of July, 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

Exhibit

- a. CHEC List of Appointees

EXHIBIT A

Citrus Heights Education Committee (CHEC) List of Appointees

- Jeannie Bruins
- Jessica Fork
- John Kane
- Karen Mix
- James Remick
- Robin Stout
- Laura Wilbur



CITY OF CITRUS HEIGHTS

CITY COUNCIL STAFF REPORT MEMORANDUM

DATE: July 13, 2023

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

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

SUBJECT: **Resolution Confirming Report of Delinquent Solid Waste Charges and Ordering Collection of Delinquencies on the Property Tax Roll**

Summary and Recommendation

Staff recommends the City Council:

- 1) Conduct a Public Hearing on the Report of Delinquent Solid Waste Charges; and
- 2) Adopt Resolution No. 2023-___, a Resolution of the City Council of Citrus Heights, California, Confirming a Report of Delinquent Solid Waste Charges and Ordering Collection of Delinquencies on the Property Tax Roll.

Fiscal Impact

There is no impact to the FY 23/24 budget. This item is included in the annual solid waste budget. The County charges an annual fee of \$35.00 plus 62 cents per levy to record delinquent accounts on the tax roll.

Background and Analysis

Section 74-169 of the Municipal Code directs that solid waste charges be a lien against the property to which solid waste services are provided.

Government Code Sections 38790.1 and 25831 authorize the City to collect delinquent solid waste charges on the property tax roll. Delinquencies are charges that are at least three months overdue. Amounts on the property tax roll are collected by the County on the annual property tax bills in two equal installments that must be paid by December and April.

A report of delinquencies was prepared by Republic Services and filed with the City Clerk. It lists amounts that were originally due on March 1, 2023 or earlier, and remained unpaid at the

Subject: Resolution o Record Delinquent Solid Waste Charges on Tax Roll

Date: July 13, 2023

Page 2 of 2

time the report was filed. By its Resolution No. 2023-046, adopted on June 8, 2023, the City Council declared its intention to collect delinquencies on the property tax roll and set a public hearing on the report of delinquencies for the July 13, 2023 City Council meeting. Staff mailed notice of the public hearing to each property owner listed on the report at least ten days prior to the scheduled public hearing. The purpose of the public hearing is to give affected property owners a chance to dispute their inclusion on the report (or the amount of the delinquency) before the amount is turned over to the County for collection on the property tax bill.

The original report as filed listed 1420 delinquent accounts, with a past due balance of \$610,460.59 and penalties of \$61,046.06 for a total of \$671,506.65.

An updated report has been filed with the City Clerk to remove delinquencies that have been paid since the original report was produced. The attached resolution confirms that revised report. The City Council may also make other changes to the report after hearing objections and protests at the public hearing,

It is possible that some payments will be made to Republic Services after the adoption of tonight's resolution. If such payments are made prior to submission of the report to the County, staff and Republic Services will endeavor to remove the paid delinquencies from the report.

Attachments

- 1) Resolution No. 2023-____, a Resolution of the City Council of the City of Citrus Heights California, Confirming a Report of Delinquent Solid Waste Charges and Ordering Collection of Delinquencies on the Property Tax Roll

RESOLUTION NO. 2023-__**RESOLUTION OF THE CITY COUNCIL OF THE
CITY OF CITRUS HEIGHTS, CALIFORNIA, CONFIRMING A REPORT
OF DELINQUENT SOLID WASTE CHARGES AND ORDERING
COLLECTION OF DELINQUENCIES ON THE PROPERTY TAX ROLL**

WHEREAS, pursuant to Section 74-169 of the Municipal Code, solid waste charges constitute a lien against the property to which services are provided;

WHEREAS, Government Code Sections 38790.1 and 25831 authorize the City to collect delinquent solid waste charges on the property tax roll;

WHEREAS, a report of delinquencies, listing each delinquent parcel and the amount of its delinquency, has been prepared and placed on file in the Office of the City Clerk and made available for public inspection (the "Report");

WHEREAS, on June 8, 2023, by its Resolution No. 2023-046 (the "Resolution of Intention"), the City Council declared its intention to collect delinquent solid waste fees on the 2023-2024 property tax roll;

WHEREAS, the Resolution of Intention set July 13, 2023 at 6:00 p.m. in the City Council Chambers, 6360 Fountain Square Drive, Citrus Heights as the time and place for a public hearing on the Report and any objections or protests to the Report (the "Public Hearing");

WHEREAS, notice of the Public Hearing and the filing of the Report was mailed to the landowners listed on the Report at least ten days prior to the date of the Public Hearing;

WHEREAS, prior to the Public Hearing, a revised report of delinquencies was prepared to omit delinquencies that have been paid since the Report was originally prepared (the "Revised Report");

WHEREAS, the Revised Report, which contains no additional delinquencies that were not also on the original Report, is on file in the Office of the City Clerk, available for public inspection, and incorporated herein by reference;

WHEREAS, at the appointed time and place, the City Council held the Public Hearing and heard objections and protests from all interested persons; and

WHEREAS, the City Council desires to confirm the Revised Report, without additional changes and to cause the delinquencies listed on the Revised Report to be collected by the County along with property taxes.

NOW THEREFORE BE IT RESOLVED that:

1. Pursuant to Section 258319(c) of the Government Code, the City Council confirms the Revised Report without additional changes.
2. The City Council directs staff to file a certified copy of the Revised Report with the County Auditor for collection on the 2023-24 Property Tax Roll, and take any other action necessary to cause such collection.
3. The delinquent charges (including penalties and interest) listed on the Revised Report shall constitute special assessments against the respective parcels of land and are a lien on the property for the amount of the delinquency. The assessment shall be collected at the same time and in the same manner as ordinary county ad valorem property taxes are collected and shall be subject to the same penalties and the same procedure and sale in case of delinquency as provided for those taxes. All laws applicable to the levy, collection, and enforcement of county ad valorem property taxes shall be applicable to the assessment, except that if any real property to which the lien would attach has been transferred or conveyed to a bona fide purchaser for value, or if a lien of a bona fide encumbrancer for value has been created and attaches thereon, prior to the date on which the first installment of the taxes would become delinquent, then the lien that would otherwise be imposed by this section shall not attach to the real property and the delinquent fees, as confirmed, relating to the property shall be transferred to the unsecured roll for collection.
4. Staff is authorized to remove such items from the Revised Report as are paid prior to the submission of the Revised Report to the County.

PASSED AND ADOPTED by the City Council of the City of Citrus Heights, California, this 13th day of July, 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: July 13, 2023

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

FROM: Casey Kempenaar, Community Development Director
Alison Bermudez, Senior Planner
Nicole Piva, Housing and Human Services Program Coordinator

SUBJECT: Resolution to Adopt Affordable Ownership Program Guidelines

Summary and Recommendation

Due to the complexity and influx of recent housing legislation, City staff worked with Housing INC. a housing consulting firm, to evaluate consistency between existing housing related policies and recent housing legislation. Due to the outcome, City staff drafted Affordable Ownership Program Guidelines to create and preserve long-term affordable homeownership opportunities for people who live and work in the City of Citrus Heights.

On February 23, 2023, during the City Council meeting City staff and Housing INC. presented the Affordable Ownership Program Guidelines. During the meeting, three of the five councilmembers were present; therefore, City Council asked City staff to return at a later date to provide an overview of the Program Guidelines to the full City Council.

The development of the Affordable Ownership Program Guidelines was funded through the State's Local Early Action Plan (LEAP) grant, therefore if the Guidelines are not adopted the grant would need to be repaid. In addition, City staff pursued grant funds due to the newly adopted laws related to the provision of affordable housing and local government's role in maintaining and monitoring projects as they are developed and ultimately occupied.

City has two longstanding Surplus Lands Act projects that have the potential to trigger the new provisions related to affordable housing including the Sayonara Drive Redevelopment and the Sylvan Corners projects. These Guidelines may be amended by City Council in the future as necessary to comply with changes in state law and to support related City objectives.

Subject: Resolution to Adopt Affordable Ownership Program Guidelines

Date: July 13, 2023

Page 2 of 7

Staff recommends the following motion:

Motion: Move to adopt Resolution No. 2023-____ A Resolution of the City Council of the City of Citrus Heights, California, adopting the Affordable Ownership Program Guidelines and finding the project categorically exempt from the California Environmental Quality Act.

City Council Strategic Goal/Objective

This staff report supports strategies that will align with the following City Council Strategic Plan

Goal: Enhance Community Vibrancy and Engagement

Background and Analysis

As the State of California continues to experience housing shortages, numerous new laws related to housing have been signed into law. Many of the newly adopted laws have components related to the provision of affordable housing and local government's role in maintaining and monitoring projects as they are developed and ultimately occupied. To address anticipated development of projects that include affordable units, staff is requesting the adoption of the Affordable Ownership Program Guidelines (Exhibit A) which would assist staff in oversight of the units resulting from changes in state law.

State laws provide developers a variety of incentives such as increased densities, reduced approval timelines, and relaxed development standards for those projects that include housing units reserved for persons/families of lower incomes.

For projects developed utilizing these laws, long-term monitoring is required to ensure the housing remains affordable for long-term periods of time (which can vary depending on the project). Due to the influx of housing laws, push for additional affordable housing and the advantages provided to developers by providing affordable housing, it is anticipated the City will see an influx of affordable units in the near future; each requiring long term monitoring for adherence with the law.

In addition, some state mandates require a developer to provide affordable housing. One locally relevant example are projects that fall under the Surplus Land Act (SLA). The SLA requires government owned property sold for housing to require a certain percentage of the units be provided to restricted incomes.

Of note, the City has two longstanding Surplus Lands Act affiliated projects that have the potential to trigger the SLA provisions related to affordable housing. The Sayonara Drive Redevelopment and the Sylvan Corners sites would be subject to the SLA provisions if they include a housing component. In both of these instances, a minimum of 15% of the units must be sold as affordable and maintained as affordable for a minimum of 45 years, which is the responsibility of the City.

Subject: Resolution to Adopt Affordable Ownership Program Guidelines

Date: July 13, 2023

Page 3 of 7

Intent of Affordable Ownership Program Guidelines

The goal of the City's affordable housing program is to create and preserve long-term affordable ownership opportunities for people who live and work in the City of Citrus Heights. The Affordable Ownership Program Guidelines ("Program" or "Guidelines") will support the program's goal by providing Guidelines that are fair and equitable for developers and buyers. The Guidelines will support the administration of affordable housing should residential developers request entitlements under any of these mandates, including AB 2011, SB 6, Surplus Lands Act, Density Bonus, etc.

Any project that includes an affordable component is required to enter into an Affordable Housing Regulatory Agreement (Agreement) with the City. These agreements are legally binding agreements which ensure affordable units remain affordable for specified periods (as prescribed by law), and memorialize the roles and responsibilities of the developer and the City for the development and ongoing maintenance of the affordable housing. These Agreements are required to comply with state law and the provisions of the guidelines.

Within the suite of laws governing affordable housing, there are some components that allow City discretion and/or policy to guide the development of Affordable Housing Regulatory Agreements (for example, giving first priority to those persons who both live and work in Citrus Heights and developer funding contributions for long-term monitoring). Other areas are purely subject to state law and the City has no discretion for implementation (for example, establishment of affordable income categories). Therefore, to provide staff the necessary tools to work with developers and oversee the long-term management of affordable units, staff seeks Council adoption of these Guidelines.

The Affordable Ownership Program Guidelines are provided as Exhibit A. These guidelines are intended to frame the City's approach towards any future project subject to long term monitoring requirements.

The Guidelines are intended to allow flexibility and serve as a tool for staff to apply as new development projects come forward necessitating long term monitoring of affordable projects. The full guidelines are provided as Exhibit A and some frequently asked questions are provided as Attachment 2. Below is a summary of the key components of the guidelines:

Description of an "Affordable Unit"

An affordable unit is a housing unit for a household within specific incomes limits. Incomes of up to 80% of the area median income (AMI) generally are considered "lower income." The Department of Housing and Community Development (HCD) currently defines \$85,750 for a family of four as low income. Program participants purchasing affordable units will be required to be lower income and will have to demonstrate income eligibility and credit worthiness to meet the monthly housing obligations and program requirements.

Subject: Resolution to Adopt Affordable Ownership Program Guidelines**Date: July 13, 2023****Page 4 of 7***What an “Affordable Unit” is not*

Affordable units should not be confused with Section 8 housing, now called Housing Choice Voucher (HCV), which is a voucher program where the monthly housing cost is paid through a Public Housing Authority, locally known as Sacramento Housing and Redevelopment Agency (SHRA).

Program Overview

The Program Guidelines will assist with all aspects of housing units sold as a qualifying affordable unit under a variety of programs including housing projects being developed under density bonus program or other legislative or mandated state programs.

The Program Guidelines have been developed in accordance with Section 50052.5 of the California Health and Safety Code and further consistent with Citrus Heights existing First Time Homebuyer Down Payment Program.

Program Eligibility

Buyers of a qualified unit must be a first-time home buyer, be income qualified, be able to meet the lending requirements, and attend a Home Buyer Orientation.

Buyer Selection Process

The Guidelines provide details on the initial buyer selection process, giving priority to those who currently live AND work in Citrus Heights, followed by those who live OR work in the City and last to all other qualified buyers.

Developers Responsibility

The Guidelines provide an overview of the Program but the project specific details between the Developer and the City will be implemented through an Affordable Housing Agreement (AHA). The AHA implements the project specific details such as the number of units to be provided, codifies that the units will be of the same quality/materials as the market rate units, identifies any marketing requirements for the project, determination for affordable sales prices, and options should a qualified buyer(s) not be found.

In addition, the AHA will establish if the developer will be required to remit a percentage of the unit's initial sales price to the City to contribute to costs associated with the City's long-term oversight of the unit. Jurisdictions commonly collect this fee with varying percentages ranging from 1% to 5% of the sales price of an affordable unit. The Guidelines are written to allow up to 3% of sales price to provide adequate funding for ongoing monitoring of affordable requirements. In most cases, this requirement will be evaluated in conjunction with the scope of the project and staff would make a recommendation of an appropriate funding mechanism. The bulk of projects will fall within this range however, the City Council can alter this requirement on a project by project basis.

Subject: Resolution to Adopt Affordable Ownership Program Guidelines**Date: July 13, 2023****Page 5 of 7***Buyers Responsibility*

All buyers of affordable units will be required to sign an Owners Agreement (OA), also known as a Resale Restriction Agreement or Deed Restriction, which is a covenant that will be recorded against the title of each individual property at the time of sale. The OA will outline owners obligations with regards to occupancy, maintenance, refinancing, and reselling that come in exchange for the benefit of purchasing an affordable unit.

It's worth noting that most laws require the home must remain in the Program for a 45-year term. Should the owner sell the home prior to the 46th year, the home must be sold to another qualified buyer at the restricted resale price as determined in the Guidelines and further outlined in the OA. The OA will give the City the first right of refusal to purchase the home for the restricted resale price prior to the seller offering the home to another qualified buyer.

The City is not obligated to exercise the option to purchase any home in the program, however, the owner is obligated to give the City the option to do so.

Resale Price

Owners of a restricted unit may sell the home to another income qualified buyer at any time. The home must be sold at what is called a "restricted resale price." This restricted resale price is a calculation set forth in the Guidelines and codified in the OA. The Guidelines require the lessor value of two different calculations to be considered the restricted resale price- 1) the initial sales price plus median income adjustments and increased/decreased value of any improvements or 2) appraised value.

Resale/Refinancing Process

All real estate transactions associated with the restricted unit require processing and approval by the City. This includes refinancing requests and transfer of ownership (resale, death, etc.). The Guidelines allow owners to refinance their home to ensure the continued affordability of the home to the Owner and to minimize the risk of loss of the home by the Owner through default and foreclosure of mortgage loans. As required, the City must approve all financing and refinancing.

The adoption of the Affordable Ownership Program Guidelines will provide the City with tools needed when a development application that includes affordable housing be submitted to the City (for example Sylvan Corners).

Fiscal Impact

The development of the Affordable Ownership Program Guidelines was funded through the State's Local Early Action Plan (LEAP) grant program. There has been no impact to the City's General Fund for the development of this program.

Fiscal impacts may exist anytime an affordable housing project is developed in Citrus Heights that would obligate the City for long-term monitoring of affordability.

Subject: Resolution to Adopt Affordable Ownership Program Guidelines**Date: July 13, 2023****Page 6 of 7**

The costs associated with administration of affordable housing monitoring may include implementation of the regulatory agreement with the developer, the oversight and approval of the income qualifications of the initial buyer and/or any subsequent buyer, as well as other administrative steps needed to manage the deed restricted unit.

In most cases, an affordable housing unit remains deed restricted for income qualified buyers for a minimum of 45 years up to 55 years. During this term, monitoring of each affordable unit's adherence to applicable state laws, income limits, and associated requirements often falls on the City (depending on the funding source and/or entitlement type).

Program costs can vary significantly based on several factors, including the size of the project and the number of units. Programs with the least City costs are those that have funding sources such as tax credits or other financing mechanisms as those funders take on the administration role (for example low income tax credit projects).

Those projects with an affordable housing component, which are developer sponsored, are likely to have the largest fiscal impact to the City. These projects will likely require both internal staff and external partners for each project launch and the anticipated cost can range significantly based on the number of units, affordability levels, and experience/capability of the developer.

The Guidelines outline the responsibilities of the developer and the City's role in monitoring the program. As affordable units are constructed, the City's role is limited to oversight of the project specific Affordable Housing Program oversight for the program launch, which are ultimately necessary to sell affordable units to qualified buyers.

After affordable units are first occupied, the City's responsibility is the long-term monitoring of the affordable units to ensure units remain affordable as required by the governing law and/or funding source. This includes:

- Coordinate refinance and re-sale requests
- Deliver program reports, database management
- Monitor participant compliance and remedy defaults
- Ongoing reporting to state Housing and Community Development (HCD)

These costs can vary based on the number of units, number of resales annually, affordability levels, etc. and are anticipated to be \$5,000 to \$20,000 annually. In order to offset these long-term financial impacts, the Guidelines include requirements for developer contributions to ensure a sustainable funding stream.

The most commonly used funding source for administration of affordable housing programs is the collection of a fee at the time each affordable unit is sold. Implementing this method, the City would receive a percentage of the sales price to cover costs associated with the ongoing monitoring and compliance review.

The Guidelines allow the City to capture up to 3% of the sale price when the affordable unit is sold and each subsequent time the unit is resold.

Subject: Resolution to Adopt Affordable Ownership Program Guidelines

Date: July 13, 2023

Page 7 of 7

Depending on the type of project, number of units and associated project makeup, the Guidelines allow staff to make recommendations between 0 and 3% of sales price. This approach would enable a sustainable funding source to cover the City's long term monitoring obligations without necessitating funding from other City funds.

Attachments

1. Attachment 1: Resolution to Adopt Affordable Ownership Program Guidelines
2. Attachment 2: Frequently Asked Questions
3. Exhibit A: Affordable Ownership Program Guidelines

RESOLUTION NO. 2023- ____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CITRUS HEIGHTS,
CALIFORNIA, ADOPTING THE AFFORDABLE OWNERSHIP PROGRAM GUIDELINES
AND FINDING THE PROJECT CATEGORICALLY EXEMPT FROM THE CALIFORNIA
ENVIRONMENTAL QUALITY ACT**

WHEREAS, the City's General Plan Housing Goals encourage home ownership opportunities for all levels of incomes;

WHEREAS, to implement those Goals, the City encourages developers to provide affordable housing opportunities for persons/families of restricted incomes;

WHEREAS, in response to the continued statewide housing crisis, California's Legislature has enacted a number of new laws providing developers a variety of incentives such as increased densities, reduced approval timelines, and relaxed development standards for those projects that include housing units reserved for persons/families of restricted incomes;

WHEREAS, the City is legally obligated to monitor the long-term affordability of Affordable Units for periods of time specified by law up to 55 years;

WHEREAS, to address the potential development of new affordable housing units, the Affordable Ownership Program Guidelines have been created to assist in the implementation and management of affordable housing within the City;

WHEREAS, the Affordable Ownership Program Guidelines are will ensure that housing units are preserved as an affordable unit for the required time as required by law;

WHEREAS, the Affordable Ownership Program Guidelines have been developed in accordance with Section 50052.5 of the California Health and Safety Code and are consistent with Citrus Heights existing First-Time Homebuyer Program.

WHEREAS, the project is Categorically Exempt from review under the California Environmental Quality Act (CEQA) pursuant to CEQA guidelines section 15061(b)(3).

NOW THEREFORE BE IT RESOLVED AND ORDERED that the City Council of the City of Citrus Heights does hereby adopt the Affordable Ownership Program Guidelines for the oversight, monitoring, and management of affordable housing.

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 13th day of July 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

Exhibit

A. Affordable Ownership Program Guidelines

City of Citrus Heights

Affordable Ownership Program Guidelines

FAQ's

1. Who is eligible to purchase an affordable unit?

An affordable unit is a housing unit sold to a household within specific incomes limits. Incomes of up to 80% of the area median income (AMI) generally are considered “lower income.” The Department of Housing and Community Development (HCD) currently defines \$81,050 for a family of four as low income in Sacramento County. Program participants purchasing affordable units will be required to be lower income and will have to demonstrate income eligibility and credit worthiness to meet the monthly housing obligations and program requirements.

The goal of the affordable housing program is to create and preserve long term affordable homeownership opportunities for the people who live and work in the City of Citrus Heights.

2. Are homes in the program considered “Section 8” housing?

No. Affordable units provide homeownership opportunities to eligible households who would normally not be able to purchase a market rate home. Affordable units should not be confused with Section 8 housing, now called Housing Choice Voucher (HCV), which is voucher program where the monthly housing cost is paid through a Public Housing Authority, locally known as Sacramento Housing and Redevelopment Agency (SHRA).

3. What is an affordable housing program?

The State of California continues to have a shortage of housing that is affordable to middle-income working families. Due to the continued housing shortages, legislation provides developers a variety of incentives such as increased densities, reduced approval timelines, and relaxed development standards for those projects that include housing units reserved for persons/families of restricted incomes. In exchange for these incentives, the developer agrees to sell a set aside number of homes at a price determined to be “affordable”, generally much lower than the market rate.

Homes in the program will have covenants recorded against the title of the property, to ensure their continued affordability for a defined period. For the duration of this affordability period, the City governs the use and transfer of these homes. It’s important to note that homes in the program are required to remain owner occupied, cannot be investment properties or rental homes, must be maintained in accordance with the CCR’s and affordability covenants and are not intended to generate market-rate equity growth for their owners.

4. How will the City establish the initial sales price with the builder?

Housing developments which include affordable units have an initial sales prices for affordable homes are established. These prices are calculated prior to completion of the units so that builders can forecast sales revenues as well as construction costs, both of which are necessary for obtaining construction financing. The builder will be required to sign an affordable housing agreement that outlines the affordable sales prices that the homes will be required to be sold for. The prices will be calculated using current interest rates, property taxes, estimated hazard insurance and HOA dues.

5. Can individual owners sell?

Yes, individual owners are allowed to sell their homes, however all homes must be resold to qualified buyers a restricted sales price determined by the owner's deed restriction agreement. All homes in the City's affordable housing program will be restricted for a 45-year affordability covenant. This agreement will outline all of the program requirements, including how the future price is calculated, and all other use restrictions required by the City. The deed restrictions will be signed in escrow and will appear as a covenant recorded against the title of every home sold within the City's affordable housing program.

Updated June 22, 2023



City of Citrus Heights

Draft Affordable Ownership Program Guidelines

City Council Review Date: July 13, 2023

July, 2023

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Below Market Rate Program Guidelines

I. PROGRAM OVERVIEW

The City of Heights is pleased to provide these Affordable Ownership Program Guidelines (“Guidelines”). The goal of the program is to create and preserve long-term affordable homeownership opportunities for people who live and work in the City of Citrus Heights.

These Guidelines will assist with all aspects of housing units sold as a qualifying affordable unit under a variety of programs including those mandated by the Department of Housing and Community Development (“HCD”) i.e., land sold under the State of California’s Surplus Lands Act, and in alignment with the Developer’s recorded Affordable Housing Agreement (“AHA”) and Owner’s Resale Restriction Regulatory Agreement and Option to Purchase and Excess Proceeds Deed of Trust (“Owner’s Agreement”).

Affordable Housing and Owner Agreements ensure the homes will remain affordable and occupied by the owner (“Owner”) for the 45-year restricted term. Program owners can sell their home at a market rate price at the end of the restricted term (46th year).

The Owner’s Agreement gives the City the option to purchase (“Purchase Option”) the home for the Restricted Resale Price if the Owner sells their home during the restricted term. The City can also assign another program eligible buyer to purchase the home. The City is not obligated to exercise its Purchase Option; however, the Owner is obligated to give the City the option to do so.

Owner Agreement Summary:

- The home is restricted for resale to program eligible buyers at the restricted resale price for the term of the Owner’s Agreement;
- The Owner must annually certify primary occupancy of the home;
- The Owner must maintain the property – including, but not limited to maintaining all structures and landscaping;
- The Owner must maintain insurance requirements; and the City must be named as additional loss payee on the policy;
- The Owner must give notice to the City prior to the resale of the residence to an Income Eligible Household;
- The City must approve Owner’s Request to Refinance - homes are severely restricted from re-financing to access equity; and
- The Owner grants the City an Option to Purchase the Property upon resale or default

Owner Agreements dictate policies and procedures specific to individual properties. These

guidelines support program policies and procedures. Such as:

- Program eligibility, application and financing requirements;
- Buyer selection process – including live/work criteria levels;
- City approval for refinance process;
- Title transfers (including through marriage, divorce & inheritance); and
- Selling process & procedures.

The City may designate and manage one or more third-parties (“City Designee”) to administer and/or facilitate portions or all of the Program Guidelines.

The Program will be implemented consistent with the City’s commitment to non-discrimination. No person shall be excluded from participation in, denied the benefit of, or be subject to discrimination under any program or activity on the basis of his or her religion or religious affiliation, age, race, color, creed, gender, sexual orientation, marital status, familial status (children), physical or mental disability, nation origin, ancestry, or any other arbitrary cause.

The City will review and update these Guidelines from time to time to reflect changes in the market and better meet the community’s needs. Any changes shall be made in accordance with applicable regulations and be approved by the City’s Loan Committee.

II. DEVELOPMENT AND INITIAL SALES PROCESS

The intent of the City’s Affordable Ownership Program and Developer’s participation therein, is to maintain affordability of the participating homes for 45 years. The Developer and the City will sign an Affordable Housing Agreement to codify the processes and procedures to offer homes for sale to Initial Buyers that are affordable to them and are subject to an Owner’s Agreement.

Developers shall build the homes in accordance with the Affordable Housing Agreement and with development plans and any phasing plan, including bedroom-size and unit location, approved by the City for the Project. The homes will also be constructed in similar quality to base construction materials and finishes of other market rate homes in the same Project and will be subject to City approval.

The Developer’s homes for sale will be priced with the City’s approval and in accordance with applicable regulations. The City Designee shall select and approve Initial Buyers aligned with the City’s current policies and procedures.

The Developer will prepare the purchase and sales agreement for execution by the buyer and the Developer will facilitate the close of escrow.

The City Designee may be compensated for its role by the Developer at up to 3% of the sales price for each unit as a one-time fee payable upon any sale. The compensation shall be included in the initial buyer's purchase and sale agreement and continued through any resales.

III. **PROGRAM OUTREACH AND MARKETING**

The Developer will create and execute an Affirmative Marketing Plan approved by the City in advance, designed exclusively to sell affordable homes and must be consistent with the marketing requirements further described below. The Affirmative Marketing Plan should include traditional marketing avenues such as online marketing, social media marketing, Community Partner Outreach, etc.

All outreach efforts will be done in accordance with state and federal fair lending regulations to assure nondiscriminatory treatment, outreach and access to the Program. No person shall, on the grounds of age, ancestry, color, creed, physical or mental disability or handicap, marital or familial status, medical condition, national origin, race, religion, gender or sexual orientation be excluded, denied benefits or subjected to discrimination under the Program. The Marketing Plan must ensure that all persons, including those qualified individuals with handicaps, have access to the Program.

1. The Fair Housing Lender and Accessibility logos will be placed on all outreach materials.
2. Fair housing marketing actions will be based upon a characteristic analysis comparison (census data may be used) of the Program's eligible area compared to the ethnicity of the population served by the Program (includes, separately, all applications given out and those receiving assistance) and an explanation of any underserved segments of the population. This information is used to show that protected classes (age, gender, ethnicity, race, and disability) are not being excluded from the Program. Flyers or other outreach materials, in English and any other language that is the primary language of a significant portion of the area residents, will be widely distributed in the Program-eligible area and will be provided to any local social service agencies. City Designee will host classes, trainings, or workshops to help educate homebuyers about the program application and home buying process with future responsibilities.
3. The City will take appropriate steps to ensure effective communication with disabled housing applicants, residents and members of the public.

V. LOAN EVALUATION

The Loan Committee will review each application and may approve or deny with or without conditions.

VI. PROGRAM ELIGIBILITY REQUIREMENTS

All homes must be sold to buyers who meet the following requirements:

1. First-time homebuyer. The City shall comply with the Title 25 California Code of Regulations Division 1, Chapter 7, Subchapter 9 commencing with Section 7715 HCD definition of a first-time homebuyer.

A first-time homebuyer means a buyer (s) who has not owned a home during the three-year period before the purchase of a home, except that the following individual or individuals may not be excluded from consideration as a first-time homebuyer under this definition:

- A. a displaced homemaker who, while a homemaker, owned a home with his or her spouse or resided in a home owned by the spouse. A displaced homemaker is an adult who has not, within the preceding two years, worked on a full-time basis as a member of the labor force for a consecutive twelve-month period and who has been unemployed or underemployed, experienced difficulty in obtaining or upgrading employment and worked primarily without remuneration to care for his or her home and family;
- B. a single parent who, while married, owned a home with his or her spouse or resided in a home owned by the spouse. A single parent is an individual who is unmarried or legally separated from a spouse and has one or more minor children for whom the individual has custody or joint custody or is pregnant; or
- C. an individual or individuals who own or owned, as a principal residence during the three-year period before the purchase of a home, a dwelling unit whose structure is:
 - a. not permanently affixed to a permanent foundation in accordance with local or state regulations; or
 - b. not in compliance with state, local, or model building codes and cannot be brought into compliance with such codes for less than the cost of constructing a permanent structure.

2. Income eligibility.

Income Eligible Households do not have incomes that exceed 80% of the AMI limits adjusted for household size, published annually by HCD for Sacramento County.

All income of all household members 18 years old or older will be considered.

- A. Household size will not include foster children, unborn children and children being pursued for custody or adoption who do not currently live in the home. Household size will include joint custody children who reside in the home 50% or more of the year.
- B. Income verification will be performed using income calculation worksheet.
- C. Assets are only significant to the Affordable Ownership Program in the determination of income qualification.
 - a. Net family assets means the value of equity in real property other than the household's full-time residence, savings, stocks, bonds, and other forms of capital investment. The value of necessary items such as furniture and automobiles shall be excluded.
 - b. Where a family has net family assets in excess of \$5,000 will be included in gross income as the greater of:
 - i. Income derived from all net household assets, or
 - ii. 2.5% (passbook rate) of the value of such assets.
- D. Gross income shall mean the anticipated income of a person or family for the twelve-month period following the date of determination of income. If the circumstances are such that it is not reasonably feasible to anticipate a level of income over a twelve-month period, a shorter period may be used subject to a re-determination at the end of such a period.
 - a. Income shall include but not be limited to:
 - i. The gross amount, before any payroll deductions, of wages and salaries, overtime pay, commissions, fees, tips and bonuses;
 - ii. The net income from operation of a business or profession or from rental or real or personal property (for this purpose, expenditures for business expansion or amortization of capital indebtedness shall not be deducted to determine the net income from a business);
 - iii. Interest and dividends;
 - iv. The full amount of periodic payments received from social security, annuities, insurance policies, retirement funds, pensions, disability or death benefits and other similar types of periodic receipts;
 - v. Payments in lieu of earnings, such as unemployment and disability compensation, worker's compensation and severance pay (but see subdivision (b)(3)).
 - vi. Public Assistance. If the public assistance payment includes an amount

specifically designated for shelter and utilities which is subject to adjustment by the public assistance agency in accordance with the actual cost of shelter and utilities, the amount of public assistance income to be included as income shall consist of:

- vii. The amount of the allowance or grant exclusive of the amount specifically designated for shelter and utilities, plus
- viii. The maximum amount which the public assistance agency could in fact allow for the family for shelter and utilities
- ix. Periodic and determinable allowances such as alimony and child support payments, and regular contributions or gifts received from persons not residing in the dwelling;
- x. All regular pay, special pay and allowances of a member of the Armed Forces (whether or not living in the dwelling) who is head of the family or spouse.

b. Income shall not include:

- i. Casual, sporadic or irregular gifts;
- ii. Amounts which are specifically for or in reimbursement of the cost of medical expenses;
- iii. Lump-sum additions to family assets, such as inheritances, insurance payments (including payments under health and accident insurance and worker's compensation), capital gains and settlement for personal or property losses;
- iv. Amounts of educational Scholarships paid directly to the student or to the educational institution, and amounts paid by the government to a veteran for use in meeting the costs of tuition, fees, books and equipment. Any amounts of such Scholarships, or payments to veterans not used for the above purposes of which are available for subsistence are to be included in income;
- v. The special pay to a serviceman head of a family away from home and exposed to hostile fire;
- vi. Relocation payments made pursuant to federal, state, or local relocation law;
- vii. Foster childcare payments;
- viii. The value of coupon allotments for the purchase of food pursuant to the Food Stamp Act of 1964 which is in excess of the amount actually charged the eligible household;
- ix. Payments received pursuant to participation in the following volunteer programs under the ACTION Agency:
 - x. National Volunteer Antipoverty Programs which include VISTA, Service-Learning Programs and Special Volunteer Programs.
 - xi. National Older American Volunteer Programs for persons aged 60 and over which include Retired Senior Volunteer Programs, Foster Grandparent

Program, Older American Community Services Program, and National Volunteer Program to Assist Small Business Experience, Service Corps of Retired Executive (SCORE) and Active Corps of Executives (ACE).

4. Homebuyer Orientation Program. City Designee will require all program applicants attend a Program Orientation. The Orientation will cover topics such as the application and selection process, ownership requirements (e.g., annual certification and refinance/subordination process), and resale process.

VII. BUYER APPLICATION AND SELECTION PROCESS

Initial buyers shall be ranked and selected to purchase a home according to the following Criteria Levels:

Level One:	Those who live and work in the City of Citrus Heights
Level Two:	Those who live or work in the City of Citrus Heights
Level Three:	All others

Initial Program Application and Buyer Selection Process. The City Designee shall select and approve Initial Buyers aligned with the City's current policies and procedures – for example:

Step 1: Affirmative Marketing Plan Launched

- Community Outreach, Notify the Interest List, Social Media, Press Release, etc.

Step 2: Households submit a Program Pre-Application

- Households are screened for criteria level and selected households are invited to attend an Orientation.

Step 3: Orientation

- Selected households attend an orientation to learn amount the program and affordable home(s)
- Developer invited to talk about the affordable home(s)
- Loan officers invited to attend to talk about the loan application process.

Step 4: Lender Pre-Approval

- Applicants meet with loan officers to obtain mortgage pre-approval

Step 5: Open House

- Households who attended the Orientation and have a lender pre-approval letter are invited to an Open House.

Step 6: Drawing

- Applicants are ranked by a drawing to determine the order in which their applications are processed and approved (Criteria Level One applicants are ranked first, Criteria Level Two are ranked second, etc.).

Step 7: Application

- Applicants are invited to complete a full application.
- Applications will be reviewed to determine program eligibility.

Any subsequent discovery by the City of fraudulent or untruthful representations by an applicant either in the original application process or during the program qualification process will disqualify the applicant from purchasing the home.

VIII. SENIOR LOAN REQUIREMENTS

Applicants must obtain conventional, fully amortizing, fixed interest rate mortgages with a term of no more than 30 years from a lender who has approved in advance the Owner's Agreement. No interest only loans, negative amortization loans, balloon payment loans or variable interest rate loans are permitted as they affect the homeowners long-term ownership stability.

The lending requirements are as follows:

1. The Housing Cost Ratio (which includes mortgage principal and interest, property taxes, mortgage insurance, homeowners insurance, and homeowner's association dues) shall not exceed 38% of monthly gross income. In all cases, the City will strive to ensure the housing ratios are lower than this maximum threshold.
2. Total Household Debt Ratio (all misc. debts, car notes, credit cards including Housing Cost) shall be no greater than 42% unless compensating factors can be demonstrated.
3. Allowable Loan to Value Ratio The combined loan-to-value limits shall not exceed 100% of the sales price + 5% for closing costs.
4. Buyer's downpayment Homebuyer must contribute a minimum down payment of one percent (1%) of the purchase price but may contribute more if desired or required by the lender.

IX. OCCUPANCY, MAINTENANCE, and INSURANCE REQUIREMENTS

1. Occupancy of Residence The Owner shall occupy the home as the principal place of residence throughout the Restricted Term for at least ten (10) months out of each calendar year.

Annually, the City shall remind the Owner to submit their annual Owner Occupancy Verification (Attachment A - online or via US Mail) and required third-party verification documents as directed to confirm the Owner is occupying the home as the primary residence.

Owners who fail to respond to the notice (email, letter, etc.) will receive a notice via certified mail. In the event the Owner fails to respond to any of the notices, the City will attempt to make contact via phone. If contact still cannot be made, the City may initiate a default under the Owner's Agreement.

The City will also annually review the mailing address for the property tax bill, as available through the Sacramento County Assessor. In the event the mailing address differs from the property address, the City will require an explanation and request additional documentation from the Owner, including paystubs or bank account statements showing the Borrower's mailing address as the property address.

The City may grant a temporary waiver of this occupancy on a case-by-case basis. The Owner may lease one or more bedrooms in the home to another party if the Owner continues to occupy the home as their principal place of residence. When the Owner is not residing in the property due to illness and/or hospitalization, the Owner may be considered an owner-occupant only for the initial six-month absence, subject to City's approval.

2. Maintenance Requirements. The Owner shall maintain the home, including landscaping, in good repair and in a neat, clean and orderly condition (and, as to landscaping, in a healthy condition) and in accordance with all applicable laws, rules, ordinances, orders and regulations of all federal, state, county, municipal, and other governmental agencies and bodies having or claiming jurisdiction and all their respective departments, bureaus, and officials. The Owner agrees to not commit waste or permit deterioration of the home and shall make all repairs and replacements necessary to keep the Home in good condition and repair.
3. Insurance Requirements. The Owner shall maintain a standard all risk property insurance policy equal to the replacement value of the home (adjusted every five (5) years by appraisal, if requested by the City) naming the City as additional insured. Additional insurance requirements are set forth in the respective City Deed of Trust.

X. TRANSFER RESTRICTIONS AND INHERITANCE

In all cases where there is a change in title or occupancy or use, the Owner must notify the City in writing of any change. The City and Owner will work together to ensure the home is kept in compliance with the original program terms and conditions. This section outlines those changes on title that are and are not permitted under the Owner's Agreement.

1. Transfer. Any Transfer of the home is subject to the provisions of the Owner's Agreement. "Transfer" shall mean any sale, assignment, or transfer, voluntary or involuntary, of any

interest in the home, including, but not limited to, a fee simple interest, a joint tenancy interest, tenancy in common interest, a life estate, a leasehold interest, or an interest evidenced by a land contract by which possession of the home is transferred and the Owner retains title or a deed of trust. A Transfer shall not include a transfer: (1) to an existing spouse or Domestic Partner who is also an obligor under the City Note; (2) to a spouse or Domestic Partner where the spouse or Domestic Partner becomes the co-owner of the home; (3) between spouses as part of a marriage dissolution proceeding; (4) by the Owner into an inter vivos trust in which the Owner is the beneficiary; and (5) a refinance of any Senior Loan meeting the program requirements.

2. Inheritance. The person inheriting the home (the "Inheriting Owner") shall provide the City with income and other information, to be verified by the City, so that the City may determine if the Inheriting Owner qualifies as an Income Eligible Household. If the Inheriting Owner fails to provide required documentation, he or she shall be deemed not to qualify as an Income Eligible Household. If the Inheriting Owner is an Income Eligible Household, he or she shall succeed to the Owner's interest and obligations under this Agreement shall be executed between the Inheriting Owner, and the City recorded against the home. If the Inheriting Owner fails to qualify as an Income Eligible Household, he or she shall be required to Transfer the home to an Income Eligible Household at a price not exceeding the Restricted Resale Price, pursuant to the Agreement's resale process and procedures and may own and occupy the home for up to six (6) months with one extension prior to selling the home according to the Agreement's process and procedures.

The Inheriting Owner shall not be required to occupy the home during this six (6) month time period but may rent the home only upon approval from the City to Income Eligible Households approved by the City for an amount that does not exceed rent that is affordable to the Income Eligible Households as determined by the City in accordance with applicable law. In the event the Inheriting Owner rents the home in accordance to this Section, the lease shall also be approved by the City.

XI. REFINANCING

The City's refinance requirements are necessary to ensure the continued affordability of the home to the Owner and to minimize the risk of loss of the home by the Owner through default and foreclosure of mortgage loans.

The Owner must agree not to place any additional mortgage or deed of trust on the property, including any line of credit, and must not otherwise use the property as security in any transaction without first obtaining prior written consent of the City.

The City must approve in writing all financing and refinancing. The City shall have sole

discretion regarding the approval or disapproval of any refinancing request, including any financing terms.

Subordinate loans, including second or junior loans and equity lines of credit, are not permitted except as expressly approved by the City in writing. Subordinate loans shall be permitted only if they conform to all of the City's requirements.

The Loan Committee will consider refinance requests if the new loan conforms to the requirements of Section VIII and:

- lowers the housing cost of the Owner with a lower interest rate;
- is for a fully amortized, fully documented fixed rate loan, has a term not exceeding thirty (30) years, and requires no balloon payments;
- does not have a temporary interest rate buy-down;
- collects impounds for property taxes and insurance; and
- does not cause the principal amount of all debt secured by the home to exceed the greater of: (a) the Restricted Resale Price, calculated by the City; or (b) the then outstanding principal balance (plus refinancing and closing costs) of the Senior Loan.

Request to Refinance Process

Owners should contact the City of Citrus Heights Housing Division to initiate a Request to Refinance before they apply for a new loan. The City will a) determine the new loan does not exceed the Restricted Resale Price or the outstanding principal balance of the Senior Loan; and b) request a list of required third-party documents to approve the request.

The City shall review the Request to Refinance and compliance provisions and may, in its sole discretion, grant or deny the request. The City may also grant the request subject to additional conditions, which are within the City's discretion to impose. The City shall have no obligation to grant any request for refinancing. Any approval by the City of refinancing is also subject to the City's approval of any documents that may require City's execution by the senior City, including but not limited to a subordination document.

If the City approves the Request to Refinance, the escrow company will provide the proper subordination document for execution and recordation by the City. The City will require a copy of the insurance declarations to ensure the City is still listed as a loss payee. The City will also require the recordation of a new Request for Notice of Default or Sale.

XII. SALE OR TRANSFER OF RESIDENCE

The Owner's Agreement outlines the resale process, timeline and how the Restricted Resale Price is calculated. Home sales may take longer than conventional sales because of the number

of payoffs needed, the city authorization required, and the legal documents involved.

1. Notice of Intent to Transfer. If the Owner intends to Transfer (sell) or vacate their home, the Owner should inform the City in writing at least 90 days prior using the provided form (Attachment B).

The City shall contact the Owner and meet with them to discuss the resale process and procedure as defined in their recorded Agreement. The City will inform the Owner how to proceed including preparing for City inspection and home and inspection reports.

2. Response to Notice of Intent to Transfer. The City will respond to the Owner's Notice of Intent to Transfer within 60 days of receipt with a calculation of the Restricted Resale Price. The City will notify the Owner if they want to exercise their Option to Purchase or designate a program Eligible Purchaser. If the City exercises its Option to Purchase, the City may facilitate program and real estate services. Owner shall pay the City the fee as outlined in the initial purchase and sale agreement of the Affordable Ownership residence.
3. Owner Sale at Restricted Resale Price to Income Eligible Household If the City chooses not to exercise its Option to Purchase, the Owner may proceed to sell their home according to their Agreement to an Income Eligible Household at a price not to exceed the Restricted Resale Price. The City must approve the Purchaser that the Owner has identified. If the Owner does not sell the home within 120 days, the City has an additional 60-day period to exercise the Purchase Option.

If the Owner sells the Residence to an Income Eligible Household, the maximum sales price ("the "Restricted Resale Price") that the Owner shall receive for any type of Transfer of the home shall be the lesser of the Increased Base Price or the Fair Market Value.

4. Determination of Restricted Sales Price If the Purchase Option is exercised, or if the Owner sells the Residence to an Income Eligible Household, the maximum sales price (the "Restricted Resale Price") that the Owner shall receive for any type of Transfer of the Residence shall be the lesser of (1) the Increased Base Price or (2) the Fair Market Value
 - A. Increased Base Price The Increased Base Price of the home is the original purchase price of the home increased by the percentage increase in the household income for a household of four (4) at one hundred percent (100%) of the Median Income as defined by HCD as of the date of receipt of the Notice of Intent to Transfer. If Median Income has decreased from the date of the Owner's date of purchase of the home, then the Increased Base Price shall be the same as the original purchase price of the home.
 - B. The Increased Base Price shall be increased by the appraised Fair Market Value of the

Eligible Capital Improvements (the amount by which the Eligible Capital Improvements enhance the Fair Market Value of the home at the time of sale), or by such an amount as may be agreed upon by the Owner and the City. The adjustment to the Increased Base Price for the Eligible Capital Improvements shall be limited to the increase in Fair Market Value, not the cost of the Eligible Capital Improvements. The cost of any appraisal prepared for the purpose of adjusting the Increased Base Price shall be borne by the Owner.

- C. The Increased Base Price shall be decreased by an amount necessary to repair any damages and to put the home into a "sellable condition." Items necessary to put a home into sellable condition shall be determined by the City and may include cleaning, painting, and needed structural, mechanical, electrical, plumbing, and fixed appliance repairs and other deferred maintenance repairs.
- D. In certain circumstances it may be necessary to determine the fair market value of the Residence (the "Fair Market Value"). These circumstances include: (1) where the parties wish to determine if the Increased Base Price exceeds the Fair Market Value; and (2) where the Owner wishes to refinance any Senior Loan. If it is necessary to determine the Fair Market Value of the Residence, it shall be determined by an appraisal prepared by an independent residential appraiser selected by the Owner at the Owner's expense. Each appraiser shall have been previously approved by the Federal National Mortgage Association or the Federal Housing Administration and placed on its list of approved single family housing appraisers. If possible, the appraisal shall be based upon the sales prices of comparable properties sold in the market area during the preceding six (6) month period.

XIII. PAYMENT OF EXCESS SALES PROCEEDS AND EXCESS RENTS

If the Owner sells the Residence to a non-Income Eligible Household or makes a Transfer in violation of this Agreement, the Owner shall pay the Excess Sales Proceeds to the City. "Excess Sales Proceeds" is the amount by which the gross sales proceeds, minus real estate commission and other closing costs associated with the sale of the property reasonably approved by the City, received by the Owner from the new purchaser exceed the Restricted Resale Price for the Residence.

1. Payment of Excess Sales Proceeds and Excess Rents Excess Sales Proceeds and Excess Rents shall be distributed to the City to be used to develop affordable housing in City of Citrus Heights.

XIV. DEFAULTS AND REMEDIES

1. Events of Default The following events shall constitute a "Default" by the Owner under this Agreement:
 - A. The Owner has made a misrepresentation to obtain the benefits of purchase of the Residence or in connection with its obligations under their Owner's Agreement;
 - B. The Owner fails to owner occupy the Residence;
 - C. The Owner rents or leases the Residence to another party without maintaining occupancy;
 - D. The Owner fails to provide information to the City necessary to determine Owner's compliance with the requirements of their Owner's Agreement;
 - E. The Owner makes a Transfer, or attempts to Transfer, the Residence in violation of their Owner's Agreement;
 - F. The Owner otherwise fails to comply with the requirements of this Agreement;
 - G. A notice of default is issued under any Senior Loan or any other financing secured by a deed of trust on the Residence;
 - H. A lien of mortgage is recorded against the Residence other than the lien of a bona fide first mortgage loan approved by the City;
 - I. Owner declares bankruptcy or makes an assignment of assets for the benefit of creditors.
2. Notice and Cure The City may give written notice to the Owner specifying the nature of any violation. If the violation is not corrected to the satisfaction of the City issuing the notice within a reasonable period of time, not longer than thirty (30) days after the date the notice is mailed, or within such further time as the City may provide at its sole discretion, the City, may declare a Default by written notice to Owner ("Declaration of Default").

The City shall also provide written notice to any Senior Lender if the Party if the City has sent a Declaration of Default under this Agreement or declared a Default under its note or deed of trust. The notice to any Senior Lender shall indicate that the Purchase Option may be exercised.

3. Remedies The City may exercise any remedies at law or in equity, including without limitation, any or all of the following, none of which shall be an exclusive remedy:
 - A. Declare all Excess Sales Proceeds or Excess Rents immediately due and payable without further demand;
 - B. Invoke the power of sale under the City Deed of Trust;
 - C. Apply to a court of competent jurisdiction for such relief at law or in equity as may be appropriate;
 - D. Take such enforcement action as is authorized under the City Municipal Code;
 - E. Correct maintenance failures, and place a lien upon the Residence to collect costs to

- remedy maintenance failures; and
- F. Exercise the Purchase Option

XV. PURCHASE OPTION UPON DEFAULT

The City will Exercise the Purchase Option to a Designated Purchaser upon occurrence of any of the following events:

- Upon the issuance of a Declaration of Default by the City
- Upon a judicial determination that a Transfer of the Residence in a transaction that does not meet the requirements of this Agreement is null and void;
- Upon the receipt of any notice of default or notice of sale pursuant to Civil Code Section 2924b or Civil Code Section 2924f or through any other means under any deed of trust or mortgage with power of sale encumbering the Residence;
- Upon service of summons or other papers in any judicial foreclosure against the Residence; or
- Upon execution by the Owner of any deed in lieu of foreclosure transferring ownership of the Residence; and
- This Purchase Option is given in consideration of the economic benefits received by the Owner resulting from ownership of the Residence made possible by the assistance of the City, in acquiring and developing the Residence.

Exercise of Option: The Purchase Option upon Default shall be exercised within forty-five (45) days after each event described above pursuant to the procedures.

XVI. EXCEPTIONS AND SPECIAL CIRCUMSTANCES

1. Definition of Exception. Any case to which a standard policy or procedure, as stated in the Guidelines, does not apply or an applicant is treated differently from others of the same class would be an exception.
2. Procedure for Exceptional Circumstances. The City may initiate consideration of an exception and prepare a report. This report shall contain a narrative, including the City's recommended course of action and any written or verbal information supplied by the applicant.

The City's Loan Committee shall make a determination of the exception based on the recommendation of the Development Specialist and/or her designee.

IV. DEFINITIONS

- A. **Affordable Housing Agreement (AHA):** An agreement entered into between the Purchaser and the City of Citrus Heights to establish an affordable housing program as mandated by the State of California's Surplus Lands Act that is regulated by Department of Housing and Community Development.
- B. **Application:** Formal application approved by City that prospective buyers will complete as part of the purchase process.
- C. **Area Median Income (AMI):** The Department of Housing and Community Development (HCD) publishes annual tables of official [Federal and State income limits](#) for determining maximum household income, adjusted by household size, for a variety of housing programs. State statutory limits are based on federal limits set and periodically revised by the U.S. Department of Housing and Urban Development (HUD). HUD's limits are based on surveys of local area median income (AMI).
- D. **City:** City of Citrus Heights
- E. **City of Citrus Heights Affordable Ownership Program:** The City's Program to manage the affordable home ownership program as mandated and regulated by Department of Housing and Community Development.
- F. **City Designee:** A person or entity that the City may designate to assist in the administration of its Affordable Ownership Program. This may include city staff, broker, consultant, and/or developer.
- G. **City Response Notice:** Written confirmation from the City of receipt of the Owner's Notice of Intent to Transfer.
- H. **Criteria Level:** The City's adopted criteria for ranking and selecting Income Eligible Households to purchase an Affordable Ownership home.
- I. **Declaration of Default:** The City may declare a Default for certain events under the Agreement by written notice to Owner.
- J. **Default:** An event that grants the City the Purchase Option to buy the home from the Owner or assign an Income Eligible Household or Designated Purchaser.
- K. **Designated Purchaser:** An Income Eligible Household, a public agency, or a nonprofit corporation to whom the Purchase Option is assigned by the City.

- L. **Developer:** An entity that constructs residential housing units.
- M. **Eligible Capital Improvements:** Substantial structural or permanent fixed improvements that increase the value of the home as determined by an appraisal.
- N. **Excess Rents:** All rents Owner receives from a third party in violation of the Owner's Agreement that the Owner must pay the City.
- O. **Excess Sales Proceeds:** The amount by which the gross sales proceeds, minus real estate commission and other closing costs associated with the sale of the property reasonably approved by the City received by the Owner from the new purchaser exceed the Restricted Resale Price for the home.
- P. **Fair Market Value:** The value of the home as determined by an appraisal prepared by an independent residential appraiser.
- Q. **First-Time Homebuyer:** A buyer (s) who has not owned a home during the three-year period before the purchase of a home, except for the exceptions defined in Section III.
- R. **Gross Income:** All income as defined by HCD in Title 25 CCR Section 6914
- S. **Housing and Community Development (HCD):** California Department of Housing and Community Development.
- T. **Housing and Urban Development (HUD)** - U.S. Department of Housing and Urban Development (HUD).
- U. **Income Eligible Households:** Households who meet the requirements outlined in the Agreement to purchase, and in some cases rent, an AFFORDABLE OWNERSHIP home.
- V. **Increased Base Price:** The original purchase price of the home increased by the percentage of increase in household income for a household of four at one hundred percent of the AMI as defined by HCD as of the date of receipt of the Notice of Intent to Transfer.
- W. **Inheriting Owner:** The person inheriting the home.
- X. **Initial Buyer:** The Income Eligible Household purchasing an Affordable Ownership home from a Developer.
- Y. **Initial Restricted Sales Price:** The initial restricted sales price of the home.
- Z. **Loan Committee:** The team may consist of representatives from various City Departments

including City Manager's Office, Community Development, Administrative Services, and General Services as designated by the Community Development Director or his/her designee.

- AA. **Lower-income households:** Persons and families whose income does not exceed the qualifying limits for lower-income families as established and amended from time to time pursuant to Section 8 of the United States Housing Act of 1937.
- BB. **Notice of Intent to Transfer:** The Owner's written announcement (Attachment A) to the City that owner intent to Transfer (sell) or vacate the residence.
- CC. **Owner:** The name of the person(s) entering into the Agreement with the City to purchase the Affordable Ownership home.
- DD. **Owner's Agreement:** Refers to the recorded Resale Restriction Regulatory Agreement and Option to Purchase, Excess Sales Proceeds Deed of Trust.
- EE. **Pre-Application:** A pre-application form that allows prospective buyers to be ranked in order of the City approved criteria levels.
- FF. **Project:** Site owned by developer
- GG. **Purchase Option:** The City shall have the option to purchase the Residence from the Owner or designate a purchaser or assign its rights over to a third party.
- HH. **Restricted Resale Price:** The maximum sales price that the Owner shall receive for any type of Transfer of the home.
- II. **Senior Loan:** The loan to which the Owner's Agreement has been subordinated (usually the first, or primary mortgage loan).
- JJ. **Surplus Lands Act: Government Code, Title 5, Division 2, Part 1, Chapter 5, Article 8. Surplus Land.**
- KK. **Transfer:** Any sale, assignment, or transfer, voluntary or involuntary, of any interest in the Affordable Ownership home.
- LL. **Term:** The Owner's Agreement shall start on the date of the close of escrow of the sale of the Residence to the Owner and end on the earlier of: (1) the close of a Transfer to an Income Eligible Household; (2) conveyance to the City or a Designated Purchaser pursuant to exercise of the Purchase Option; (3) acquisition of title through a foreclosure of a Senior Loan to which the Agreement has been subordinated; or forty -five (45) years from the effective date of the Owner's Agreement (the "Term").

ATTACHMENT A
Form of Owner Occupancy Certification

To: City of Citrus Heights ("City")

From: _____ [name of owner(s)] ("Owner(s)")

Address of Residence: _____

Phone Number: _____

Date: _____

By signature below, I _____ [insert name or names of Owner] hereby certify to the City under penalty of perjury that I/we occupy the home located at _____ [insert address] (the "Residence") as my/our principal place of residence and that I/we have occupied the Residence for _____ () [insert number] months of the calendar year _____ [insert previous calendar year]. Attached to this letter is a copy of _____ [insert utility bill, driver's license, or other requested documentation] showing my place of residence.

This Owner Occupancy Certification is signed on _____, 20__, under penalty of perjury.

By: _____
 Owner [type name]

By: _____
 Owner [type name]

Attach copy of current homeowner's insurance, or other information requested by the City showing address of Residence

ATTACHMENT B
Form of Owner's Notice of Intent to Transfer

To: City of Citrus Heights

From: _____ [name of owner(s)] ("Owner(s)")

Address of Residence: _____ ("Residence")

Date: _____

Please be notified pursuant to Section 6 of the Resale Restriction Agreement and Option to Purchase dated _____ (the "Resale Agreement") that the Owner intends to transfer the Residence listed above.

A. The following information is provided pursuant to Section t of the Resale Agreement:

1. Address of Residence: _____

2. Date Owner purchased Residence: _____

3. Purchase Price paid by Owner when Residence was purchased: _____

4. Date Owner intends to vacate Residence:

5. Date Residence will be placed on market: _____

6. Name and phone number of person to contact to schedule inspection:

_____ and _____
 (name) (phone number)

B. If Owner has made Eligible Capital Improvements to the Residence that Owner wishes to include in the calculation of Restricted Resale Price, check box below:

☐ Yes, I have made Eligible Capital Improvements as described in Section 9 of the Resale Agreement. I attach the following documents to this letter:

1. List of improvements;
2. Evidence of cost of these improvements;

3. Appraisal showing value added to Residence by the improvements.

C. I agree to prepare the Residence for sale by:

1. obtaining a pest control report and home inspection report within thirty (30) days of the date of this notice,

2. repairing all damage noted in Section 1 of the pest report prior to close of escrow of the sale of the Residence or the Transfer of the Residence,

3. allowing the City or its designee to inspect the Residence within thirty (30) days of this notice,

4. maintaining utility connections until the Residence is transferred,

5. permitting a walk through by the buyer at least three days before the close of escrow or the transfer.

This Owner's Notice of Intent to Transfer is certified by Owner to be true and correct and is signed on _____ [insert date] under penalty of perjury.

By: _____
Owner

By: _____
Owner