CITRUS HEIGHTS
CALIFORNIA
Solid roots. New growth.

MariJane Lopez-Taff, *Mayor*
Porsche Middleton, *Vice Mayor*
Dr. Jayna Karpinski-Costa, *Council Member*
Kelsey Nelson, *Council Member*
Tim Schaefer, *Council Member*

CITY OF CITRUS HEIGHTS
CITY COUNCIL
Special and Regular Meetings of Wednesday, May 27, 2026
City Hall Council Chambers, 6360 Fountain Square Dr., Citrus Heights, CA
Special Meeting 3:30 p.m.
Regular Meeting 6:00 p.m.

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 before the item is heard. When you are called upon to speak, step forward to the podium and state your name for the record. Normally, speakers are limited to three (3) minutes each. The Mayor has the discretion to lengthen or shorten the allotted times. Alternatively, the public may submit written comments 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 comments will not be read during the City Council meeting but will be forwarded to all Council Members and become part of the public record.

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

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

LEVINE ACT:

The Levine Act (Government Code Section 84308) requires parties to a proceeding before the City of Citrus Heights involving a license, permit or other entitlement for use to disclose any contribution over $500 made to a City elected or appointed officer (including Council Members and Planning Commissioners) within the 12 months before and 12 months after the City decision, and are prohibited from making, participating in, or using their official position to influence the decision.

May 22, 2026

Amy Van, City Clerk

SPECIAL CITY COUNCIL MEETING
3:30 PM

CALL SPECIAL MEETING TO ORDER

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

PUBLIC COMMENT

CLOSED SESSION

2. CONFERENCE WITH LABOR NEGOTIATORS
   Pursuant to California 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, Nelson, Schaefer, Middleton, Lopez-Taff

3. Video Statement

APPROVAL OF AGENDA

PRESENTATIONS

4. San Juan High School Student Council Report

5. Presentation by Republic Services – Annual Report and Scholarship Awards

6. Annual Presentation by the Sacramento-Yolo Mosquito & Vector Control District

7. Proclamation of the City of Citrus Heights recognizing Leatherby's as the 2026 Small Business of the Year in Assembly District 7

PUBLIC COMMENT
This is an opportunity to make a public comment on non-agenda items. Pursuant to the Brown Act, the City Council is prohibited from discussing or acting on any item raised during "Public Comment" not appearing on the posted agenda.

COMMENTS BY COUNCIL MEMBERS AND REGIONAL BOARD UPDATES

CONSENT CALENDAR (Estimated Start Time 7:15 p.m.)
It is recommended that all consent items be acted on simultaneously unless separate discussion and/or action are requested by a Council Member.

8. **SUBJECT:** Approval of Minutes
RECOMMENDATION: Approve the Minutes of the Special and Regular Meetings of March 11, 2026

9. **SUBJECT:** AB 481 – Annual Renewal of Military Equipment Policy for the Police Department and Review of Annual Report
STAFF REPORT: A. Turcotte / K. Frey / K. Lewis / J. Aguilar
RECOMMENDATION: Adopt Resolution No. 2026-___**,** A Resolution of the City Council of the City of Citrus Heights, California, Renewing its Military Equipment Policy

10. **SUBJECT:** Auburn Boulevard Complete Streets, Phase 2 Project – Authorize Additional Work
STAFF REPORT: R. Cave / L. Blomquist
RECOMMENDATION: Staff recommends the City Council move the following:

    a. Adopt Resolution No. 2026-___, A Resolution of the City Council of the City of Citrus Heights, California, Authorizing the City Manager to Execute Change Orders up to 11.3% of the Contract Amount with George Reed, Inc. for the Auburn Boulevard Complete Streets, Phase 2 Project and Increasing the Total Authorized Construction Budget to $32,168,856.87; and

    b. Adopt Resolution No. 2026-____ , 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 Psomas for the Auburn Boulevard Complete Streets, Phase 2 Project; and

    c. Adopt Resolution No. 2026-____, A Resolution of the City Council of the City of Citrus Heights, California, Authorizing the City Manager to Execute Amendment No. 5 to the Agreement for Professional Services with Bennett Engineering for the Auburn Boulevard Complete Streets, Phase 2 Project.

11. **SUBJECT:** Appointment to Sacramento Homeless and Housing Planning Task Force
STAFF REPORT: A. Van / C. Kempenaar / N. Piva
RECOMMENDATION: Staff recommends the City Council move the following:

    a. Appoint MariJane Lopez-Taff, Mayor, as the City's primary representative on the Sacramento Homeless and Housing Planning Task Force; and

    b. Appoint Porsche Middleton, Vice Mayor, as the City's alternate representative to the Planning Task Force; and

c. Authorize these appointments to serve the duration of the Task Force term or until such time as the City Council makes subsequent appointments or modifications.

12. **SUBJECT:** Award of Banking Services Contract
STAFF REPORT: S. Talwar / D. Jenkins
RECOMMENDATION: Staff recommends the City Council Authorize the City Manager to Execute an Agreement with River City Bank for Citywide Banking Services

PUBLIC HEARINGS (Estimated Start Time 7:20 p.m.)

13. **SUBJECT:** Ordinance Amending Citrus Heights Municipal Code Chapter 22 – Businesses, Article VIII. – Massage Establishments
STAFF REPORT: A. Turcotte / K. Frey / W. Dunning / D. Miller / C. Kempenaar / A. Bermudez
RECOMMENDATION: Move to Introduce for a First Reading, read by title only, and waive the first full reading of Ordinance No. 2026-_____, An Ordinance of the City Council of the City of Citrus Heights, California, Amending Citrus Heights Municipal Code Chapter 22 – Businesses, Article VIII. – Massage Establishments

14. **SUBJECT:** 2026 Zoning Code Updates
STAFF REPORT: C. Kempenaar / A. Bermudez / S. Lui
RECOMMENDATION: Staff recommends the following:

a. Move to Determine the Proposed Amendments are Exempt from the California Environmental Quality Act (CEQA) under Section 15061(b)(3) of the Guidelines; and

b. Move to Introduce for a First Reading, read by title only, and waive the first full reading of Ordinance No. 2026-_____, as shown in Attachment 1, an Ordinance of the City Council of the City of Citrus Heights, California, Amending Various Sections of Chapter 106 of the Citrus Heights Municipal Code (Zoning Code Section).

REGULAR CALENDAR (Estimated Start Time 8:00 p.m.)

15. **SUBJECT:** Presentation on Housing Types: ADUs and Cottage Courts
STAFF REPORT: C. Kempenaar / A. Bermudez / N. Piva
RECOMMENDATION: Receive and file staff presentation. No action requested.

ITEMS REQUESTED BY COUNCIL MEMBERS / FUTURE AGENDA ITEMS

CITY MANAGER ITEMS

ADJOURNMENT

AMERICANS WITH DISABILITIES ACT:

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.

WRITINGS RECEIVED AFTER AGENDA POSTING:

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.

CITY OF CITRUS HEIGHTS
CITY COUNCIL
MINUTES
Special and Regular Meetings of Wednesday, March 11, 2026
City Hall Council Chambers, 6360 Fountain Square Dr., Citrus Heights, CA 95621
Teleconference Location – 6412 Oakcreek Way, Citrus Heights, CA 95621

CALL SPECIAL MEETING TO ORDER

The special meeting was called to order at 5:54 p.m. by Mayor Lopez-Taff.

1. Roll Call: Council Members present: Karpinski-Costa, Nelson, *Schaefer, Middleton, Lopez-Taff
   Council Members absent: None
   Staff Members present: Feeney, Jones, Van

*Note: Council Member Schaefer joined remotely for "just cause" pursuant to Government Code Section 54953.8.3(c)(5).

PUBLIC COMMENT

None

CLOSED SESSION

2. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION
   Initiation of litigation pursuant to Government Code Section 54956.9(d)(4)
   Number of potential cases: 1

The City Council, City Manager and City Attorney participated in the closed session.

REPORT OUT OF CLOSED SESSION

There was no reportable action from closed session.

ADJOURNMENT

Mayor Lopez-Taff adjourned the special meeting at 6:03 p.m.

CALL REGULAR MEETING TO ORDER

The regular meeting was called to order at 6:04 p.m. by Mayor Lopez-Taff.

1. The Flag Salute was led by Council Member Nelson.

2. Roll Call: Council Members present: Karpinski-Costa, Nelson, *Schaefer, Middleton, Lopez-Taff
   Council Members absent: None
   Staff Members present: Bermudez, Feeney, Huber, Jenkins, Jones, Kempenaar, Van and department directors.

*Note: Council Member Schaefer joined remotely for "just cause" pursuant to Government Code Section 54953.8.3(c)(5). All votes taken during this teleconferenced meeting were conducted by roll call.

3. The video statement was read by City Clerk Van.

APPROVAL OF AGENDA

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

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

PRESENTATIONS

4. Proclamation of the City of Citrus Heights Proclaiming March 2026 as Women's History Month

Council Member Karpinski-Costa read and presented the proclamation to Barbara Pryor with Soroptimist International of Citrus Heights; Jeanmarie Willbee with the Citrus Heights Women's Club; and Lynne Godwin, President-elect of the Sutter District of the General Federation of Women's Clubs.

5. Proclamation of the City of Citrus Heights Honoring Honey Donuts as the Inaugural Citrus Heights Business of Distinction – Legacy Business

Council Member Nelson read the proclamation. Director Huber accepted on behalf of Honey Donuts.

PUBLIC COMMENT

Kathy Morris, president of the Residents' Empowerment Association of Citrus Heights (R.E.A.C.H.), expressed appreciation to the City Council and staff for the Community Potluck. She gave special thanks to Communications Officer Brown for emceeing the event.

David Warren shared concerns about the hazardous waste provisions in the solid waste contract. He encouraged the City to create a new set of road resurfacing priorities in case funding runs out. He spoke in opposition to the planned Sunrise Sports Center.

City Clerk Van read the following written public comment submitted by Alfred Sanchez, "A service for Adam Kampf is scheduled for March 19th at 3pm at Celtic Cross Church 5839 Dewey Dr. Everyone is welcome to attend. He is missed by his family and friends."

COMMENTS BY COUNCIL MEMBERS AND REGIONAL BOARD UPDATES

Council Member Karpinski-Costa attended Sacramento County Supervisor Rodriguez's community meeting. She went to the R.E.A.C.H. Community Potluck. She attended the Citrus Heights Chamber of Commerce Community Awards and a Sacramento Area Sewer District meeting. She went to the Eagle Scout ceremony for James Feeney, whose project was to build a raised garden bed on the Sensory Trail inside the Arcade Creek Park Preserve.

Council Member Nelson stated she had nothing to report on for this meeting.

Council Member Schaefer thanked Mayor Lopez-Taff for serving as alternate on his behalf at the Sacramento Regional Transit District (SacRT) Board and Sacramento Area Council of Governments (SACOG) meetings. He provided a health update and emphasized the need for blood donations. He encouraged everyone to reach out to Vitalant blood bank, where he will be coordinating an upcoming blood drive.

Vice Mayor Middleton attended the Royal Stage's 15th Anniversary Gala. She went to a Sacramento Metropolitan Cable Television Commission Board meeting and reported on Public, Educational, and Governmental funding (PEG) shortages. She also announced that she became the Vice Chair of the Commission. She visited local businesses Cogir and House of Moons Jiu-Jitsu. She attended the National Association of Women Business Owners' (NAWBO) Outstanding Women Leader Awards with Mayor Lopez-Taff. She went to the Community Potluck and Chamber Awards.

Mayor Lopez-Taff attended a meeting of the Sacramento Public Library Authority Board and reported that she became the Vice Chair. She attended a meeting of the Sacramento Metropolitan Air Quality Management District. She went to the Sacramento Chinese of Indochina Friendship Association's Spring Festival Banquet with City Manager Feeney. She attended Supervisor Rodriguez's community meeting and the Outstanding Women Leader Awards. She went to the Community Potluck and Chamber Awards.

CONSENT CALENDAR

6. **SUBJECT:** Approval of the Program Year 2025 Draft Consolidated Annual Performance and Evaluation Report (CAPER)
STAFF REPORT: C. Kempenaar / N. Piva
RECOMMENDATION: Adopt Resolution No. 2026-011**,** A Resolution of the City Council of the City of Citrus Heights, California, Approving the Consolidated Annual Performance and Evaluation Report for Program Year 2025 and Directing Staff to Submit, with Minor Modifications as Necessary, the CAPER Report to the U.S. Department of Housing and Urban Development

7. **SUBJECT:** 2025 General Plan Annual Progress Report
STAFF REPORT: C. Kempenaar / A. Bermudez / S. Lui
RECOMMENDATION: Adopt Resolution No. 2026-012**,** A Resolution of the City Council of the City of Citrus Heights, California, Accepting the 2025 General Plan Annual Progress Report

8. **SUBJECT:** Roseville Road/Butternut Drive and Systemic Signalized Intersection Improvements Project – HSIPSL-5475(050)
STAFF REPORT: R. Cave / L. Blomquist / D. Kehrer
RECOMMENDATION: Staff recommends the following:

    a. Adopt Resolution No. 2026-013, A Resolution of the City Council of the City of Citrus Heights, California, Authorizing the City Manager to Execute an Agreement with McGuire Hester for Construction of the Roseville Road/Butternut Drive and Systemic Signalized Intersection Improvements Project and Finding the Project is Exempt from the California Environmental Quality Act (CEQA) under Sections 15301, 15302, and 15303; and

    b. Adopt Resolution No. 2026-014, A Resolution of the City Council of the City of Citrus Heights, California, Authorizing the City Manager to Execute a Professional Services Agreement with Coastland Civil Engineering, LLP to Provide Construction Management,

Inspection, and Materials Testing Services for the Roseville Road/Butternut Drive and Systemic Signalized Intersection Improvements Project.

ACTION: On a motion by Council Member Nelson, seconded by Vice Mayor Middleton, the City Council adopted Consent Calendar Items 6, 7 and 8.

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

REGULAR CALENDAR

9. **SUBJECT:** Economic Development and Participation Agreement – Sunrise Tomorrow – Sunrise Sports Center
STAFF REPORT: A. Feeney / C. Kempenaar / M. Huber
RECOMMENDATION: Adopt Resolution No. 2026-015, A Resolution of the City Council of the City of Citrus Heights, California, Authorizing the City Manager to Enter Into an Economic Development and Participation Agreement (EDPA) with The Mettle Shop to Support the Redevelopment of a Catalyst Project for a Portion of the Sunrise Tomorrow Site and Finding the Agreement is Exempt from CEQA per CEQA Guidelines 15004 (b)(4)

City Manager Feeney introduced the Sunrise Sports Center Project and thanked Director Kempenaar, Director Huber and City Attorney Jones for their work. He provided a presentation detailing the history of the 100-acre Sunrise Mall property and the opportunity for reinvestment at the site, given the mall's continued decline. The Sports Center is a Catalyst Project and Economic Development Replacement Project to kick off the vision of the Sunrise Tomorrow Specific Plan. This item is solely for an Economic Development and Participation Agreement; if approved, land use entitlements would come later. He discussed the challenges of redevelopment and outlined the City Council's 2025 Strategic Objective to meet the goal of Diversifying for a Vibrant Economy. The EDPA, a public-private partnership, is in alignment with all the elements of the Strategic Objective. The City's partners on the project are The Mettle Shop and Tallen Capital Partners, LLC.

Joe Wagoner, CEO of the Mettle Shop, introduced the company and its team and presented a summary of the proposed Sports Center. The project is comprised of 322,00 sq. ft. of indoor and outdoor facilities, including an arena, NHL-sized ice sheets, turf fields, restaurants and commercial spaces and community meeting spaces. The center would help meet the high demand in the Sacramento region for ice sports and events. Martha Lofgren presented the economic impacts of the project; the estimated direct tax revenue for the City of Citrus Heights is over $787,000 annually. She discussed the next steps, which include technical studies, environmental analysis, a financing plan, community outreach and public hearings.

Terry Tallen, founder and CEO of Tallen Capital Partners, LLC., introduced his organization and addressed the Council.

City Manager Feeney outlined how the proposed bonding structure and safeguards would work. City Council questions and comments followed.

Public Comment

- Elaine spoke on behalf of her neighbors, who are excited about the project but concerned about the traffic, noise and environmental impacts.
- Janie Ricketts spoke in support of the Sunrise Sports Center.
- Jeannie Burns spoke in support of the Sunrise Sports Center.
- Sheri Merrick spoke in support of the Sunrise Sports Center.
- Caryl Balko spoke in support of the Sunrise Sports Center.

- City Clerk Van read the following written public comment submitted by Greg Pickard: "As a resident & property owner for the past 28 years in Citrus Heights I'm 100% in favor of the city moving forward with the Economic and Development Participation Agreement with the Mettle Shop. I'm encouraging all city council members to vote yes to move this item forward."

- City Clerk Van read the following written public comment submitted by Hilary Cary: "As someone who has worked as a play leader in Citrus Heights,a Parks and Recreation program developer, and an aspiring recreational therapist, I've seen firsthand how recreational spaces can transform communities. That's why I'm incredibly excited about the resurgence of rollerskating happening right here in our area with the proposal of a sports complex and Sunrise rollerland under new ownership.

  Rollerskating isn't just a hobby—it's a powerful community activity that brings together people of all ages, backgrounds, and skill levels. Our local skating scene is vibrant and growing, with dedicated skaters who come not only from our neighborhood but also travel from the Bay Area and other parts of the country just to skate at Sunrise Rollerland and the roller rinks that still remain.

  What makes rollerskating special is the combination of nostalgia, music, movement, and connection. It brings back the joy many people remember from childhood while also creating new opportunities for youth, families, and adults to gather, stay active, and build community. Just ask our 80-year-olds that are still rolling!

  Spaces like skating rinks offer something that is increasingly rare: a place where people can unplug, move their bodies, enjoy music, and simply have fun together. As someone who believes deeply in the power of recreation to support mental health, physical activity, and social connection, I see rollerskating as more than entertainment—it's community wellness in action.

  With new ownership and renewed energy around spaces like Sunrise Rollerland, there is a real opportunity to support the continued resurgence of rollerskating. By investing in these kinds of recreational spaces, we are investing in community, culture, and joyful movement for generations to come. I would love to be a part of this and a part of a discussion of creating an outdoor skate venue that can connect the neighboring trails and parks."

- City Clerk Van read the following written public comment submitted by Renee Barajas: "Yes yes yes!! A great idea"

- City Clerk Van read the following written public comment submitted by GiGi Rayford: "I am writing in support of the Sunrise Sports Center.

  For years, the only proposals we saw for the Sunrise Mall property were gas stations, car washes and more drive-throughs …oh and a Home Depot. While those businesses have their place, they don't truly add to the fabric of our community.

A sports arena is different. It brings in youth sports, regional tournaments and families from outside our city. This complex will import new money into Citrus Heights providing a massive boost to our local economy.

I also want to address the sudden concern about traffic. Many of the loudest voices raising that issue today strongly supported bringing In N Out and Chick fil A to this same street which are two of the highest traffic generating businesses in the country. I did not support those projects, especially since businesses like that mostly rely on local residents feeding their own economy to keep them in business. If we were willing to accept that level of traffic for fast food, it certainly makes more sense to support a project that brings regional visitors and new economic activity into Citrus Heights.

I am also impressed by the scale and fiscal logic of this deal. The arena uses only 11 acres of the nearly 100-acre parcel, leaving plenty of room for the rest of the Sunrise Tomorrow vision.

Most importantly, the developers chose Citrus Heights over cities like Folsom specifically because of our balanced budget and strong reserves. That is a testament to the work you all are doing here.

This project is a much better direction for our future than another fast food joint, car wash or a Home Depot. It brings visitors, new business and a fresh energy that Citrus Heights deserves.

Thank you, Council members and city staff for moving our city forward. We ride at Dawn!"

- City Clerk Van read the following written public comment submitted by Randall McCarley: "I support the redevelopment of Sunrise Mall. The community needs something more useful in that space. The sports complex is intriguing. That said, please also consider the existing tenants. How can their businesses be preserved?"

- City Clerk Van read the following written public comment submitted by Irene Kim: "My child's second home is here at the Royal Stage Theatre, located at the current Sunrise Mall. I am in support of the new sports complex only if the theater remains, or if they are given adequate compensation and equally comparable or more for their situation. The theater is home to many children and offers great community service and value. It would be a huge loss to the city and surrounding areas if any disruption to the theater occurs."

- City Clerk Van read the following written public comment submitted by Jessica Fehey: "I believe that whatever is decided with the renovation of the Sunrise Mall, the space in which the current Royal Stage Theater resides should remain untouched. This theater and group means a lot to the community and the people involved and taking this away would have a huge negative impact on the community."

- City Clerk Van read the following written public comment submitted by Marolyn Yaranon: "I support the redevelopment of Sunrise Mall as long as Royal Stage is not affected. My daughter, along with my nephew, has participated in many of the programs Royal Stage has offered over the years. Their dedication and genuine love for the kids has made a lasting impact on our family.

  Through Royal Stage, we have watched our daughter grow in confidence and flourish in ways we never expected. It has also been incredible to see the positive impact the program has on so many other children and families who attend and participate in their performances.

  Sunrise Mall does need renovations and improvements, and we support efforts to bring new life to the space. However, I strongly encourage those involved in the redevelopment to consider the value Royal Stage brings to our community and the opportunities it provides for our kids.

Programs like this are important for youth development, creativity, and community connection. Please keep Royal Stage in mind when making decisions about the future of Sunrise Mall."

- City Clerk Van read the following written public comment submitted by Tami Smock: "I only support the Sunrise Mall renovation if Royal Stage can maintain its space.. Royal Stage brings so much to our community and to our children. They work with families who otherwise wouldn't be able to put their children into dance/theater programs."

- City Clerk Van read the following written public comment submitted by Christy Osterberg: "I am in support of the redevelopment of the Sunrise mall IF Royal Stage is able to maintain their space. Royal Stage has been extremely important to my family over the years. My daughter and I have been able to participate in classes and shows together. She is autistic and Royal Stage has been instrumental in her growth and development."

- City Clerk Van read the following written public comment submitted by Katy Cutlip: "We are in support of the Sunrise Sports Center being opened where Sunrise Mall currently stands, ONLY IF the Royal Stage Theater is allowed to stay open in their current location at the mall. That theater provides so much to my children, and others like them, who have found a safe space in Royal Stage, and the arts. They provide scholarships to so many that wouldn't be able to participate otherwise. It's a beautiful community they have cultivated, and losing their theater space would be an absolute tragedy."

- City Clerk Van read the following written public comment submitted by Aaliyah Adams: "Royal stage is my home! I feel so at home and welcomed. It is a place I can be myself, spend time with others, draw closer to God. and do what I love like dance and musical theatre. Royal stage is an amazing place and it has saved so many people including me and my family. I honestly don't know where I would be in my life and journey which out this organization!!!! I could go on and on about my testimonies for this place. I just feel so appreciated here and that is something that has changed my life in the best way possible."

- City Clerk Van read the following written public comment submitted by Amanda Adams: "I am in support of the Sunrise Sports Center as long as Royal Stage performing Arts is able to maintain their space. This theater space has been such a gift to my family for several years. It helps my kids feel like they have a place to be themselves!
  As someone who has lived in the area for 40 years, I'm thrilled to see how much love and life Royal Stage has brought to the area!

- City Clerk Van read the following written public comment submitted by Mackenzie: "While I support the proposed redevelopment of Sunrise Mall, I ask that you consider the impact it will have on current tenants.

  Our community has waited a long time to see real investment and a new future for this abandoned, deteriorating property. Many residents are eager for progress, and this project offers an exciting opportunity for Citrus Heights.

  However, at the same time, I respectfully urge you to preserve the space currently occupied by Royal Stage Performing Arts Company.

  Royal Stage is far more than a tenant. It is a nonprofit that has become a vital part of this community, making performing arts accessible to children, teens, and families who might not otherwise feel welcome or be able to afford participation. For many in Citrus Heights and the surrounding area, Royal Stage has been a place of belonging, confidence, creativity, and growth. It has changed lives. I have seen it first-hand.

Its theater space at Sunrise Mall is central to that mission. As the Council considers this next chapter for the mall, I urge you not to displace an organization that is already serving the community in such a meaningful way.

Please support redevelopment in a way that also protects Royal Stage's home. Progress and community enrichment do not have to come at the expense of each other. Citrus Heights deserves both a revitalized mall property and a future where organizations like Royal Stage can continue to thrive."

- City Clerk Van read the following written public comment submitted by Marijayne Hunziker: "I would like to say I am for the sports center redevelopment plan ONLY if Royal Stage keeps their theater space. Royal Stage is a crucial part of the Christian revival in young kids and adults. Royal Stage provides so many opportunitys that otherwise would not be available to many low income and at risk youth and adults."

- City Clerk Van read the following written public comment submitted by Karla Cardozo: "I am in support of the redevelopment, if Royal stage is able to maintain in their space. Royal stage keeps many children doing constructive artful things."

- City Clerk Van read the following written public comment submitted by Hueling Lee: "My daughter is able to participate for the first time in a play because Royal Stage Theater provided her with a scholarship. It's critical that such opportunities continue to exist. I'm in favor of redevelopment only if Royal Stage Theater is has the space to continue providing services for kids like mine."

- City Clerk Van read the following written public comment submitted by Miranda Shearer: "I am fully in support of the redevelopment, IF Royal Stage is able to maintain its space. This is a meaningful organization where hundreds of families from all demographics are served by being given access to the arts at discounted prices or even free, financially supported for therapy or basic needs, and overall, it is a safe space for many. I work and volunteer with this organization and have personally seen the lives of children and whole families transformed through Royal Stage. In addition, this theater space is weekly rented out to other organizations, schools, groups, and even a church in the community, making it a blessing and an important space for countless people."

- City Clerk Van read the following written public comment submitted by Amber Horigan: "Please keep a space at Sunrise Mall for Royal Stage. My daughter and I came from a domestic violence situation, and Royal Stage has supported us every step of the way through the arts and their community. I feel the current sports complex plan can do well with keeping Royal Stage dance and theater company."

- City Clerk Van read the following written public comment submitted by Tammy Warta: "I am the owner of Royal Stage. We welcome the sports center and appreciate the vision for revitalizing the area. However, we hope that these plans can move forward while allowing Royal Stage to remain in our current mall space. Royal Stage is the only live community theater in Citrus Heights, welcoming participants and audience members of all ages each year. Our programs include theater, dance, and arts education for children, teens, and adults, as well as summer camps and community performances. A significant part of our mission is serving low-income families, and many attend for free. Our current space has been retrofitted to meet theater and safety requirements, with over $250,000 raised and invested to pass and maintain compliance. Because of an agreement with Namdar, our rent is currently $1,500 per month plus utilities. As a charitable organization that prioritizes accessibility, we would not be able to afford significantly higher rent elsewhere. Relocating would likely force Royal Stage to close, eliminating a valued community theater, youth arts program, summer camps, and family-friendly performances for residents. We respectfully ask the City and Mettle Shop to consider the many children, teens, and families who view Royal Stage as a safe and creative home. If remaining is not an option, we respectfully ask the City to actively assist with our relocation."

- City Clerk Van read the following written public comment submitted by Hannah Adams: “I am in full support of the Sunrise Sports Center UNLESS It affects Royal Stage Performing and Visual Arts and their location in the Sunrise Mall. Please preserve the Royal Stage Theatre at whatever cost. They have been an integral part of my life for many years and have been there for me during many difficult times. Thank you for considering my request.”

- City Clerk Van read the following written public comment submitted by Natalia Corona: “I am in support of the redevelopment as long as Royal Stage keeps their space. Royal Stage is a nonprofit that provides a space for people of all ages to come together and do dance or theatre. Royal Stage is all about community and they offer scholarships to allow everyone to join.”

- City Clerk Van read the following written public comment submitted by Darcy Flathmann: “I love the idea of redevelopment of any kind, but ONLY if there is space for the theater company Royal Stage. This space is so important and they deserve to be supported by the community and in addition to sports, we need to honor the arts too.”

- City Clerk Van read the following written public comment submitted by Ellen Calderon: “In regards to the approval of the Sunrise Sports Center on the current Sunrise Mall site, this sounds like a great idea and great use of the space BUT ONLY IF you let the Royal Stage Theater continue their amazing work in their current spot inside Sunrise Mall. Royal Stage Theater is the ONLY community theater group in Citrus Heights, and brings hundreds of community members together for classes, shows, and other events. Royal Stage Theater is a shining star in Citrus Heights and, as loyal Mall tenants for years, through the entire downfall, should BE A PART OF THE UPGRADE, and not kicked to the curb in place of other groups. Royal Stage Theater would fit right in and work well with any sports groups you bring in. Honestly, leading parties should look to Royal Stage Theater for guidance on how to turn a Mall space into the exciting destination for our community it has become. There's really no one else in Citrus Heights doing the things Royal Stage Theater is...it'd be a shame to lose it.”

- City Clerk Van read the following written public comment submitted by Tammy Walker: “Royal Stage Performing Arts is a valuable organization to Citrus Heights and the surrounding areas. I have seen struggling teens and adults alike benefit by the arts, theater, dance and music. Keeping Royal Stage in its current location in the Sunrise Mall is an asset to our city's youth. No student is ever turned away due to lack of ability to pay for dance or theater. No where in this county has such a valuable offering.”

- City Clerk Van read the following written public comment submitted by Margaret Chri: “I am writing my support for the Sunrise Sports Center with two reservations: 1. Impact on traffic - As a 25 year resident I can attest to Citrus Heights as a built-up community with plenty of traffic already. Please do due diligence in studies and consideration on this proposal. 2. Sunrise Mall is home to Royal Stage Theater which has been our sole attraction to the Mall in recent years. This theater company serves hundreds of individuals in Dance, Theater, Voice and creative expression at any given time and brings entertainment opportunities to the community. Royal Stage Theater is open doors to participants REGARDLESS of their ability to pay. They serve children and adults of all ages. They provide a learning outlet, good fellowship and positive enrichment to the Citrus Heights community that has been unmatched by other local performing arts companies. If this Sports Center in any way impacts the current space used for Royal Stage Theater Company I am adamantly opposed to the proposal. Losing the Theater space would be a huge loss for Citrus Heights patrons and participants alike.”

- City Clerk Van read the following written public comment submitted by Jennifer Love Sprock: “Approve the Sunrise Sports Center, but only IF Royal Stage Performing Arts gets to keep their performance space. The theater company just celebrated 15 years of providing arts services and performances to the community. Long established part of the community. The most thriving part of the current mall space. Draws a large group of people to the place.”

- City Clerk Van read the following written public comment submitted by Mia Calderon: “Royal Stage is a creative outlet, a place of encouragement, and a family for myself and many others. Its location at The Sunrise Mall has made it more accessible to many, including my family. We would never have had the opportunity to experience and participate in theatre if it weren't for the Royal Stage and the Sunrise Mall. Royal Stage is a place that has never stopped building and growing. It has never stopped making a lasting impact on people, and never will. I am in favor of the sports center development at the Sunrise Mall, provided that Royal Stage is kept. Royal Stage would be an amazing addition to the sports center and deserves to stay, as it draws in the community and creates interest in the space. Both communities, including the sports center and Royal Stage, will help draw people to the Sunrise Mall area.”

- City Clerk Van read the following written public comment submitted by Valerie Conner: “Support approving Sunrise Mall redevelopment, but would like Royal Stage Performing Arts to retain their space within the plan.”

- City Clerk Van read the following written public comment submitted by Sadie Calderon: “Concerning the proposal of a Sports Complex in place of what is now the Sunrise Mall, I am in full support. However, if this Sports Complex does not include Royal Stage Visual and Performing Arts Center, I would happily betray my original statement. Royal Stage is a lively and thriving community and the only theater group in the whole of Citrus Heights. It would be a shame to remove the wonder that is Royal Stage away from its current home where so many good moments in life are created and remembered forever.”

- City Clerk Van read the following written public comment submitted by Jennifer Jacobs: “I absolutely am in favor of the mall to be redeveloped, but only if ROYAL STAGE can keep its theater there. The Royal Stage theater family literally saved my childs life and it would be a tremendous loss to the community for this space to close. As a non-profit, they can't just pick up and move to another location, as that would cause financial burden to their business. The literal hundreds of children and families that attend Royal Stage throughout each year deserve to protected by the city, not forced to lose their home away from home, a space and organization that is making such a huge difference in the lives of so many.”

- City Clerk Van read the following written public comment submitted by Alan Parkin: “The proposed sports center sounds like a good opportunity, but I'm concerned over it's effect on current mall businesses. My family loves and attends Royal Stage frequently and would be devastated if new development kicked them out. Royal Stage does amazing work with disadvantaged youth and would be a complete loss to the community if they're forced to close.”

- City Clerk Van read the following written public comment submitted by Tiffany Corona: “Royal Stage Performing Arts has maintained a theater space in the Sunrise Mall since 2022. As a community member, I am excited about potential revitalization of the Sunrise Mall area. However, I implore the City Council to ensure that the Sunrise Tomorrow plan continues to have a space for local arts in general, and Royal Stage in particular. Not a large concert venue, but a community theater space where people can come together to create, learn, perform, and engage.

  Since coming to the Sunrise Mall in 2022, Royal Stage has put on 21 productions featuring local community members, where everyone who auditions gets a role, regardless of ability to pay. Royal Stage creates not only a wonderful opportunity for introduction to, and furtherance of, the performing arts, it also provides a safe and accepting space for children, teens, and adults of all backgrounds and needs. I have seen my own family and friends (and their families) enriched by and through Royal Stage.

  This is an incredible organization that focuses on community support and engagement. Even with much of the mall empty, the seats at the Royal Stage productions are full.

Royal Stage is a credit to this community. It is my hope that the Council agrees and ensures that Royal Stage continues to have a home in Citrus Heights by allowing it to maintain a theater space in the Sunrise Mall area. I have no doubt that Sunrise Tomorrow will be better as a result."

- City Clerk Van read the following written public comment submitted by Joely Gostage: "I support the sunrise mall sports center IF Royal Stage can keep their space. It is a theater community that accepts all families and offers a place for children to learn not just theater but empathy, compassion, confidence, and the importance of being independent but also being a team player. Royal stage is a very important member of our community."

- City Clerk Van read the following written public comment submitted by Edyta Saltsman: "I'm for the sunrise mall development and building sports center but ONLY if Royal Stage Theatre is maintained and available for the community to enjoy/use. We need our youth to be able to spend their energy on positive and meaningful stuff, develop their artistic interests and passions. It is of utmost importance to me and my family to keep Royal Stahe intact in the process or renovations."

- City Clerk Van read the following written public comment submitted by Jamie Werstler: "I am in support of the redevelopment, IF Royal Stage is able to maintain it's space. Royal Stage is important to my family because it's a place where everyone is welcome and accepted. There are a lot of special friendships here and everyone has a lot of fun together."

- City Clerk Van read the following written public comment submitted by Justine Coe: "I am in favor of the redevelopment of the Sunrise Mall, provided the Royal Stage theatre is able to maintain its space there. Royal Stage has been a supportive and loving space for me and my family as I ventured back into theatre as a single mom struggling financially and emotionally. The community there is truly priceless, to where we have regular "returnees" and new people who quickly realize how special this organization is and come back for more shows. Royal Stage has become a special place for people to use their talents in various capacities and bring hope and encouragement to all who enter its doors. I'm looking forward to many more shows there in the years to come."

- City Clerk Van read the following written public comment submitted by Kajal Bain: "I am in support of the renovations to the mall AS LONG AS Royal Stage Theater is allowed to maintain its space. The theater has provided a safe, open, and supportive environment for my daughter and I to express ourselves in performing arts. It has helped the both of us push through some hard times. Please allow Royal Stage to keep its space."

- City Clerk Van read the following written public comment submitted by Tana Colburn: "I support the Sunrise. Mall redevelopment plan as long as Royal Stage remains in its location. Theatre, especially theatre that works with children in a positive way, is extremely important to the community."

- City Clerk Van read the following written public comment submitted by Becky Glatz: "I am in favor of the complex as long as royal stage performing arts theatre is allowed to maintain their space. Community theatre would be a great addition to this project and this company means the world to my family. My kids have gained confidence and friendships and skills they've brought with them in everyday life."

- City Clerk Van read the following written public comment submitted by Renae Schieckoff: "As a parent of children involved with Royal Stage Performing Arts, I would like to voice my concern regarding how this development will affect Royal Stage's current occupancy in the Sunrise Mall. This organization provides low and no cost performing arts experiences for families in need which is a considerable asset to Citrus Heights and the surrounding communities. My family is fortunate to be able to pay for our children's tuition to participate and we could participate in different theater programs, but we choose to be involved with Royal Stage because this organization makes a positive impact in our community and provides our family

with an enriching and diverse experience. As a nonprofit organization, the cost of relocating the theater would present what I believe would be a considerable financial burden for Royal Stage. If the Sunrise Sports Center project is approved, an allowance for Royal Stage to remain in it's location would be the best scenario for this important organization to thrive and continue to provide community theater opportunities for our youth."

- City Clerk Van read the following written public comment submitted by Mckenna Gonzalez: "I am in support of the redevelopment, only IF Royal Stage is able to maintain in their space. Royal stage is a positive influence in the community because it provides a safe and encouraging environment where students can grow both artistically and personally. It allows dancers to use their talents to express their faith and creativity while learning important life skills like discipline, teamwork, confidence, and perseverance. Beyond dance training, it helps build strong relationships and a sense of belonging among students and families, creating a supportive community. It also often participate in outreach and service opportunities, teaching students to use their gifts to encourage and serve others. By combining faith, the arts, and community involvement, this studio helps shape young people into confident, compassionate individuals who positively impact those around them."

- City Clerk Van read the following written public comment submitted by Jessica Dardarian: "I'm a part of Royal Stage Christian Performing Arts and have been rehearsing at the space where the theatre is currently held. Royal Stage means a lot to me, because they strive to work on the best show they can possibly bring to life and using the words and teaching to Christ in our community."

- City Clerk Van read the following written public comment submitted by Frank Gonzalez, Jr.: "I am for whatever as long Royal stage can stay! Royal Stage Studio provides a valuable space for young people in the community to grow through the arts in a safe and encouraging environment. The studio gives students the opportunity to develop creativity, discipline, confidence, and teamwork while learning the art of dance. Programs like Royal Stage Studio help bring families together, build meaningful friendships, and create a strong sense of belonging among students and parents. By offering a positive place for youth to express themselves and stay active, the studio contributes to the overall well-being of the community and helps shape confident, compassionate young people who can make a positive impact on those around them"

- City Clerk Van read the following written public comment submitted by Rebecca Rivera: "I love this idea for the mall.I think the Royal Stage fits in perfectly with the plan as a multi functional sports and entertainment space. I love watching the, pretty impressive for a small community theater, performances at Royal Stage. The only down side has been having to enter the rundown mall."

- City Clerk Van read the following written public comment submitted by Ivy Calderon: "I am in support of the Sunrise Sports Center redevelopment IF the Royal Stage Theater is unaffected by it's remodeling."

- City Clerk Van read the following written public comment submitted by Temperance Harkins: "I support the redevelopment project in the area of the current Sunrise Mall as long as Royal Stage Theater is able to keep their current space. I am a city of Sacramento resident who attends productions at Royal Stage Theater. I enjoy watching youth and adults doing community theater. I feel that community theater and the arts are essential to modern cities like Citrus Heights. When I support community theater, I also support other nearby businesses by shopping at the local stores and eating at nearby restaurants. Without these local and unique arts to draw me and others like me in, other businesses suffer and the city of Citrus Heights as a whole suffers by the lack of local arts. I strongly support keeping Royal Stage Theater at their current location."

- City Clerk Van read the following written public comment submitted by Kiersten Medina: "I am in support of the redevelopment of the sunrise mall only if Royal stage can remain. They are an integral part of the

sunrise area offering a safe place for kids to do theater and dance and offer options for low income families"

- City Clerk Van read the following written public comment submitted by Nicole Prahm: "As a local resident who grew up with the Sunrise Mall I am so glad that there is a plan to redevelop and utilize this space in a way that will benefit the community. I would however like to make it known that the arts are just as important as sports, therefore I hope you will ensure that Royal Stage retains a space in the development going forward. The work they do brings so much joy and life to the community that it would be heartbreaking to see them displaced."

- City Clerk Van read the following written public comment submitted by Ron McGehee: "I am in favor of the Sports Complex in the redevwlopment of Sunrise Mall as long as Royal Stage Theatre is allowed to have a place to keep the community theatre going. My kids and I have all been part of productions. The great lessoons they teach to all about respect, honor and professionalism is incredible. The inclusive nature where everyone can come together to team up and put on great productions positively grows all involved. I really love the way rhat even if there are kids that couldn't afford to be apart of Royal Stage they never say no, and always find a way for the funds to be 5here to take care of the kids training."

- City Clerk Van read the following written public comment submitted by Stacy Brush: "I am full support of the proposed plan for the Sunrise Mall, I just would like to know that Royal Stage will still have a place in the new plan. The people, and the plays have brought so many of us together. Even my video gaming kids love watching and participating in the plays, creating backgrounds, etc. There are so many great opportunities for people to come together and have a great time putting on a great show. We need more of what Royal stage offers, and I pray we continue to enjoy them for as long as possible."

- City Clerk Van read the following written public comment submitted by Tosha Rankin: "I am in support of this center, if and only if there is a designated space for Royal Stage Performing Arts. My children have been involved in their theater program for several years now, and losing this space would be devastating. My youngest son will tell anyone he knows that this theater is his safe place, and he is not the only one. This is a place that provides a safe environment for many community youth and is a benefit to our area!"

- City Clerk Van read the following written public comment submitted by Dolly Palliative: "I am in support of the redevelopment, IF Royal Stage is able to maintain its space. It is most important because Royal Stage gives kids and adults access to be artistic in many ways and provides a safe place. It keeps kids out of the streets and motivates everyone to work in group and harmony."

- City Clerk Van read the following written public comment submitted by Cindy De Beer: "I think a new sports complex at the Sunrise Mall is a great idea, but it's important to me that Royal Stage Performing Arts is able to remain as well. That theater is so important to many kids and families in our community and it will be an asset to the new development. Kids can participate in sports at the sports complex or dance and theater at Royal Stage."

- City Clerk Van read the following written public comment submitted by Jullian Buell: "I am in support of the Renovation if Royal Stage Theater maintains it's space."

- City Clerk Van read the following written public comment submitted by Anna Figueroa: "I am writing in support of the proposed redevelopment and the vision of expanding opportunities for youth sports in our community. Projects that bring families together and provide positive outlets for kids are incredibly valuable.

  At the same time, I respectfully ask that Royal Stage Theater be able to maintain its space as plans move forward.

Several years ago, my son Gabe stood before this same council as an eight-year-old to speak in support of the $25,000 grant that helped open Royal Stage Theater. You approved that grant, and since then the theater has become a second home to him and to many other kids in Citrus Heights. It is where he has grown in confidence, creativity, and community.

Youth sports are incredibly important, but so are the arts. Both play a vital role in helping children grow into confident, well-rounded young people. Royal Stage Theater has been doing that work for years, providing a safe and inspiring place for kids to learn, perform, and belong.

I support redevelopment that strengthens Citrus Heights, and I hope that vision includes ensuring that Royal Stage Theater can continue serving the youth of our community."

- City Clerk Van read the following written public comment submitted by Heather Fry: "I am writing regarding the future of the Sunrise Mall, to make a plea for Royal Stage. The nonprofit performing arts theater located inside of the Sunrise Mall. I have lived in Sacramento for over two decades. I worked in the Sunrise Mall for three years at DeVon's Jewelers, a business, like so many others, that is no longer there. My family and I shopped and browsed the Sunrise Mall once a week for a decade. We were THRILLED when Royal Stage took up residence at the Sunrise Mall, giving us a reason to return, and an affordable opportunity to expose our children to the arts. We have seen countless plays, musicals, and showcases at the Royal Stage Theater since it has been accessible to us in the Sunrise Mall. Royal Stage also makes participation in performance art accessible to many disadvantaged kids and adults. The City of Citrus Heights and the community are greatly entrenched with culture and the arts through Royal Stage. Whatever may come of the Sunrise Mall's future, it would be a travesty to see Royal Stage go in that location. Keeping Royal Stage in the future plans for the Sunrise Mall on serves to benefit other businesses in the location, and the City and community as a whole. There are so many opportunities for sports/athletics, and games; and so very few opportunities for families to experience and support the arts. Please keep Royal Stage in The Sunrise Mall location and future plans."

- City Clerk Van read the following written public comment submitted by Jennalee Hazlip: "Royal Stage was my first judgment, free family"

- City Clerk Van read the following written public comment submitted by Dale Oberg: "I'm in support of Sports Center at the Sunrise Mall location only IF Royal Stage is allowed to keep their space. Everyone in the community needs access to the arts, especially dance and theatre."

- City Clerk Van read the following written public comment submitted by Callie Kay: "I support the change of sunrise mall, but ONLY if royal stage gets to keep our theater space. This company has given many performers, young and old to follow their dreams and perform on a stage. It has a family atmosphere and so important to the community. Royal stage is full of community outreach and provides scholarships to underprivileged families. Royal Stage theater in Sunrise mall is a home to so many people and many will be devastated if it is taken away."

- City Clerk Van read the following written public comment submitted by Abigail Martin: "I am definitely in favor of the new Sunrise Sorts Center; however, only if Royal Stage Performing Arts is allowed to keep their theater space. We have nowhere else to perform!!"

ACTION: On a motion by Vice Mayor Middleton, seconded by Council Member Nelson, the City Council adopted Resolution No. 2026-015, A Resolution of the City Council of the City of Citrus Heights, California, Authorizing the City Manager to Enter Into an Economic Development and Participation Agreement (EDPA) with The Mettle Shop to Support the Redevelopment of a Catalyst Project for a

Portion of the Sunrise Tomorrow Site and Finding the Agreement is Exempt from CEQA per CEQA Guidelines 15004 (b)(4).

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

The City Council took a brief recess at 8:50 p.m. and reconvened at 9:03 p.m.

10. **SUBJECT:** Fiscal Year 2025-26 Mid-Year Budget Adjustment and Financial Forecast Update
STAFF REPORT: S. Talwar / D. Jenkins
RECOMMENDATION: Adopt Resolution No. 2026-016, A Resolution of the City Council of the City of Citrus Heights, California, Approving Amendments to the Fiscal Year 2025-26 Budget

Director Talwar and Manager Jenkins provided a presentation reviewing the General Fund mid-year status report and 10-year forecast update. The recommended adjustments in revenues and expenditures were outlined.

ACTION: On a motion by Council Member Karpinski-Costa, seconded by Council Member Nelson, the City Council adopted Resolution No. 2026-016, A Resolution of the City Council of the City of Citrus Heights, California, Approving Amendments to the Fiscal Year 2025-26 Budget.

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

CITY MANAGER ITEMS

City Manager Feeney reviewed the 2026 Save the Date mailer for City events and highlights. He recognized Women's Build Day at the Habitat for Humanity project. He announced that the Strategic Planning Session will take place on March 18, which replaces the March 25 Regular City Council meeting. Assemblymember Josh Hoover is having a community meeting at City Hall on March 19. He discussed upcoming infrastructure projects, including the 2025/26 Resurfacing and Madison Avenue Repaving. He recognized and thanked City Clerk Van for her facilitation of agenda Item 9.

ITEMS REQUESTED BY COUNCIL MEMBERS / FUTURE AGENDA ITEMS

11. **SUBJECT:** Discussion and Direction on the Renaming of Sayonara Drive
STAFF REPORT: C. Kempenaar / R. Cave / A. Bermudez

Senior Planner Bermudez provided a presentation outlining the proposed process and timeline for renaming, including owner and tenant notification, community outreach, name nominations, and presenting names to Council for final selection. Staff hopes to complete the process before the first Sayonara Habitat for Humanity residents receive their keys in June.

City Council questions and comments followed.

By consensus the City Council directed staff to move forward with community surveys and return with the results and feedback.

Council Member Karpinski-Costa requested an agenda item to discuss a Citrus Hights Arts mural at City Hall for America's 250th birthday, seconded by Vice Mayor Middleton.

Council Member Karpinski-Costa requested an agenda item on subsidizing or providing scholarships for Neighborhood Area attendance at this year's Neighborhoods USA (NUSA) virtual conference, seconded by Mayor Lopez-Taff.

ADJOURNMENT

Mayor Lopez-Taff adjourned the regular meeting at 9:31 p.m.

Respectfully submitted,

_____
Amy Van, City Clerk

CITY OF CITRUS HEIGHTS

CITY COUNCIL STAFF REPORT MEMORANDUM

DATE: May 27, 2026

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

FROM: Alexander A. Turcotte, Chief of Police
Kris Frey, Police Commander
Ken Lewis, Police Lieutenant
Joseph Aguilar, Police Lieutenant

SUBJECT: **AB 481- Annual Renewal of Military Equipment Policy for the Police Department and Review of Annual Report**

Recommendation

Staff recommends that the City Council adopt Resolution No. 2026-____ A Resolution of the City Council of the City of Citrus Heights, California, Renewing its Military Equipment Policy.

Fiscal Impact

There is no impact to the City's General Fund by adopting this resolution.

Background and Analysis

Assembly Bill 481 (AB 481) requires law enforcement agencies (LEAs) to obtain explicit approval from their governing bodies before funding, acquiring, or utilizing military equipment. On May 12, 2022, the Citrus Heights City Council took a significant step by adopting the Citrus Heights Police Department (CHPD) Military Equipment Use Policy through Ordinance 2022-005, establishing a framework for responsible oversight of such equipment.

In alignment with the mandates of AB 481, the CHPD is obligated to submit an annual military equipment report (the Annual Report) to the City Council within a year of the policy's approval and continue to do so each subsequent year as long as the military equipment remains operational. This report is designed to fulfill legal requirements and promote transparency by being made publicly accessible. Additionally, the CHPD will host a community engagement session wherein residents can actively engage with police personnel, ask pertinent questions about the Annual Report, and discuss broader issues related to funding and the deployment of

military equipment. Each year, the City Council is also responsible for reviewing the Military Equipment Use Policy, ensuring adherence to the standards delineated in Ordinance 2022-005.

CHPD submitted the most recent Annual Report to the City Council and the public on May 6, 2026. Department staff also attended a dedicated community engagement session on May 20, 2026, to facilitate community interaction.

Assembly Bill (AB) 481 broadly defines "military equipment" as including various items, some of which may not have direct military origins. This equipment encompasses but is not limited to crewless aerial and ground vehicles, armored vehicles, command-and-control vehicles, pepper ball launchers, less lethal shotguns, 40mm projectile launchers, and flashbang devices. The categorization intends to clarify what constitutes military equipment so that appropriate legislative safeguards can be applied.

The Citrus Heights Police Department (CHPD) commits itself to utilizing innovative and advanced tools and equipment to enhance public safety within the community. Many items classified as "military equipment" are critical for operational effectiveness and are employed by various law enforcement agencies nationwide, that are specifically designed to manage situations that pose a risk to officers or the public while minimizing the potential for escalation into lethal encounters. The strategic use of such tools allows officers to approach critical incidents with greater preparedness, ultimately working to safeguard the community and its residents.

CHPD's Annual Report, which is available for review (see Attachment 1), comprises several key elements:

1. A comprehensive summary of the military equipment's use, detailing the operational context and intended purposes.
2. An overview of community complaints or concerns about the military equipment.
3. Findings from internal audits that examine adherence to the military equipment use policy, including any violations and the corresponding corrective actions taken by the department.
4. A detailed financial breakdown of the total annual costs associated with each type of military equipment, encompassing acquisition, personnel, training, transportation, maintenance, storage, equipment upgrades, ongoing fees, and identifying funding sources for the upcoming calendar year.
5. Quantitative data on the current inventory of military equipment, specifying the amounts of each type.
6. Forward-looking information on any planned acquisitions for additional military equipment in the upcoming year, including targeted quantities and the rationale for such requests.

Throughout the past year, the police department has effectively administered its military equipment by AB 481, following guidelines established in Government Code section 7072(a) and abiding by the Citrus Heights Police Lexipol Policy 708.

Attachments

1. Citrus Heights Police AB 481 Annual Report
2. Resolution No. 2026 Renewing Military Equipment Policy
3. Citrus Heights Police Lexipol Policy #708

AB 481 Annual Report

Background: Assembly Bill 481 (AB 481) requires law enforcement agencies to obtain approval from their governing bodies before implementing a policy governing the use of military equipment. This approval is required before purchasing, fundraising for, or acquiring any military equipment. The initial policy must be adopted by ordinance and renewed annually by Council vote. AB 481 broadly defines "military equipment," covering a wide range of items, including items deployed or acquired by law enforcement agencies.

AB 481 requires law enforcement agencies to provide an Annual Report to their governing body and the public. Agencies must also host a community engagement session to allow public participation and feedback.

On May 12, 2022, the Citrus Heights City Council adopted Ordinance 2022-005, establishing a Military Equipment Use Policy for items classified as "military equipment" under AB 481. Since then, the Citrus Heights Police Department (CHPD) has managed its military equipment in full compliance with this policy. This Annual Report fulfills the requirements of Government Code section § 7072(a).

To support transparency and community involvement, CHPD will host a community engagement session at the **police department** on **Wednesday, May 20, 2026, from 5:00 PM to 7:00 PM.**

The following summarizes the CHPD's Annual Report:

i. **Unmanned Aircraft System (UAS):** an unmanned aircraft along with associated equipment necessary to control it remotely.

a.) <u>Description, quantity, purchase cost, capabilities, and any plans to purchase more:</u>

i.) Autel EVO II
Estimated cost: $1,200 each
Quantity limit: 3 (not to exceed)
Capable of recording video and audio and providing live video streaming to operators. The department currently owns 3 units and does not plan to acquire more.

ii.) DJI Avata 2
Estimated cost: $1,200 each
Quantity limit: Not specified
Capable of recording and audio live streaming. The department currently owns 2 units and has no plans to purchase additional units.

iii.) Matrice 4T Estimated cost: $7,800 each
Quantity limit: Not specified
Capable of recording and audio live streaming. The department currently owns 2 units and has no plans to purchase additional units.

b.) <u>Purpose</u>
To be deployed when its view would assist officers or incident commanders with the following situations, which include but are not limited to:

i.) Major collision investigations.

ii.) Searching for missing people.

iii.) Natural disaster management.

iv.) Crime scene photography.

v.) SWAT, tactical or other public safety and life preservation missions; and

vi.) Responding to specific requests from local, state, or federal fire authorities for fire response and/or prevention.

c.) How the military equipment was used / complaints received:
The department's UAS equipment was utilized for fatal traffic collision photography, crime scene photography, and visual assistance during SWAT and patrol tactical operations to assist with officer safety and the location of potentially dangerous subjects.

The department did not receive any complaints or concerns related to the use of the UAS in 2025.

d.) Authorized Use
Only assigned operators who have completed the required training shall be permitted to operate the UAS during approved missions.

e.) Expected Life Span
All UAS equipment, approximately 3-5 years.

f.) Fiscal Impact
Annual maintenance and battery replacement costs are estimated at approximately $2,000. No annual acquisition, personnel, training, transportation, or storage costs.

g.) Training
All Department UAS operators are licensed by the Federal Aviation Administration for UAS operation.

h.) Legal and Procedural Rules
It is the policy of the CHPD to utilize UAS only for official law enforcement purposes and in a manner that respects the privacy of our community, pursuant to State and Federal law, including all FAA requirements and regulations.

i.) Concerns and Complaints Received
None

j.) Future Acquisition Plans and Source of Funding
None

k.) Internal Audit Results and Response
No violations

ii. Armored Vehicles: Commercially produced wheeled armored personnel vehicles utilized for law enforcement purposes.

a.) Description, quantity, purchase cost, capabilities, and any plans to purchase more:
2008 Navistar Defense MaxPro MRAP
Initial cost: $0 (estimated replacement cost: $800,000)
Quantity limit: 2 (not to exceed)

This armored vehicle seats multiple personnel, provides ballistic protection, and can be used for the rescue of downed officers or citizens. The department currently owns one unit.

b.) Purpose
To be used in response to critical incidents to enhance officer and community safety, improve scene containment and stabilization, and assist in resolving critical incidents. It can stop various projectiles, which provide greater safety to citizens and officers beyond the protection level of shield and personal body armor. The vehicle also serves as an emergency extraction vehicle to transport injured officers, and/or community members that may be involved in a critical incident.

c.) How the military equipment was used / complaints received:
The department's Navistar MRAP was used for community engagement events, department training exercises, and SWAT tactical operations to provide ballistic protection and assist with officer safety.

The department did not receive any complaints or concerns related to the use of the Navistar MRAP in 2025.

d.) Authorized Use
The use of armored vehicles shall only be authorized by a watch commander or SWAT commander based on the specific circumstances of a given critical incident. Armored vehicles shall be used only by officers trained in their deployment and in a manner consistent with Department policy and training.

e.) Lifespan
Approximately 15 years.

f.) Fiscal Impact
Annual maintenance cost of approximately $5,000. No annual acquisition, personnel, training, transportation, or storage costs.

g.) Training
All drivers/operators shall be required to obtain a valid California Class B license.

h.) Legal and Procedural Rules
It is the policy of the Department to utilize armored vehicles only for official law enforcement purposes and pursuant to State and Federal law.

i.) Concerns and Complaints Received
None

j.) Future Acquisition Plans and Source of Funding
The police department anticipates purchasing a Lenco BearCat armored response vehicle fully funded by the Citizens' Option for Public Safety (COPS) funding.

k.) Internal Audit Results and Response
No violations

iii. Command Post (CP): A mobile office that provides shelter and access to Department computer systems and other equipment.

a.) Description, quantity, purchase cost, capabilities, and any plans to purchase more:
2008 GMC C5500
Estimated cost: $300,000
Quantity limit: 1 (not to exceed)
This vehicle is used for meetings and storing large amounts of equipment for SWAT/CNT operations, critical incidents, natural disasters, and community events. The department currently owns one unit and has no plans to purchase additional vehicles.

b.) Purpose
For use in situations that require a mobile, spacious, and weather-protected facility.

c.) How the military equipment was used / complaints received:
The department's command post has been utilized for critical incidents, community engagement events, and departmental training.

The department did not receive any complaints or concerns related to the use of the command post in 2025.

d.) Authorized Use
Only those trained in the deployment and operations in a manner consistent with Department policy and training are authorized to operate the CP.

e.) Lifespan
The CP lifespan on the chassis and vehicle structure is approximately 20 years. Upgrades to maintain IT systems are needed approximately every 5 years.

f.) Fiscal Impact
The annual maintenance cost is approximately $2,000. No annual maintenance, acquisition, personnel, training, transportation or storage costs.

g.) Training
The driver/operator shall receive training in the safe handling of the vehicle on a closed training course. Once the operator has shown competence in vehicle handling, the driver/operator will drive the vehicle within the city with an experienced driver.

h.) Legal and Procedural Rules
It is the policy of the Department to use the CP only for official law enforcement purposes and in accordance with California State law regarding the operation of motor vehicles.

i.) Concerns and Complaints Received
None

j.) Future Acquisition Plans and Source of Funding
None

k.) Internal Audit Results and Response
No violations

iv. 40 MM Launchers and Rounds: 40MM Launchers are utilized by department personnel as a less lethal tool to launch impact and chemical rounds.

a.) Description, quantity, purchase cost, capabilities, and any plans to purchase more:

i.) Defense Technology 40mm Single Shot Launcher
Estimated cost: $1,000 each
Quantity limit: 8 (not to exceed)
A tactical single-shot launcher capable of firing various less-lethal ammunition. The department currently owns 5 units, with a maximum limit of 8 and no plans to purchase more.

ii.) Defense Technology Ferret 40mm CS Liquid
Estimated cost: $35–$45 each
Quantity limit: 200 (not to exceed)
A less-lethal 40mm round designed to deliver a small liquid chemical payload inside a structure or vehicle. Primarily used to dislodge barricaded subjects and cause temporary discomfort to gain compliance. The department currently owns 76 rounds, with a maximum limit of 200 and no plans to purchase more.

iii.) Defense Technology Rubber Foam 40mm Projectile
Estimated cost: $30–$40 each
Quantity limit: 50 (not to exceed)
A less-lethal, lightweight plastic projectile that provides accurate and effective compliance when fired at approved distances. The department currently owns 12 rounds, with a maximum limit of 50 and no plans to purchase more.

iv.) 40mm DefTec 2292 CS Powder Barricade Penetrator
Estimated cost: $40–$60 each
Primarily used to dislodge barricaded subjects by delivering a chemical agent payload inside a structure or vehicle. The department currently owns 20 rounds, with no plans to purchase more.

v.) 40mm DefTec 2290 OC Barricade Penetrator
Estimated cost: $45–$65 each
This round contains OC powder and is primarily used to dislodge barricaded subjects by delivering the agent inside a structure or vehicle. The department currently owns 20 rounds, with no plans to purchase more.

b.) Purpose:
To limit the escalation of conflict where employment of lethal force is prohibited or undesirable.

c.) How the military equipment was used / complaints received:
40 MM launchers and rounds were only used for training purposes.

The department did not receive any complaints or concerns related to the use of the 40 MM launchers and rounds in 2025.

d.) Authorized Use:
Only those POST-certified to deploy chemical munitions are authorized to use the 40MM launchers. Situations for use of the less lethal weapon systems may include, but are not limited to:

i.) Self-destructive; dangerous and/or combative individuals.

ii.) Riot/crowd control and civil unrest incidents.

iii.) Circumstances where a tactical advantage can be obtained.

iv.) Potentially vicious animals; and

v.) Training exercises or approved demonstrations.

e.) Training
Sworn members utilizing 40MM less lethal chemical agents or impact rounds are trained by POST-certified less lethal and chemical agent instructors.

f.) Lifespan
Approximately 5 years.

g.) Fiscal Impact
Annual maintenance is approximately $50 for each launcher. No annual acquisition, personnel, training, transportation, or storage costs.

h.) Legal and Procedural Rules
It is the policy of the CHPD to utilize the 40MM only for official law enforcement purposes and pursuant to State and Federal law, including those regarding the use of force.

i.) Concerns and Complaints Received
None

j.) Future Acquisition Plans and Source of Funding
The police department anticipates acquiring additional 40mm single shot launchers; however, the total number needed and the funding source has yet to be identified.

k.) Internal Audit Results and Response
No violations

v. Less Lethal Shotgun: A less lethal shotgun is used to deploy the less lethal 12-gauge Super Shock beanbag round.

a.) Description, quantity, capabilities, and any plans to purchase more:

i.) Remington 870 Less-Lethal Shotgun
Estimated cost: $946 each
Quantity limit: 12 (not to exceed)
Used to deploy less-lethal beanbag rounds, allowing officers to maintain distance from suspects and reduce the immediacy of threats—supporting de-escalation principles. The department currently owns 3 units, with a maximum limit of 12 and no plans to purchase more.

ii.) 12-Gauge Super-Shock Beanbag Round
Estimated cost: $5 to $8 each
Quantity limit: 200 (not to exceed)
Ballistic fiber-filled beanbag rounds provide accurate and effective performance when fired from approved distances. The department currently owns 52 rounds, with a maximum limit of 200 and no plans to purchase more.

iii.) DefTec Ferret 12-Gauge Powder Barricade Round CS
Estimated cost: $10 to $15 each
Quantity limit: 200 (not to exceed)
Intended for crowd control situations. The department currently owns 20 rounds, with a maximum limit of 200 and no plans to purchase more.

b.) Purpose:
To limit the escalation of conflict where employment of lethal force is prohibited or undesirable.

c.) How the military equipment was used / complaints received:
Less lethal shotguns were used for training purposes and apprehension of suspects during high-risk situations.

The department did not receive any complaints or concerns related to the use of less lethal shotguns in 2025.

d.) Authorized Use:
Less lethal shotguns shall be used only by officers trained in their deployment and in a manner consistent with Department policy and training. Situations for use of the less lethal weapon systems may include, but are not limited to, the following:

i.) Self-destructive, dangerous and/or combative individuals.

ii.) Riot/crowd control and civil unrest incidents.

iii.) Circumstances where a tactical advantage can be obtained.

iv.) Potentially vicious animals; and

v.) Training exercises or approved demonstrations.

e.) Lifespan
Remington 870 Less approximately 25 years.

Super-shock Beanbag Round, approximately 5 years.

f.) Fiscal Impact
Annual maintenance is approximately $50 for each shotgun. No annual acquisition, personnel, training, transportation, or storage costs.

g.) Training
All officers are trained in the 12-gauge less lethal shotgun as a less lethal option by in-service training.

h.) Legal and Procedural Rules
It is the policy of the CHPD to utilize the less lethal shotgun only for official law enforcement purposes and pursuant to State and Federal law, including those regarding the use of force.

i.) Concerns and Complaints Received
None

j.) Future Acquisition Plans
None. If, in the future, any more would be acquired, it is expected that this would be paid for by the general fund or asset forfeiture funds.

k.) Internal Audit Results and Response
No violations

vi. Distraction Devices: Distraction devices are ideal for distracting dangerous suspects during assaults, hostage rescues, room entry, or other high-risk arrest situations.

a.) Description, quantity, capabilities, and any plans to purchase more:
i.) Combined Tactical Solutions Baffled White Smoke Flash Bangs
Estimated cost: $40 to $60 each
Quantity limit: 200 (not to exceed)

These non-fragmenting devices produce a loud noise and an intense bright light, making them effective for tactical operations. The department currently owns 46 units and does not plan to purchase additional units at this time.

b.) Purpose
Designed to create atmospheric over-pressure and emit a bright white light, these devices can cause short-term (6–8 seconds) physiological and psychological sensory deprivation, providing officers with a tactical advantage.

c.) How the military equipment was used / complaints received:
Distraction devices were used for training purposes, high-risk warrant services and high-risk situations, enhancing officer safety.

The department did not receive any complaints or concerns related to the use of distraction devices in 2025.

d.) Authorized Use:
Diversionary devices shall only be used in the following ways:

i.) Officers who have been trained in proper use.

ii.) In hostage and barricaded subject situations.

iii.) In high-risk warrant services where there may be a risk to officer safety.

iv.) During other high-risk situations where their use would enhance officer safety and during training exercises.

e.) Lifespan
5 years

f.) Fiscal Impact
No annual maintenance, acquisition, personnel, training, transportation, or storage costs.

g.) Training
Prior to use, officers must attend divisionary device training that is conducted by POST-certified instructors.

h.) Legal and Procedural Rules
It is the policy of the CHPD to utilize diversion devices only for official law enforcement purposes and pursuant to State and Federal law regarding the use of force.

i.) Concerns and Complaints Received
None

j.) Future Acquisition Plans and Source of Funding
None. If, in the future, any more were acquired, it is expected that this would be paid for by the general fund or asset forfeiture funds.

k.) Internal Audit Results and Response
No violations

vii. Precision Long Rifles: Guns that are fired from shoulder level, having a long spirally grooved barrel intended to make bullets spin and thereby have greater accuracy over a long distance.

a.) Description, quantity, capabilities, and any plans to purchase more:

i.) Winchester M14 7.62mm
Estimated cost: $2,500 each
Quantity limit: 4 (not to exceed)

This rifle provides lethal options at extended distances. The department currently owns 2 units, with a maximum limit of 4, and has no current plans to purchase additional rifles.

ii.) TRW M14 7.62mm
Estimated cost: $2,500 each
Quantity limit: 2 (not to exceed)

This rifle provides lethal options at extended distances. The department currently owns 1 unit, with a maximum limit of 2, and no current plans to purchase additional rifles.

iii.) H&R Arms M14 7.62mm
Estimated cost: $2,500 each
Quantity limit: 5 (not to exceed)

This rifle provides lethal options at extended distances. The department currently owns 3 units, with a maximum limit of 4, and no current plans to purchase more.

iv.) Remington 700 7.62mm
Estimated cost: $2,500 each
Quantity limit: 7 (not to exceed)

This rifle provides lethal options at extended distances. The department currently owns 4 units, with a maximum limit of 7, and no current plans to purchase more.

b.) Purpose:
To be used to address a threat with more precision and/or greater distances than a handgun, if present and feasible.

c.) How the military equipment was used / complaints received:
Rifles were only used for training purposes.

The department did not receive any complaints or concerns related to the use of rifles in 2025.

d.) Authorized Use
Only officers are approved and trained per department policy.

e.) Lifespan
Approximately 15 years.

f.) Fiscal Impact
Annual maintenance is approximately $50 for each rifle. No annual acquisition, personnel, training, transportation, or storage costs.

g.) Training
Prior to using a rifle, officers must be certified by POST instructors in the operation of the rifle.

Additionally, all members who operate any rifle are required to pass a range qualification.

h.) Legal and Procedural Rules
It is the policy of the CHPD to utilize rifles only for official law enforcement purposes and pursuant to State and Federal law regarding the use of force.

i.) Concerns and Complaints Received
None

j.) Future Acquisition Plans and Source of Funding
The police department anticipates purchasing four Seekins HIT Pro .308 precision long rifles in the coming year; however, a funding source has not yet been identified.

k.) Internal Audit Results and Response
No violations

viii. Chemical Agent and Smoke Canisters: Canisters that contain chemical agents that are released when deployed.

a.) Description, quantity, capabilities, and any plans to purchase more:
   i.) Defense Technology Launchable Flameless CS
   Estimated cost: $40 to $55 each
   Quantity limit: 100 (not to exceed)

Used for crowd control and tactical deployments. The department currently owns 13 units and plans to purchase more, not to exceed the 100-unit cap.

ii.) Defense Technology Tri-Chamber CS
Estimated cost: $35 to $50 each
Quantity limit: 100 (not to exceed)
Used for crowd control and tactical deployments. The department owns 28 units, with a 100-unit cap, and does not plan further acquisitions.

iii.) DefTec 1032 Flameless Tri-Chamber CS
Estimated cost: $40 to $55 each
Designed primarily for indoor tactical situations to detect and/or dislodge a barricaded subject. The department currently owns 8 units, with no current plans to purchase more.

iv.) DefTec 3012 12-Gauge Liquid CS
Estimated cost: $10 to $15 each
Designed to deliver chemical agents in barricade situations from a 12-gauge shotgun, providing stand-off distance for safety. The department currently owns 20 units, with no current plans to purchase more.

v.) D DefTec 1050 Aerosol OC/CS
Estimated cost: $15 to $25 each
Used in confined areas and close to the target area to minimize risks to all parties through pain compliance, temporary discomfort, and/or incapacitation of potentially violent or dangerous subjects. The department currently owns 8 units, with no current plans to purchase more.

b.) Purpose:
To limit the escalation of conflict where employment of lethal force is prohibited or undesirable.

Situations for use of the less lethal weapon systems may include, but are not limited to:

i.) Self-destructive, dangerous and/or combative individuals.

ii.) Riot/crowd control and civil unrest incidents.

iii.) Circumstances where a tactical advantage can be obtained.

iv.) Potentially vicious animal; and

v.) Training exercises or approved demonstrations.

c.) How the military equipment was used / complaints received:
Chemical agents and smoke canisters were only used for training purposes.

The department did not receive any complaints or concerns related to the use of Chemical agents and smoke canisters in 2025.

d.) Authorized Use:
Only officers who have received POST certification in the use of chemical agents are authorized to deploy.

e.) Training
Sworn members utilizing chemical agent canisters are certified by POST less lethal and chemical agent instructors.

f.) Lifespan
Approximately 5 years from the manufacturing date.

g.) Fiscal Impact
No annual maintenance, acquisition, personnel, training, transportation or storage costs.

h.) Legal and Procedural Use
It is the policy of the CHPD to utilize chemical agents only for official law enforcement purposes and pursuant to State and Federal law, including those regarding the use of force.

i.) Concerns and Complaints Received
None

j.) Future Acquisition Plans and Source of Funding
None. If, in the future, any more would be acquired, it is expected that this would be paid for by the general fund or asset forfeiture funds.

k.) Internal Audit Results and Response
No violations

ix. Explosive Breaching Tools: Tools that are used to conduct an explosive breach.

a.) Description, quantity, capabilities, and any plans to purchase more:

i.) Remington 870 Express Breaching Shotgun
Estimated cost: $500 each
Quantity limit: 3 (not to exceed)
This shotgun allows trained personnel to safely use breaching rounds to defeat deadbolts, locks, and hinges. It features a standoff device for precise placement and vents gases to prevent overpressure. The department currently owns 1 unit, with a maximum limit of 3 and no plans to purchase more at this time.

ii.) Remington 870 Express Breaching Shotgun
Estimated cost: $500 each
Quantity limit: 3 (not to exceed)
This shotgun allows trained personnel to safely use breaching rounds to defeat deadbolts, locks, and hinges. It features a standoff device for precise placement and vents gases to prevent overpressure. The department currently owns 1 unit, with a maximum limit of 3 and no plans to purchase more at this time.

b.) Purpose:
The purpose is to quickly and safely gain access to property or structure.

c.) How the military equipment was used / complaints received:
Explosive breaching tools were only used for training purposes.

The department did not receive any complaints or concerns related to the use of explosive breaching tools in 2025.

d.) Authorized Use:
Explosive breaching may only occur after authorization of a SWAT Commanding Officer or during training exercises.

The department did not receive any complaints or concerns related to the use of explosive breaching tools during 2025.

e.) Lifespan
Breaching shotgun, approximately 25 years.

f.) Fiscal Impact
Annual Maintenance is approximately $100. No annual acquisition, personnel, training, transportation, or storage costs.

g.) Training
All officers who use explosive breaching tools shall attend 40 hours of explosive breaching instruction.

h.) Legal and Procedural Rules
It is the policy of the CHPD to utilize breaching tools only for official law enforcement purposes and pursuant to State and Federal law.

i.) Concerns and Complaints Received
None

j.) Future Acquisition Plans and Source of Funding
None. If additional units are acquired in the future, funding is expected to come from the general fund or asset forfeiture funds.

k.) Internal Audit Results and Response
No violations

RESOLUTION NO. 2026-___

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CITRUS HEIGHTS, CALIFORNIA, RENEWING THE POLICE DEPARTMENT'S MILITARY EQUIPMENT POLICY

WHEREAS, on September 30, 2021, Governor Gavin Newsom signed into law Assembly Bill 481 ("AB 481"), adding Chapter 12.8, "Funding, Acquisition and Use of Military Equipment", to Division 7 of Title 1 of the Government Code (sections 7070 – 7075), relating to the use of military equipment by California law enforcement agencies; and

WHEREAS, AB 481 seeks to provide transparency, oversight, and an opportunity for meaningful public input on decisions regarding whether and how military equipment is funded, acquired, or used; and

WHEREAS, AB 481 requires, inter alia, the Police Department submit to the City Council an annual military equipment report for each type of military equipment approved by the City Council; and

WHEREAS, the City Council shall review its Ordinance approving the funding, acquisition, or use of military equipment at least annually and vote on whether to renew the Ordinance at a regular meeting; and

WHEREAS, the City Council shall determine, based on the annual military equipment report submitted, whether each type of military equipment identified in that report has complied with the standards for approval set forth in its Ordinance; and

WHEREAS, the City Council has reviewed the annual military report submitted by the Police Department and determined the military equipment has complied with the standards for approval set forth in its Ordinance; and

WHEREAS, the City Council voted to renew Ordinance No. 2022-005 by resolution of the City Council set forth below.

- **NOW THEREFORE BE IT RESOLVED AND ORDERED** that the City Council of the City of Citrus Heights does hereby resolve as follows: The above recitals are true and correct and are a substantial part of this resolution.
- City of Citrus Heights Ordinance No. 2022-005 is hereby renewed.
- The City Clerk shall certify to passage and adoption thereof.

PASSED AND ADOPTED by the City Council of the City of Citrus Heights on the 27th day of May, 2026, by the following vote:

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

_____
MariJane Lopez-Taff, Mayor

ATTEST:

_____
Amy Van, City Clerk

Military Equipment

708.1 PURPOSE AND SCOPE

The purpose of this policy is to provide guidelines for the approval, acquisition, and reporting requirements of military equipment (Government Code § 7070; Government Code § 7071; Government Code § 7072).

708.1.1 DEFINITIONS

Definitions related to this policy include (Government Code § 7070):

Governing body – The elected or appointed body that oversees the Department.

Military equipment – Includes but is not limited to the following:

- Unmanned, remotely piloted, powered aerial or ground vehicles.
- Mine-resistant ambush-protected (MRAP) vehicles or armored personnel carriers.
- High mobility multipurpose wheeled vehicles (HMMWV), two-and-one-half-ton trucks, five-ton trucks, or wheeled vehicles that have a breaching or entry apparatus attached.
- Tracked armored vehicles that provide ballistic protection to their occupants.
- Command and control vehicles that are either built or modified to facilitate the operational control and direction of public safety units.
- Weaponized aircraft, vessels, or vehicles of any kind.
- Battering rams, slugs, and breaching apparatuses that are explosive in nature. This does not include a handheld, one-person ram.
- Firearms and ammunition of .50 caliber or greater, excluding standard-issue shotguns and standard-issue shotgun ammunition.
- Specialized firearms and ammunition of less than .50 caliber, including firearms and accessories identified as assault weapons in Penal Code § 30510 and Penal Code § 30515, with the exception of standard-issue firearms.
- Any firearm or firearm accessory that is designed to launch explosive projectiles.
- Noise-flash diversionary devices and explosive breaching tools.
- Munitions containing tear gas or OC, excluding standard, service-issued handheld pepper spray.
- Area denial electroshock devices, microwave weapons, water cannons, long-range acoustic devices (LRADs), acoustic hailing devices, and sound cannons.
- Kinetic energy weapons and munitions.
- Any other equipment as determined by a governing body or a state agency to require additional oversight.

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708.2 POLICY

It is the policy of the Citrus Heights Police Department that members of this department comply with the provisions of Government Code § 7071 with respect to military equipment.

708.3 MILITARY EQUIPMENT COORDINATOR

The Chief of Police of Police should designate a member of this department to act as the military equipment coordinator. The responsibilities of the military equipment coordinator include but are not limited to:

(a) Acting as liaison to the governing body for matters related to the requirements of this policy.

(b) Identifying department equipment that qualifies as military equipment in the current possession of the Department, or the equipment the Department intends to acquire that requires approval by the governing body.

(c) Conducting an inventory of all equipment defined as military per the government code or requiring additional oversight by council direction at least annually.

(d) Collaborating with any allied agency that may use military equipment within the jurisdiction of the Citrus Heights Police Department (Government Code § 7071).

(e) Preparing for, scheduling, and coordinating the annual community engagement meeting to include:

1. Publicizing the details of the meeting.
2. Preparing for public questions regarding the department's funding, acquisition, and use of equipment.

(f) Preparing the annual military equipment report for submission to the Chief of Police and ensuring that the report is made available on the department website (Government Code § 7072).

(g) Establishing the procedure for a person to register a complaint or concern, or how that person may submit a question about the use of a type of military equipment, and how the Department will respond in a timely manner.

708.4 MILITARY EQUIPMENT INVENTORY

The following constitutes a list of qualifying equipment for the Department:

See attachment: Military Equipment Inventory - 2025.pdf

708.5 APPROVAL

The Chief of Police of Police or the authorized designee shall obtain approval from the governing body by way of an ordinance adopting the military equipment policy. As part of the approval process, the Chief of Police or the authorized designee shall ensure the proposed military equipment policy is submitted to the governing body and is available on the department website at least 30 days prior to any public hearing concerning the military equipment at issue (Government

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Code § 7071). The military equipment policy must be approved by the governing body prior to engaging in any of the following (Government Code § 7071):

(a) Requesting military equipment made available pursuant to 10 USC § 2576a.

(b) Seeking funds for military equipment, including but not limited to applying for a grant, soliciting or accepting private, local, state, or federal funds, in-kind donations, or other donations or transfers.

(c) Acquiring military equipment either permanently or temporarily, including by borrowing or leasing.

(d) Collaborating with another law enforcement agency in the deployment or other use of military equipment within the jurisdiction of this department.

(e) Using any new or existing military equipment for a purpose, in a manner, or by a person not previously approved by the governing body.

(f) Soliciting or responding to a proposal for, or entering into an agreement with, any other person or entity to seek funds for, apply to receive, acquire, use, or collaborate in the use of military equipment.

(g) Acquiring military equipment through any means not provided above.

708.6 COORDINATION WITH OTHER JURISDICTIONS

Military equipment deployed or used by any member of this jurisdiction shall be approved for use and in accordance with this Department policy. Any military equipment that is deployed or used by other jurisdictions that are providing mutual aid to this jurisdiction shall comply with their respective military equipment use policies. Situations may arise where Citrus Heights Police Department may deploy or use military equipment owned by other law enforcement agencies, in these situations, Citrus Heights Police Department is authorized to deploy or use a different agency's military equipment as authorized in Section 706.4 of this policy. Citrus Heights Police Department is also authorized to deploy or use the following non-exhaustive list of military equipment owned by another agency: See attachment: Use of Military Equipment Owned by Other Agencies - 2022.pdf

708.7 ANNUAL REPORT

Upon approval of a military equipment policy, the Chief of Police or the authorized designee should submit a military equipment report to the governing body for each type of military equipment approved within one year of approval, and annually thereafter for as long as the military equipment is available for use (Government Code § 7072).

The Chief of Police or the authorized designee should also make each annual military equipment report publicly available on the department website for as long as the military equipment is available for use. The report shall include all information required by Government Code § 7072 for the preceding calendar year for each type of military equipment in department inventory.

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708.8 COMMUNITY ENGAGEMENT

Within 30 days of submitting and publicly releasing the annual report, the Department shall hold at least one well-publicized and conveniently located community engagement meeting, at which the Department should discuss the report and respond to public questions regarding the funding, acquisition, or use of military equipment.

708.9 COMPLIANCE PROCEDURE

This procedure is to ensure compliance with the military equipment use policy.

All complaints, concerns, or questions submitted regarding this policy will be handled pursuant to the Department's normal complaint process and be handled in a timely manner.

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Attachments

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Military Equipment Inventory - 2025.pdf

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Military Equipment Inventory

Unmanned Aircraft System (UAS); an unmanned aircraft along with associated equipment necessary to control it remotely.

1. Description, quantity, purchase cost and capabilities
    a. DJI MAVIC MINIS, estimated cost of $500 each, quantity not to exceed four, ability to record video/audio and provide live video stream to operators.
    b. DJI MAVIC ENTERPRISE DUALS, estimated cost of $5,500, quantity not to exceed 4, ability to record video/audio and provide live video stream to operators.
    c. AUTO EVO II, estimated cost of $1,200, quantity not to exceed two, ability to record video/audio and provide live video stream to operators.
    d. DJI AVATA 2, estimated cost of $500 each, quantity not to exceed four, ability to record video/audio and provide live video stream to operators.
2. Purpose
    a. To be deployed when its view would assist officers or incident commanders with the following situations, which include but are not limited to:
        i. Major collision investigations;
        ii. Searching for missing persons;
        iii. Natural disaster management;
        iv. Crime scene photography;
        v. SWAT, tactical or other public safety and life preservation missions; and
        vi. Responding to specific requests from local, state or federal fire authorities for fire response and/or prevention.
3. Authorized Use
    a. Only assigned operators who have completed the required training shall be permitted to operate the UAS during approved missions.
4. Expected Life Span
    a. All UAS equipment, approximately three to five years.
5. Fiscal Impact
    a. Annual maintenance and battery replacement cost is approximately $10,000.

6. Training
    a. All Department UAS operators are licensed by the Federal Aviation Administration for UAS operation.
7. Legal and Procedural Rules
    a. It is the policy of the CHPD to utilize UAS only for official law enforcement purposes, and in a manner that respects the privacy of our community, pursuant to State and Federal law, including all FAA requirements and regulations.

Armored Vehicles: Commercially produced wheeled armored personnel vehicle utilized for law enforcement purposes.

1. Description, quantity, purchase cost and capabilities
    a. 2008 NAVISTAR DEFENSE MAXPRO MRAP, initial cost $0 (estimated replacement cost $800,000), quantity not to exceed two, armored vehicle which can seat numerous personnel, provides ballistic protection and allows for rescue of downed officer and/or citizens
2. Purpose
    a. To be used in response to critical incidents to enhance officer and community safety, improve scene containment and stabilization, and assist in resolving critical incidents. It can stop various projectiles, which provides greater safety to citizens and officers beyond the protection level of shield and personal body armor.
3. Authorized Use
    a. The use of armored vehicles shall only be authorized by a watch commander or SWAT commander, based on the specific circumstances of a given critical incident. Armored vehicles shall be used only by officers trained in their deployment and in a manner consistent with Department policy and training.
4. Expected Life Span
    a. Approximately 15 years.
5. Fiscal Impact
    a. Annual maintenance cost of approximately $5,000.

6. Training
    a. All driver/operators shall be required to obtain a valid California Class B license.
7. Legal and Procedural Rules
    a. It is the policy of the Department to utilize armored vehicles only for official law enforcement purposes, and pursuant to State and Federal law.

Command Post (CP): A mobile office that provides shelter and access to Department computer systems and other equipment.

1. Description, quantity, purchase cost and capabilities
    a. 2008 GMC C5500, estimated cost of $300,000, quantity not to exceed one, the CP can be used to conduct meetings and store large amounts of equipment for SWAT/CNT, critical incidents, natural disasters and community events.
2. Purpose
    a. To be used on specific circumstances when a mobile, large and weather protected facility is needed.
3. Authorized Use
    a. Only those trained in the deployment and operations in a manner consistent with Department policy and training are authorized to operate the CP.
4. Expected Life Span
    a. The CP lifespan on chassis and vehicle structure is approximately 20 years. Upgrades to maintain IT systems needed approximately every five years.
5. Fiscal Impact
    a. Annual maintenance cost is approximately $2,000.
6. Training
    a. The driver/operator shall receive training in the safe handling of the vehicle on a closed training course. Once the operator has shown competence in vehicle handling, the driver/operator will drive the vehicle within the city with an experienced driver.
7. Legal and Procedural Rules
    a. It is the policy of the Department to use the CP only for official law enforcement

purposes, and in accordance with California State law regarding the operation of motor vehicles.

Long Range Acoustic Device (LRAD): LRAD is a high intensity directional acoustical array for long range, crystal clear hailing, notification, and unmistakable warning tone. The LRAD is primarily used as a communication device.

1. Description, quantity, purchase cost and capabilities
    a. LT-PMS1B MAGNETIC AUDIO DEVICE, cost $0 (estimated replacement cost $20,000), quantity not to exceed two, acoustic devices used to broadcast warnings/messages and are mounted to vehicles.
2. Purpose
    a. To be used for issuing dispersal orders during crowd and riot control situations or to address the public in the event of civil emergencies, natural disasters, missing persons, evacuations, and other police incidents.
3. Authorized Use
    a. The LRAD shall only be used by those officers trained in its deployment and used in a manner consistent with Department policy and training.
4. Expected Life Span
    a. Approximately 10 years.
5. Fiscal Impact
    a. Annual Maintenance cost approximately $300.
6. Training
    a. All operators are required to receive training prior to operating in the field.
7. Legal and Procedural Rules
    a. It is the policy of the CHPD to utilize the LRAD only for official law enforcement purposes, and pursuant to State and Federal law.

40 MM Launchers and Rounds: 40MM Launchers are utilized by department personnel as a less lethal tool to launch impact and chemical rounds.

1. Description, quantity, purchase cost and capabilities
    a. DEFENSIVE TECHNOLOGY 40MM SINGLE SHOT LAUNCHER, estimated cost of

$1,000 each, quantity not to exceed eight, tactical single shot launcher that will fire various less lethal ammunition.

b. DEFENSE TECHNOLOGY FERRETT 40MM CS LIQUID, estimated cost of $23 each, quantity not to exceed 200, a less lethal 40MM round used to deliver a small liquid chemical payload inside a structure or vehicle. Primarily used to dislodge barricaded subjects from confined areas and causes temporary discomfort in an effort to gain compliance from potentially violent or dangerous subjects.
c. DEFENSE TECHNOLOGY FERRET 40 MM CS POWDER, estimated cost of $30 each, quantity not to exceed 100, a less lethal 40MM round used to deliver a small powder chemical payload inside a structure or vehicle. Primarily used to dislodge barricaded subjects from confined areas and causes temporary discomfort in an effort to gain compliance from potentially violent or dangerous subjects.
d. WOOD BATON 40MM, estimated cost of $30 each, quantity not to exceed 50, a less lethal 40MM projectile which is accurate and effective for gaining pain compliance when deployed from approved distances.
e. MUSSLE BLAST 40MM OC, estimated cost of $28 each, quantity not to exceed 100, the 40MM OC round is widely used as a crowd control management tool but can also be used for barricaded subjects during tactical operations.
f. DEFENSE TECHNOLOGY RUBBER FOAM 40MM PROJECTILE, estimated cost of $30 each, quantity not to exceed 50, a less lethal 40MM lightweight plastic projectile which provides accurate and effective compliance of potentially violent and dangerous subjects when fired from approved distance.

2. Purpose
    a. To limit the escalation of conflict where employment of lethal force is prohibited or undesirable.
3. Authorized Use
    a. Only those POST certified to deploy chemical munitions are authorized. Situations for use of the less lethal weapon systems may include, but are not

limited to:

i. Self-destructive;
ii. Dangerous and/or combative individuals;
iii. Riot/crowd control and civil unrest incidents;
iv. Circumstances where a tactical advantage can be obtained;
v. Potentially vicious animals; and
vi. Training exercises or approved demonstrations.

4. Expected Life Span
    a. Approximately five years.
5. Fiscal Impact
    a. Annual maintenance, approximately $50 for each launcher.
6. Training
    a. Sworn members utilizing 40MM less lethal chemical agents or impact rounds are trained by POST certified less lethal and chemical agent instructors.
7. Legal and Procedural Rules
    a. It is the policy of the CHPD to utilize the 40mm only for official law enforcement purposes, and pursuant to State and Federal law, including those regarding the use of force.

Less Lethal Shotgun: Less lethal shotgun is used to deploy the less lethal 12-guage Super Sock beanbag round.

1. Description, quantity, purchase cost and capabilities
    a. REMINGTON 870 LESS LETHAL SHOTGUN, estimated cost of $946 each, quantity not to exceed 12, the less lethal shotgun is used to deploy the less lethal beanbag rounds, the range of the weapon system helps to maintain space between officers and suspect reducing the immediacy of the threat which is the principle of de-escalation.
    b. BENELLI M4 12 GAUGE SHOTGUN, estimated cost of $1,500, quantity not to exceed 2, the less lethal shotgun is used to deploy the less lethal beanbag rounds, the range of the weapon system helps to maintain space between

officers and suspect reducing the immediacy of the threat which is the principle of de-escalation.

c. 12-GAUGE SUPER-SHOCK BEANBAG ROUND, estimated cost of $5 each, quantity not to exceed 200, this ballistic fiber filled bag provides accurate and effective performance when fired from the approved distances.

2. Purpose
    a. To limit the escalation of conflict where employment of lethal force is prohibited or undesirable.
3. Authorized Use
    a. Less lethal shotguns shall be used only by officers trained in their deployment and in a manner consistent with Department policy and training. Situations for use of the less lethal weapon systems may include, but are not limited to, the following:
        i. Self-destructive, dangerous and/or combative individuals;
        ii. Riot/crowd control and civil unrest incidents;
        iii. Circumstances where a tactical advantage can be obtained;
        iv. Potentially vicious animals; and
        v. Training exercises or approved demonstrations.
4. Expected Life Span
    a. Remington 870 Less and Benelli Lethal Shotgun, approximately 25 years.
    b. Super-shock Beanbag Round, approximately five years.
5. Fiscal Impact
    a. Annual maintenance, approximately $50 for each shotgun.
6. Training
    a. All officers are trained in the 12 gauge less lethal shotgun as a less lethal option by in-service.
7. Legal and Procedural Rules
    a. It is the policy of the CHPD to utilize the less lethal shotgun only for official law enforcement purposes, and pursuant to State and Federal law, including those

regarding the use of force.

Distraction Devices: A distract device is ideal for distracting dangerous suspects during assaults, hostage rescue, room entry or other high-risk arrest situations.

1. Description, quantity, purchase cost and capabilities
    a. COMBINED TACTICAL SOLUTIONS BAFFLED WHITE SMOKE FLASH BANGS, estimated cost of $38 each, quantity not to exceed 200, a non-fragmenting bang device that produces a loud noise and intense bright light.
2. Purpose
    a. To produce atmospheric over-pressure and white light and, as a result, can cause short-term (6-8 seconds) physiological/psychological sensory deprivation to give officers a tactical advantage.
3. Authorized Use
    a. Diversionary devices shall only be used in the following ways:
        i. Officers who have been trained in proper use;
        ii. In hostage and barricaded subject situations;
        iii. In high-risk warrant services where there may be a risk to officer safety;
        iv. During other high-risk situations where their use would enhance officer safety; and
        v. During training exercises.
4. Expected Life Span
    a. No expiration date.
5. Fiscal Impact
    a. No annual maintenance.
6. Training
    a. Prior to use, officers must attend divisionary device training that is conducted by POST certified instructors.
7. Legal and Procedural Rules
    a. It is the policy of the CHPD to utilize diversion devices only for official law enforcement purposes, and pursuant to State and Federal law regarding the use

of force.

Rifles: Guns that are fired from shoulder level, having a long spirally grooved barrel intended to make bullets spin and thereby have greater accuracy over a long distance.

1. Description, quantity, purchase cost and capabilities
    a. WINCHESTER M14 7.62 MILLIMETER, estimated cost of $2,500 each, quantity not to exceed four, ability to provide lethal options from extended distances.
    b. TRW M14 7.62 MILLIMETER, estimated cost of $2,500 each, quantity not to exceed two, ability to provide lethal options from extended distances.
    c. H&R ARMS M14 7.62 MILLIMETER, estimated cost of $2,500 each, quantity not to exceed 5, ability to provide lethal options from extended distances.
    d. REMINGTON 700 7.62 MILLIMETER, estimated cost of $2,500 each, quantity not to exceed seven, ability to provide lethal options from extended distances.
2. Purpose
    a. To be used to address a threat with more precision and/or greater distances than a handgun, if present and feasible.
3. Authorized Use
    a. Only officers that are approved and trained per Department policy.
4. Expected Life Span
    a. Approximately 15 years.
5. Fiscal Impact
    a. Annual maintenance, approximately $50 for each rifle.
6. Training
    a. Prior to using a rifle, officers must be certified by POST instructors in the operation of the rifle.
    b. Additionally, all members that operate any rifle are required to pass a range qualification.
7. Legal and Procedural Rules
    a. It is the policy of the CHPD to utilize rifles only for official law enforcement purposes, and pursuant to State and Federal law regarding the use of force.

Chemical Agent and Smoke Canisters: Canisters that contain chemical agents that are released when deployed.

1. Description, quantity, purchase cost and capabilities
    a. DEFENSE TECHNOLOGY LAUNCHABLE FLAMELESS CS, estimated cost of $43 each, quantity not to exceed 100, can be used in crowd control and tactical deployment situations.
    b. DEFENSE TECHNOLOGY INSTANTANEOUS BLAST CS, estimated cost of $43 each, quantity not to exceed 100, can be used in crowd control and tactical deployment situations.
    c. DEFENSIVE TECHNOLOGY RIOT CONTROL CS, estimated cost of $41 each, current quantity 20 and not to exceed 100, can be used in crowd control and tactical deployment situations.
    d. DEFENSE TECHNOLOGY TRI CHAMBER CS, estimated cost of $45 each, quantity not to exceed 100, can be used in crowd control and tactical deployment situations.
    e. DEFENSE TECHNOLOGY POCKET CS, estimated cost of $28 each, quantity not to exceed 100, can be used in crowd control and tactical deployment situations.
2. Purpose
    a. To limit the escalation of conflict where employment of lethal force is prohibited or undesirable. Situations for use of the less lethal weapon systems may include, but are not limited to:
        i. Self-destructive, dangerous and/or combative individuals;
        ii. Riot/crowd control and civil unrest incidents;
        iii. Circumstances where a tactical advantage can be obtained;
        iv. Potentially vicious animal; and
        v. Training exercises or approved demonstrations.
3. Authorized Use
    a. Only officers who have received POST certification in the use of chemical agents are authorized to deploy.

4. Expected Life Span
    a. Approximately five years from manufacturing date.
5. Fiscal Impact
    a. No annual maintenance.
6. Training
    a. Sworn members utilizing chemical agent canisters are certified by POST less lethal and chemical agent instructors.
7. Legal and Procedural Rules
    a. It is the policy of the CHPD to utilize chemical agents only for official law enforcement purposes, and pursuant to State and Federal law, including those regarding the use of force.

Explosive Breaching Tools: Tools that are used to conduct an explosive breach.

1. Description, quantity, purchase cost and capabilities
    a. REMINGTON 870 EXPRESS BREACHING SHOTGUN, estimated cost of $500, quantity not to exceed three, the weapon allows for breachers to safely utilize shotgun breaching rounds in order to defeat deadbolts, locks and hinges. The weapon has a standoff at the end of the barrel that allows for positive placement of the weapon into the correct position and vents gasses to prevent over pressure.
2. Purpose
    a. The purpose is to quickly and safely gain access to property or structure.
3. Authorized Use
    a. Explosive breaching may only occur after authorization of a SWAT Commanding Officer or during training exercises.
4. Expected Life Span
    a. Breaching shotgun, approximately 25 years.
5. Fiscal Impact
    a. Annual Maintenance is approximately $100.
6. Training

a. All officers who use explosive breaching tools shall attend 40 hours of explosive breaching instruction.

7. Legal and Procedural Rules
    a. It is the policy of the CHPD to utilize breaching tools only for official law enforcement purposes and pursuant to State and Federal law

Use of Military Equipment Owned by Other Agencies - 2022.pdf

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Use of Military Equipment Owned by Other Agencies

Armored Vehicles: Commercially produced wheeled armored personnel vehicle utilized for law enforcement purposes.

1. Description, quantity, purchase cost and capabilities
    a. LENCO BEARCAT, G2, cost: $315,518.65, quantity: 1. The Lenco Bearcat, G2, is an armored vehicle that seats 10-12 personnel with open floor plan that allows for rescue of down personnel. It can stop various projectiles, which provides greater safety to citizens and officers beyond the protection level of shield and personal body armor.
    b. LENCO BEARCAT, G3, cost: $404,521, quantity: 1. The Lenco Bearcat, G2, is an armored vehicle that seats 10-12 personnel with open floor plan that allows for rescue of down personnel. The Bearcat G3 has increased ground clearance and a robust suspension which allows for an emergency response to almost any situation. It can stop various projectiles, which provides greater safety to citizens and officers beyond the protection level of shield and personal body armor.
2. Purpose
    a. To be used in response to critical incidents to enhance officer and community safety, improve scene containment and stabilization, and assist in resolving critical incidents.
3. Authorized Use
    a. The use of armored vehicles shall only be authorized by a watch commander or SWAT commander, based on the specific circumstances of a given critical incident. Armored vehicles shall be used only by officers trained in their deployment and in a manner consistent with Department policy and training.
4. Expected Life Span
    a. Lenco Bearcat models G2 and G3, 25 years.
5. Fiscal Impact
    a. None

6. Training
    a. All driver/operators shall attend formalized instruction and be trained in vehicle operations and practical driving instruction.
7. Legal and Procedural Rules
    a. It is the policy of the Department to utilize armored vehicles only for official law enforcement purposes, and pursuant to State and Federal law.

NIJ Level IV Armored Caterpillar (CAT) Multi-Terrain Loader (The ROOK): The ROOK is a custom "armored critical incident vehicle" built on the chassis of a CAT Bulldozer, manufactured by Ring Power. The ROOK is built to increase job safety, versatility, and mission specific response. The ROOK is equipped with powerful mission specific attachments. The ROOK is capable of being used in tight areas both inside and outside, where traditional armored vehicles may not be able to enter.

1. Description, quantity, purchase cost and capabilities
    a. ROOK- Modified CAT compact Track Loader chassis, cost: $400,000, quantity: 1. The ROOK can be utilized by authorized SWAT personnel to identify, discover and locate threats or hazards, to include explosives and ballistic threats. The ROOK may be used to stabilize critical infrastructure and functions to minimize health and safety threats during a terrorist attack. During a terrorist attack, the ROOK will allow for law enforcement protected response.
2. Purpose
    a. To provide a capability for defensive ballistic protection in indoor and outdoor environments, rescue platforms for elevated structure rescue, and rough terrain environments where certain equipment would be limited.
3. Authorized Use
    a. The ROOK shall be used by SWAT team members in a manner consistent with Department policy and training. Furthermore, only SWAT team members who have completed the appropriate training, will operate the ROOK.
4. Expected Life Span

a. 25 years

5. Fiscal Impact
    a. None
6. Training
    a. All driver/operators shall attend formalized instruction and be trained in vehicle operations and practical driving instruction.
7. Legal and Procedural Rules
    a. It is the policy of the Department to utilize armored vehicles only for official law enforcement purposes, and pursuant to State and Federal law.

Robots: A remotely-controlled unmanned machine that operates on the ground, which is utilized to enhance the safety of the community and officers.

1. Description, quantity, purchase cost and capabilities
    a. REMOTEC ANDROS F6-A, cost: $250,000 each, quantity: two. The Remotec ANDROS F6A is a heavy-duty robot. Its stair climbing ability, an arm capable of lifting 65lbs. The F6A also offers multiple communications options, a chassis and manipulator that allow for accessories and tool combinations, and quick-release pneumatic wheels for rapid width reduction.
    b. QINETIC DRAGON RUNNER ROBOT, cost: $90,000, quantity: one. Dragon Runners can be hand carried or transported inside a rucksack, and both can be remotely operated from many hundreds of meters away, providing protection and safety to their operators.
    c. TEMPER 4WD Gen 2, cost: $159, quantity: one. Length 13.75 inches, two hours of operation time and capable of video recording.
    d. LOSI NIGHT CRAWLER SE 4WD, cost: $350, quantity: one. Length 16.9 inches, two hours of operation time and capable of video recording.
2. Purpose
    a. To be used to remotely gain visual/audio data, deliver HNT phone, open doors, disrupt packages, and clear buildings.

3. Authorized Use
    a. Only assigned operators who have completed the required training shall be permitted to operate the robots identified at sections 2(a)(i) through (ii). Use is established by the Bomb Squad Commander and or Incident Commander.
4. Expected Life Span
    a. All robots, 8-10 years.
5. Fiscal Impact
    a. None
6. Training
    a. All robot operators must complete the FBI's 6-week hazardous device school prior to operating the robots identified at sections 2(a)(i) through (ii).
7. Legal and Procedural Rules
    a. It is the policy of the CHPD to utilize a robot only for official law enforcement purposes, and in a manner that respects the privacy of our community, pursuant to State and Federal law.

CITY OF CITRUS HEIGHTS

CITY COUNCIL STAFF REPORT MEMORANDUM

DATE: May 27, 2026

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

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

SUBJECT: **Auburn Boulevard Complete Streets, Phase 2 Project**
Authorize Additional Work

Recommendation

On May 9, 2024, the City Council approved a resolution authorizing the City Manager to execute an agreement with George Reed, Inc. (GRI) for the Auburn Boulevard Complete Streets, Phase 2 Project (Project). Construction of this Project has required extensive coordination with adjacent property owners, developers and utility companies, many of which have had both planned and unplanned construction on their properties or facilities at the same time construction was occurring on the City's Project.

In order to coordinate and ensure work necessitated by private developments, private property upgrades or utility repairs/upgrades is complete prior to the final items of work associated with the City's Project, as well as to restore affected areas to an acceptable condition, additional construction work is recommended.

Additionally, to continue construction management, inspection, materials testing and construction-phase design support services through project completion, amendments to both the construction management contract with Psomas and design contract with Bennett Engineering Services, is recommended.

Staff recommends the City Council adopt the following resolutions:

1. Resolution No. 2026-___ a Resolution of the City Council of the City of Citrus Heights, California, authorizing the City Manager to execute Change Orders up to 11.3% of the contract amount with George Reed, Inc. for the Auburn Boulevard Complete Streets, Phase 2 Project and increasing the total authorized construction budget to $32,168,856.87.
2. Resolution No. 2026-____ 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 Psomas for the Auburn Boulevard Complete Streets, Phase 2 Project.

3. Resolution No. 2026-____ A Resolution of the City Council of the City of Citrus Heights, California, authorizing the City Manager to execute Amendment No. 5 to the agreement for professional services with Bennett Engineering for the Auburn Boulevard Complete Streets, Phase 2 Project.

Strategic Plan Alignment

This item is in alignment with the following City Council priority:

Goal: Maintain Public Infrastructure and Enhance All Modes of Transportation

Fiscal Impact

The Contractor's original bid for the Project was $28,918,864.50 and the recommended additional construction work beyond change orders already approved and referenced in Table 1 below is anticipated to cost no more than $356,886.60. In addition, approval of two professional services contract amendments is recommended, totaling $467,507.62.

The recommended action will result in no fiscal impact to the General Fund. A portion of the proposed additional work will be completed on behalf of private property owners, developers and utility companies, and all associated costs will be fully reimbursed.

Additionally; the recommended action seeks authorization to program $467,507.62 in existing SB1 RMRA funds and $75,000 in Roadway Impact Fee funds to support the Project.

The City previously secured several grant awards and committed various local funds for Project construction, as summarized in Table 2.

The recommended action will result in no fiscal impact to the Fiscal Year (FY) 2026/27 budget, the 2027/28 budget, nor the current Capital Improvement Program (CIP). The anticipated Project costs and associated funding sources are outlined in the tables below:

Table No 1. – Estimated Project Construction Costs

Project Component	Estimated Cost
Original Contract Award	28,918,864.50
Originally Authorized Contingency	2,893,105.77
Proposed Additional Work – Private Property Upgrades (to be approved by Contract Change Order)	***281,886.60***
Proposed Additional Work – Additional Private Parking Lot Restoration (to be approved by Contract Change Order)	***75,000.00***
Construction SubTotal	*32,168,856.87*
Previously approved Construction Management Contract	3,592,645.86
Additional Construction Management, Inspection and Material Inspection Services	***452,455.83***
Construction Management & Inspection SubTotal	*4,045,101.69*
Previously approved Construction Design Support Services Contract	110,383.87
Additional Design Support Services	***15,051.79***
Construction Design Support SubTotal	*125,383.87*

Project Component	Estimated Cost
Total	36,339,394.22

Table No 2. – Project Funding

Source Fund	Fund No.	Amount ($)
SACOG Grant (CMAQ Funds)	-	6,371,845.00
SACOG Grant (NHPP Funds)	-	9,552,155.00
SACOG Grant (STA Funds)	-	676,000.00
SACOG Grant (RSTP Funds)	-	4,500,000.00
Active Transportation Program (ATP) Grant Funds	-	1,512,000.00
Placer-Sacramento Gateway Plan Grant (SCCP Funds)	-	2,860,000.00
General Fund	100	4,000,000.00
Smart Growth Incentive Program (SGIP Funds)	-	519,000.00
Measure A Maintenance	210	538,549.00
Stormwater Utility Funds	209	2,434,418.00
Measure A - Bike/Ped	311	90,000.00
Utility Company Contributions (CHWD/SASD)	-	1,095,710.00
SMUD SD-14 Contribution	-	1,365,323.00
SB1 RMRA Funds ***Additional Construction Management, Inspection*** ***Additional Construction Design Support***	***206***	***467,507.62***
Additional Developer/Private Property/City of Roseville/Utility Company Reimbursements	***-***	***281,886.60***
Roadway Impact Fee Funds ***Additional Work – Private Parking Lot Upgrades***	***262***	***75,000.00***
Total		36,339,394.22

Background and Analysis

This project is a culmination of two decades of City, community, and business owner partnership. The Project is identified as a priority in the City's General Plan, Bikeway Master Plan and Pedestrian Master Plan. The Project is also a regionally significant Project for the Sacramento Area Council of Governments (SACOG), a major funding contributor. Other partnering agencies supporting the Project include the Auburn Boulevard Business Association (ABBA, which has since become inactive), Sunrise Recreation and Park District, SacRT, the California Department of Transportation (Caltrans), City of Roseville and numerous utility companies.

Additional Work

On May 9, 2024, the City Council authorized the City Manager to execute a contract with GRI for construction of the Project. Construction of this Project has required extensive coordination with the adjacent property owners, several developers and various utility companies, many of which have had both planned and unplanned construction on their properties or facilities at the same time as construction was occurring on the City's Project.

In order to coordinate work and ensure underground work necessitated by private property developments, private property upgrades or utility repairs/upgrades is completed prior to the final items of work associated with the City's Project (i.e. roadway resurfacing), the City has been requested to perform additional work on behalf of various stakeholders, including:

- CHWD water main extension at 8615 Auburn Blvd. ($113,061.25)
  - This is a condition of approval for a new development coming to this property and reimbursement will be split between the developer and CHWD.
- Storm Drain connections at 8615 Auburn Blvd. ($18,392.32)
  - Deposit from developer already received.
- Storm Drain Repairs on northern end of Auburn Blvd. ($68,400.00)
  During construction, the existing condition of several storm drain systems were found to be in such deteriorated condition replacement was warranted. A portion of the deteriorated storm drain systems are within the City of Roseville's jurisdiction.
  - To be reimbursed by City of Roseville
- Private waterline extension at 8432 Auburn Blvd. ($18,900.00)
  - Deposit from property owner already received.
- Private sewer lateral relocation at 8016 Auburn Blvd. ($28,693.25)
  - To be reimbursed by Sac Sewer
- Upgrades to CHWD material. ($9,237.38)
  - To be reimbursed by CHWD
- CCI/Comcast modifications throughout the corridor. ($15,002.40)
  - To be reimbursed by CCI/Comcast
- PG&E gas valve adjustments. ($10,200.00)
  Originally PG&E was to raise and lower their own gas valve covers to the new finished grade within the asphalt resurfacing limits. However, during coordination of this item, and to expedite the construction schedule, PG&E authorized the City's contractor to perform this work on their behalf.
  - To be reimbursed by PG&E

As construction progressed, unforeseen field conditions have required adjustments to the original design. These conditions have resulted in impacts to several private properties beyond what was initially anticipated. To restore affected areas to an acceptable condition and maintain consistency along the project corridor, additional parking lot sealing and restriping is recommended at multiple locations.

To accommodate these necessary repairs, it is recommended that an additional $75,000 be authorized to expand the limits of private parking lot restoration. Specific repair extents will be determined in the field on a case-by-case basis through coordination between the City's construction management team, city staff, and individual property owners.

Additional Design Support Services

On March 26, 2020, the City Council authorized an agreement with Bennett Engineering Services to perform final design engineering and right-of-way acquisition services for the

Auburn Boulevard Complete Streets, Phase 2 Project. Subsequent amendments for additional professional services were approved by the City Council on October 14, 2021, January 26, 2023, May 9, 2024, and July 10, 2024.

Although construction is nearing completion, several unanticipated field conditions have emerged throughout the construction phase, including significant quantities of unsuitable material, previously unidentified utility conflicts, and increased coordination needs with private property owners.

Amendment No. 5 to the Agreement with Bennett Engineering Services will provide the necessary additional scope to complete remaining construction-phase design support through Project closeout.

Additional Construction Management and Inspection Services

On May 9, 2024, City Council authorized an Agreement for Professional Services with Psomas to provide construction management, inspection, and materials testing services for the Project.

The original project specifications anticipated an eight-month utility shutdown period during which the contractor would demobilize and only utility companies would be performing work and no city inspection services would be required. However; because utility work was concentrated primarily along the east side of Auburn Boulevard, the contractor was able to continue roadway improvements during this period, resulting in an accelerated overall schedule. As a result, construction management, inspection and materials testing services were required throughout the utility shutdown window – services that were not included in the original contract budget.

To ensure Psomas has sufficient funding to support the Project through completion and assist the City with Caltrans' closeout requirements, an amendment to the Agreement is necessary. Staff has negotiated Amendment No. 1 to provide compensation for the extended duration of the construction activities.

Attachments

1. Resolution No. 2026-___, a Resolution of the City Council of the City of Citrus Heights, California, authorizing the City Manager to execute Change Orders up to 11.3% of the contract amount with George Reed, Inc. for the Auburn Boulevard Complete Streets, Phase 2 Project and increasing the total authorized construction budget to $32,168,856.87.
2. Resolution No. 2026-____ 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 Psomas for the Auburn Boulevard Complete Streets, Phase 2 Project.
3. Resolution No. 2026-____ A Resolution of the City Council of the City of Citrus Heights, California, authorizing the City Manager to execute Amendment No. 5 to the agreement for professional services with Bennett Engineering for the Auburn Boulevard Complete Streets, Phase 2 Project.

RESOLUTION NO. 2026-___

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CITRUS HEIGHTS, CALIFORNIA, AUTHORIZING THE CITY MANAGER TO EXECUTE CHANGE ORDERS UP TO 11.3% OF THE CONTRACT AMOUNT WITH GEORGE REED, INC. FOR THE AUBURN BOULEVARD COMPLETE STREETS, PHASE 2 PROJECT AND INCREASING THE TOTAL AUTHORIZED CONSTRUCTION BUDGET TO $32,168,856.87

WHEREAS, on May 9, 2024, the City Council of the City of Citrus Heights, California, authorized the City Manager to execute a construction contract with George Reed, Inc. (GRI) for the Auburn Boulevard Complete Streets, Phase 2 Project (Project); and

WHEREAS, the City wishes to construct additional work in the amount not to exceed $356,886.60 to ensure underground work necessitated by private developments, private property upgrades or utility repairs/upgrades is complete prior to the final items of work associated with the City's Project; and

WHEREAS, the City wishes to increase the overall construction budget from $31,811,970.27 to $32,168,856.87 in order to fund the Contract Change Order(s); and

WHEREAS, the City wishes to increase the City Manager's authority to execute Contract Change Orders in an aggregate amount up to 11.3% of the contract amount; and

WHEREAS, private property owners, developers and utility agencies will reimburse the city for costs associated with this budget adjustment for the Project; and

WHEREAS, there are sufficient Roadway Impact Fee Funds (Fund 262) available to cover the remaining balance of extra work.

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

1. The City Manager is hereby authorized to execute Contract Change Order(s) up to 11.3% of the total contract with George Reed, Inc. for the Auburn Boulevard Complete Streets, Phase 2 Project.

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

PASSED AND ADOPTED by the City Council of the City of Citrus Heights, California, this 27th day of May, 2026 by the following vote, to wit:

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

MariJane Lopez-Taff, Mayor

ATTEST:

_____

Amy Van, City Clerk

RESOLUTION NO. 2026-___

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 PSOMAS FOR THE AUBURN BOULEVARD COMPLETE STREETS PHASE 2 PROJECT

WHEREAS, on May 9, 2024, the City Council of the City of Citrus Heights, California authorized execution of an agreement with Psomas in the amount of $3,592,645.86 for Construction Management, Inspection and Materials Testing Services; and

WHEREAS, modifications to the construction schedule during the utility coordination phase resulted in increased need for construction management, inspection and materials testing services; and

WHEREAS, the City wishes to amend the agreement to provide additional Construction Management, Inspection and Materials Testing Services for the Project to ensure continuous support throughout the remainder of the project and through completion; and

WHEREAS, Amendment No. 1, in the amount of $452,455.83 will increase the total not-to-exceed contract fee to $4,045,101.69; and

WHEREAS, the requested amendment will be paid for utilizing Senate Bill 1 (SB1) Road Maintenance and Rehabilitation Account (Fund 206) Funds.

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

1. The City Manager is hereby authorized to execute Contract Amendment No. 1, in the amount not to exceed $452,455.83 for the Auburn Boulevard Complete Streets, Phase 2 Project.

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

PASSED AND ADOPTED by the City Council of the City of Citrus Heights, California, this 27th day of May, 2026 by the following vote, to wit:

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

_____
MariJane Lopez-Taff, Mayor

ATTEST:

_____
Amy Van, City Clerk

RESOLUTION NO. 2026-___

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CITRUS HEIGHTS, CALIFORNIA, AUTHORIZING THE CITY MANAGER TO EXECUTE AMENDMENT NO. 5 TO THE AGREEMENT FOR PROFESSIONAL SERVICES WITH BENNETT ENGINEERING SERVICES INC. FOR THE AUBURN BOULEVARD COMPLETE STREETS, PHASE 2 PROJECT

WHEREAS, in 2014 the City received a Sacramento Area Council of Governments Grant in the amount of $3,541,200 ($4,000,000 total project cost) for the preliminary engineering and right-of-way acquisition for the Auburn Blvd Complete Streets, Phase 2 Project; and

WHEREAS, in December 2014, the City entered into an agreement with Parsons Brinkerhoff to provide preliminary engineering and right-of-way acquisition services, which were completed in 2018; and

WHEREAS, in October 2019, the City issued a Request for Proposals (RFP) seeking a qualified firm to provide the necessary final design services for the Project; and

WHEREAS, on March 26, 2020, the City Council of the City of Citrus Heights, California authorized execution of an agreement with Bennett Engineering Services, Inc. in the amount of $1,282,358.42 for the final engineering design of the Auburn Blvd. Complete Streets, Phase 2 Project; and

WHEREAS, on October 14, 2021, the City Council authorized execution of amendment No. 1 to the agreement with Bennett Engineering Services, Inc. in the amount of $419,890.27 for additional engineering design services; and

WHEREAS, on January 26, 2023, the City Council authorized execution of amendment No. 2 to the agreement with Bennett Engineering Services, Inc. in the amount of $149,561.01 for additional engineering design services; and

WHEREAS, on May 9, 2024, the City Council authorized execution of amendment No. 3 to the agreement with Bennett Engineering Services, Inc. in the amount of $110,383.87 for additional engineering design services; and

WHEREAS, on July 20, 2024, the City Council authorized execution of amendment No. 4 to the agreement with Bennett Engineering Services, Inc. in the amount of $47,320.10 for additional engineering design services; and

WHEREAS, the City wishes to amend the agreement to further provide professional services associated with construction-phase design support of the Project; and

WHEREAS, Amendment No. 5, in the amount of $15,051.79 will increase the total not-to-exceed contract amount to $2,024,565.46; and

WHEREAS, the proposed professional services will be paid for Senate Bill 1 (SB1) Road Maintenance and Rehabilitation Account (Fund 206) Funds.

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

1. The City Manager is hereby authorized to execute Contract Amendment No. 5, in the amount not to exceed $15,051.79 for the Auburn Boulevard Complete Streets, Phase 2 Project.

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

PASSED AND ADOPTED by the City Council of the City of Citrus Heights, California, this 27th day of May, 2026 by the following vote, to wit:

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

MariJane Lopez-Taff, Mayor

ATTEST:

Amy Van, City Clerk

CITY OF CITRUS HEIGHTS

CITY COUNCIL STAFF REPORT MEMORANDUM

DATE: May 27, 2026

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

FROM: Amy Van, City Clerk
Casey Kempenaar, Community Development Director
Nicole Piva, Housing and Human Services Program Coordinator

SUBJECT: **Appointment to Sacramento Homeless and Housing Planning Task Force**

Recommendation

Citrus Heights City Council Members represent the city on various regional boards and committees as part of their duties as council members. As outlined in the City Council Handbook the Mayor is responsible for making appointments to regional boards and commissions, which occur in January each year. Mayor Lopez-Taff and Vice Mayor Middleton currently serve on the existing Sacramento Steps Forward Homeless Policy Council, following their appointments on January 14, 2026. The Planning Task Force would replace the current Sacramento Steps Forward Homeless Policy Council, also known as the Sacramento Homeless Policy Council. This action formalizes their participation under the proposed regional governance transition and ensures continuity of representation as discussions move forward.

Staff recommends that the City Council take the following actions:

1. Appoint MariJane Lopez-Taff, Mayor, as the City's primary representative on the Sacramento Homeless and Housing Planning Task Force.
2. Appoint Porsche Middleton, Vice Mayor, as the City's alternate representative to the Planning Task Force.
3. Authorize these appointments to serve the duration of the Task Force term or until such time as the City Council makes subsequent appointments or modifications.

Strategic Plan Alignment

This item is in alignment with the following City Council priorities:

- Goal: Maintain and Enhance Fiscal Stability While Supporting Operational Excellence
- Goal: Enhance Community Vibrancy and Engagement
- Goal: Preserve and Enhance Public Safety

Fiscal Impact

There is no fiscal impact associated with this action.

Background and Analysis

This report provides an overview of ongoing regional efforts to develop a new governance and collaboration model related to homeless and housing services within Sacramento County. These discussions involve the County of Sacramento, the City of Sacramento, local jurisdictions, and Sacramento Steps Forward, which serves as the collaborative applicant for the regional Continuum of Care (CoC).

Regional coordination related to homeless and housing services continues to evolve as jurisdictions collaboratively evaluate long-term governance and operational structure.

On April 28, 2026, Sacramento City Council discussed and voted on a governance model to move forward with a framework intended to consolidate coordination among Sacramento County, the City of Sacramento, the Continuum of Care, and participating local jurisdictions under one Governing body. **Attachment 1**is a visual of City of Sacramento Option 2. Local funding sources would remain under the control of their respective jurisdictions.

The proposed framework is intended to improve regional collaboration, streamline decision-making, strengthen accountability, a space for residents to voice opinions, and enhance collaboration among jurisdictions and service providers addressing homelessness throughout the region.

Given the alignment between the County and the City of Sacramento, as well as input from surrounding cities letters were sent to the CoC Chair asking for the CoC Board to take formal action to participate in the new framework that would bring together the functions of the CoC and local jurisdictions under one new Governing Body.

On May 13, 2026, the CoC received a joint presentation from the County and the City of Sacramento staff and voted 16 to 10 to participate in the new framework and to appoint CoC representation to the ad hoc Planning Task Force to develop the details, bylaws and membership for the new Governing Body. **Attachment 2** is the presentation provided to the CoC Board.

With this approval by the CoC, the six cities, the County and the CoC are all in agreement with a framework for a new Governing Body that includes elected representatives from each participating jurisdiction as well as the CoC Board, with support from jurisdictional staff and staff of the CoC Collaborative Applicant (Sacramento Steps Forward).

Proposed Process

Phase 1: Establishing a Planning Task Force

- Seat elected officials and CoC members to task force
- Develop a scope and formal agreement amongst partners for planning efforts
- Modify CoC bylaws, including selection process for community members (for CoC approval)

Phase 2: Operationalize new CoC

- Seat new CoC members
- Newly seated CoC, inclusive of elected official's tasks on CoC Board functions

Phase 3: Establish new Governing Body

- Develop charter, bylaws, roles and responsibilities for new Governing Body
- Appoint members from cities and County to new Governing Body
- City Councils and Board of Supervisors approve formal agreement
- Start development of strategic plan

As for next steps, staff will continue to monitor regional discussions and provide updates to the City Council regarding participation in the ad hoc Planning Task Force and eventual new Governing Body.

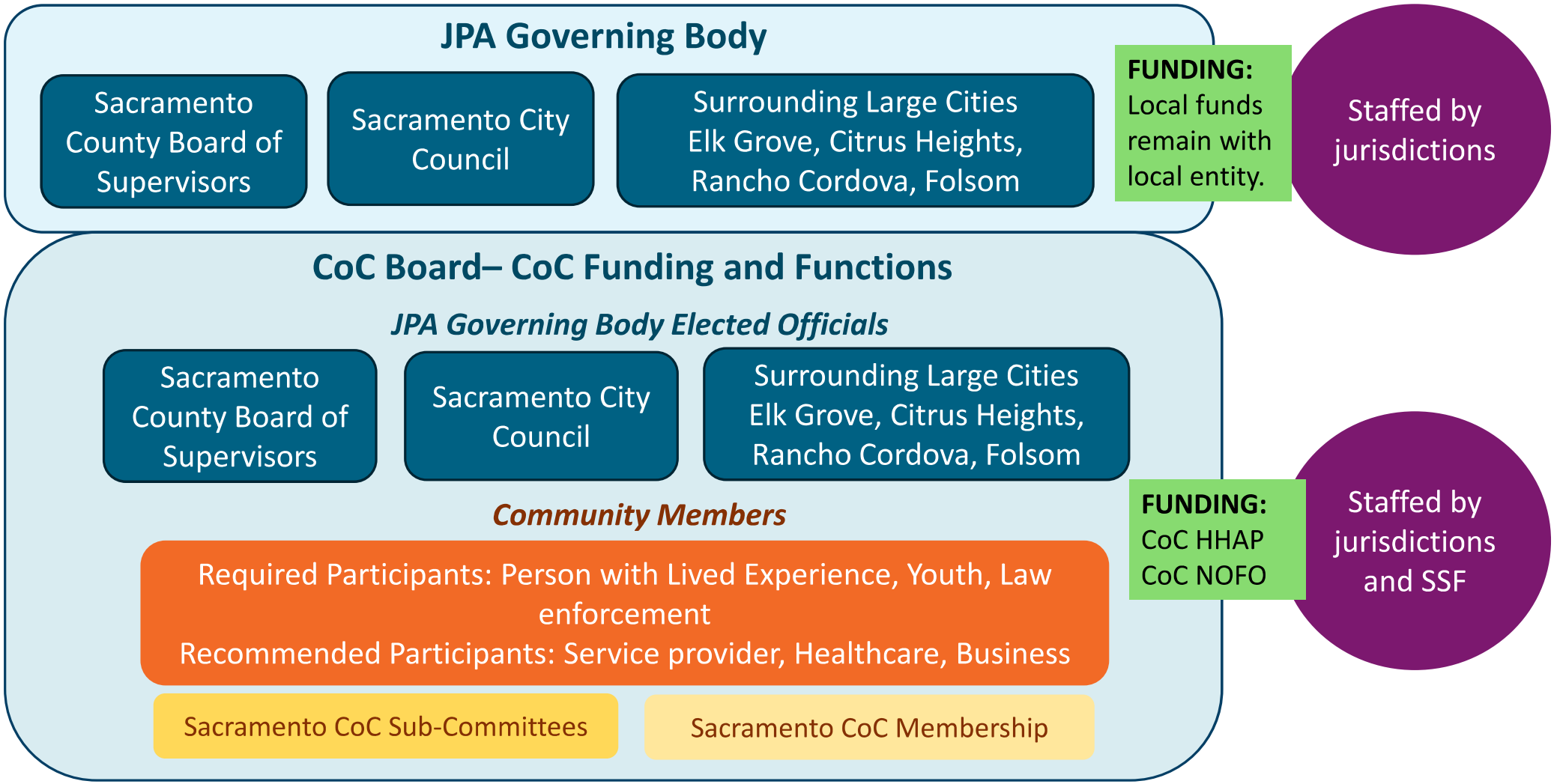
Environmental Review

This project is categorically exempt from the California Environmental Quality Act (CEQA Guidelines Section 15061(b) (3)) in that the action will not result in any impacts on the physical environment.

Attachments:

1. April 28, 2026, Visual of City of Sacramento Option 2
2. May 13, 2026, Presentation to the Continuum of Care

JPA Agreement Option 2 – Merged with CoC



Proposed Homeless Partnership Model

May 13, 2026

Emily Halcon, Director, County Department of Homeless Services and Housing

Ya-yin Isle, City of Sacramento Housing Manager

Background and Timeline

- 2010 to 2012 – CoC Lead Agency role transfers from County DHA to SSF, with intention of public-private structure.
- 2021 – Sacramento Homeless Policy Council formed.
- 2023 – Consultant report on Shared Governance options completed.
- August 2025 to April 2026 – County Board of Supervisors, councils from six cities and the CoC Board discuss various proposals to align CoC functions with homeless and housing activities happening jurisdictionally.

October 28, 2025: Joint meeting of the County Board of Supervisors, Sacramento City Council, and Mayors of the six cities meet to discuss homelessness and hear recommendations from Mosaic Consulting.

Overview of CoC Ask

Vote to:

1. Participate in a new framework that would bring together the functions of the CoC and local jurisdictions under one Governing Body.
2. Appoint CoC representative(s) to participate alongside elected officials on a task force to develop new Governing Body structure, including integration of CoC functions.

Staffing:

CoC lead agency staff to work alongside jurisdictional staff (which includes SHRA) to support task force with independent consultant administrator.

Proposed Model

- One body, serving as the community wide board for broader homeless and housing issues, adding community voices when seated as the CoC Board
- As the CoC Board:
  - Majority representation of elected officials of the County and local cities
  - Focus on CoC mandated functions and funding
  - CoC Board meetings will be open meetings and Brown Act compliant
  - Final decision-making body for CoC funding and programs
- *As the new governing body of elected officials:*
  - *Monthly, open meetings that are Brown Act compliant*
  - *Will also purposefully coordinate on housing activities managed by jurisdictions and SHRA*
  - *Will have dedicated consultant staff support*

Proposed Model

Jurisdictional officials have not yet weighed in on the specific composition of the new Governing Body, but have expressed a commitment to:

- Limited number of members for efficiency and focus
- A majority of elected official members, ensuring public accountability and reflecting the proportion of funding supporting homeless & housing programs
- A restructuring of the CoC Board, bringing community voices alongside elected officials when voting on CoC activities
- Enhancement of community voices via a strong committee structure

Proposed Process

Phase 1: Establish a Planning Task Force

- Seat elected officials and CoC members to task force
- Develop a scope and formal agreement amongst partners for planning efforts
- Modify CoC bylaws, including selection process for community members (for CoC approval)

Phase 2: Operationalize new CoC

- Seat new CoC members
- Newly seated CoC, inclusive of elected officials takes on CoC Board functions

Phase 3: Establish new Governing Body

- *Develop charter, bylaws, roles and responsibilities for new Governing Body*
- *Appoint members from cities and County to new Governing Body*
- *City Councils and Board of Supervisors approve formal agreement*
- *Start development of strategic plan*

Questions and Discussion

CITY OF CITRUS HEIGHTS

CITY COUNCIL STAFF REPORT MEMORANDUM

DATE: May 27, 2026

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

FROM: Susan Talwar, Administrative Services Director
Dena Jenkins, Finance Manager

SUBJECT: **Award of Banking Services Contract**

Recommendation

It is recommended that the City Council authorize the City Manager to execute an agreement with River City Bank for citywide banking services.

Strategic Plan Alignment

This item is in alignment with the following City Council priority:

Goal: Maintain and Enhance Fiscal Stability While Supporting Operational Excellence

Fiscal Impact

Selection of River City Bank will result in an estimated $10,000 in annual savings to the City due to the bank's commitment to waive all banking service fees. River City Bank has offered this fee -free structure for the full duration of the City's relationship with the bank, providing ongoing cost savings well beyond the initial contract term.

Background and Analysis

The City issued a Request for Proposals in late 2025 seeking comprehensive banking services, including operating and payroll accounts, remote deposit, positive pay, online banking, merchant services coordination, and related treasury management functions. The City received six complete responses from BMO, Wells Fargo, U.S. Bank, River City Bank, Five Star Bank, and JP Morgan Chase. Staff conducted a thorough review of each proposal, utilizing a detailed scoring matrix, interviews with the respondent banks, and an evaluation of service capabilities, pricing structure, customer service models, and community engagement. The evaluation process

clearly demonstrated that while several institutions presented strong proposals, River City Bank consistently stood out across nearly all categories.

River City Bank distinguished itself by providing the most comprehensive and cost effective service package, including a full waiver of all banking service fees, something no other bank offered. Their proposal reflected a deep understanding of municipal banking needs, supported by a highly experienced public sector banking division. The bank currently manages more than $2 billion in public agency deposits and serves over 47 local government clients, demonstrating both capacity and expertise in handling complex municipal treasury operations. Staff also noted that the bank's robust treasury management tools including; two line payee positive pay, flexible ACH and wire capabilities, strong fraud prevention controls, and a highly responsive customer support team align directly with the City's operational requirements.

Beyond technical merit, River City Bank's strong local presence and longstanding relationship with the community were significant contributors to the recommendation. The bank operates a branch within the City at 5650 Sunrise Boulevard and maintains its Public Sector Banking Division in nearby Sacramento, ensuring convenient access and continuity of service. Additionally, River City Bank's community engagement record resonated strongly with staff and aligns with Council's priorities. Examples include volunteer work with Junior Achievement's financial literacy programs at local Citrus Heights schools, longstanding partnerships with Habitat for Humanity, and sponsorship of community events at the Citrus Heights Community Center. One statement shared during interviews "tell us and we'll be there, even if you don't hire us" captured the bank's customer centric attitude and left a strong impression.

Following the detailed review of all proposals, River City Bank emerged as the top choice based on service quality, operational reliability, cost savings, community investment, and alignment with the City's long-term needs. Awarding the contract to River City Bank will result in substantial fiscal benefit through the fee waiver, while also enhancing the City's banking capabilities and maintaining a strong local partnership.

Attachments

1. River City Banking Agreement

River City Bank

Deposit Account Agreement

(Effective May 27, 2026)

TABLE OF CONTENTS

Page

ACCOUNT AGREEMENT 2

DEPOSITS 2

FUNDS AVAILABILITY 3

INTEREST ON DEPOSITS 5

WITHDRAWALS 6

ACCOUNT LIMITATIONS 7

FEES 8

STATEMENTS AND LIABILITY 8

Fraud Prevention. (Business Accounts Only) 10

CONSUMER ELECTRONIC FUND TRANSFERS 13

DISPUTE RESOLUTION 18

ADDITIONAL TERMS AND CONDITIONS 19

Account Verification 20

Adjustments. 20

Amendments/Changes in Account Agreement 20

Changes in Account Ownership, Address and Authorized Signers 20

ATM Safety 21

Checks Bearing Notations 21

Check Charges, Format, and Security 21

Check Endorsement 22

Check Images 22

Check Processing Cutoff Times 22

Check Signature Verification 22

Compliance 22

Conflicting Demands/Disputes 22

TABLE OF CONTENTS (cont.)

Page

Consent For Us to Contact You 23
Consent to Gather Information 23
Cutoff Times 23
Death or Adjudication of Incompetence 23
Deposit Insurance 24
Facsimile Signatures 24
Fax Instructions/Voice Mail/Email 24
Financial Statement 24
Force Majeure 24
Governing Law and Rules 24
Inactive Accounts 24
Indemnification 25
Legal Process 25
Limitation on Time to Bring Action 25
MasterCard® Automatic Billing Updater 25
Other Agreements 26
Overdrafts 26
"Pay-on-Death" Accounts 27
Photocopies 27
Postdated Checks 27
Power-of-Attorney 28
Privacy 28
Protecting Your Identity 29
Remotely Created Checks and Demand Drafts 29
Returned Items/Transactions 29

TABLE OF CONTENTS (cont.)

Page

Security Interest 29
Setoff 29
Severability 29
Stale-Dated Checks 29
Stop Payment Orders 30
Subaccounts 30
Substitute Checks 31
Telephone and Electronic Communication Monitoring/Recording 32
Termination/Closing Your Account 32
Third-Party Mobile Wallets 33
Transfers/Assignments 35
Waivers 35
WITHHOLDING OF INCOME TAX 35
QUESTIONS OR COMMENTS 35

River City Bank

ACCOUNT AGREEMENT

Welcome to River City Bank (RCB). This Deposit Agreement and Disclosure, your signature card, consumer privacy notice, schedule of miscellaneous fees and service charges, product information and disclosure (if any), and the other information we provide to you when you open your account, represent our agreement with you (this "Agreement") and contain important information about your account. Please read this Agreement carefully. By signing our signature card, requesting an account, or maintaining an account, you acknowledge that you have reviewed, understand and agree to be governed by the Agreement, as amended by us from time to time. NOTE: IF A DISPUTE ARISES BETWEEN US, THIS AGREEMENT MAY REQUIRE THE DISPUTE TO BE RESOLVED THROUGH ARBITRATION OR JUDICIAL REFERENCE, RATHER THAN BY JURY TRIAL. PLEASE CAREFULLY READ THE "DISPUTE RESOLUTION" SECTION FOR DETAILS.

Terms. In this booklet, the terms "customer", "you" and "your" refer to the party in whose name an account is maintained, each authorized signer on an account, all account owners and beneficiaries, and any person opening or authorized to control the account or any aspect of the account; the terms "we," "us" and "Bank" refer to River City Bank. Our "business days" are Monday through Friday, excluding federal holidays. Unless otherwise specified, the times indicated in these terms are Pacific Time.

Identification. To help the government fight the funding of terrorism and money laundering activities, federal law (the USA PATRIOT Act) requires us to obtain, verify, and record information that identifies each person who opens an account. What this means for you: when you apply for an account, we will ask for your name, address, date of birth and other information that will allow us to identify you. We may also ask to see your driver's license or other identifying documents.

DEPOSITS

Source. We may accept items payable to any of you for deposit to your account from any source without questioning the authority of the person making the deposit. We also may give cash back to any authorized account signer(s) or agent(s) in connection with items payable to any owner, whether or not the items have been endorsed by the owner. If you make a deposit or payment that is not accompanied by instructions indicating how or where it is to be credited, we may apply it at our discretion to any loan or deposit account any of you maintains with us.

Endorsements. We may add your endorsement and/or collect items deposited to your account without your endorsement. We also may require your personal endorsement prior to accepting an item for deposit. If you deposit an item that is payable to and bears the endorsements of more than one person or persons who are not known to us, we may refuse the item, require all endorsers to be present, or require that the endorsements be guaranteed by another financial institution acceptable to us before we accept the item. You warrant that any third party checks you deposit to your account will be endorsed or authorized for deposit by all payees.

Analyzed Accounts. If you deposit funds that belong to third parties (including but not limited to "End Client" funds you manage by contract for the benefit of, and on behalf of, a third party) in an analyzed account, you represent to us that: (a) you are authorized by such parties to benefit from the use of any associated earnings credit, and (b) your use of the earnings credit will not violate any contract, law or

regulation. You also agree to indemnify and hold us harmless from and against any and all claims, actions, proceedings, losses, costs (including attorney fees and other charges), liabilities and/or damages that arise from your use of the analysis service or the manner in which you compensate or charge End Clients, beneficial owners, or other third parties for your use of our services or the manner in which you compensate or charge such parties for your use of our services. This provision shall survive the termination of this Agreement.

Items Sent For Collection. We and other institutions may refuse to accept a check or other item for deposit or may accept it on a collection basis only. This sometimes occurs with foreign, questionable, or damaged items. If we accept an item for collection, we will send it to the institution upon which it is drawn, but will not credit your account for the amount until we receive the funds from the other institution. If we elect to credit your account before then, we may charge the amount back against your account if we do not receive payment for any reason. We may impose a fee in connection with sending and receiving items for collection (e.g., by charging your account or deducting the fee from the amount remitted). Other institutions that send or receive items for collection involving your account also may impose a fee for their services.

Verification and Collection. Any item that we cash or accept for deposit is subject to later verification and final payment. We may deduct funds from your account if an item is lost, stolen or destroyed in the collection process, if it is returned to us unpaid, or if it was improperly paid, even if you have already used the funds. All deposits, including cash deposits, are subject to later verification.

Cashing Checks for Others. You should not use your account to cash checks for others who are not well known to you. Although we may make funds provisionally available to you and may take steps to determine whether a check will be paid, you are responsible for any loss that occurs if the check is returned to us for any reason (e.g., because it is counterfeit). Our employees cannot promise that checks drawn on or issued by other institutions, including cashier's checks, will be paid.

ACH Provisional Credits. Credit for an automated clearing house ("ACH") transfer is provisional until final payment is received by the payee's financial institution. Until that happens, the party originating the transfer is not deemed to have made payment to the payee, and the payee's bank is entitled to a refund of the provisional credit. If we give you provisional credit for an ACH transfer, but do not receive final payment, we may charge your account for the full amount without prior notice or demand.

Notice of Incoming Transfers. We are not required to give you a separate notice of our receipt of an ACH transfer. If we accept ACH credits to your account, you will receive notice of the credit on your next regular statement. Although we may send notice of a non-ACH incoming funds transfer (e.g., a wire), we assume no obligation to do so. Transfers to your account will be reflected on your regular periodic statement. You also can contact us during normal business hours or access your account(s) through online banking to determine if a transfer has been credited to your account.

FUNDS AVAILABILITY

Your Ability to Withdraw Funds. Our policy is to make funds from your cash and check deposits available to you on the first business day after the day we receive your deposit. Electronic direct deposits will be available on the day we receive the deposit. Once they are available, you can withdraw the funds in cash and we will use the funds to pay checks that you have written. Please keep in mind, however, that after we make funds available to you, and you have withdrawn the funds, you are still responsible for checks you deposit that are returned to us unpaid and for any other problems involving your deposit.

RiverCityBank

For determining the availability of your deposits, every day is a business day except Saturdays, Sundays, and federal holidays. If you make a deposit before the close of business on a business day that we are open (or before 9:00 a.m. for deposits made at a night depository that we operate), we will consider that day to be the day of your deposit. However, if you make a deposit after these hours or on a day we are not open, we will consider that the deposit was made on the next business day we are open.

Longer Delays May Apply. In some cases, we will not make all of the funds that you deposit by check available to you on the first business day after the day of your deposit. Depending on the type of check that you deposit, funds may not be available until the second business day after the day of your deposit. The first $325 of your deposits, however, may be available on the first business day.

If we are not going to make all of the funds from your deposit available on the first business day, we will notify you at the time you make your deposit. We will also tell you when the funds will be available. If your deposit is not made directly to one of our employees, or if we decide to take this action after you have left the premises, we will mail you the notice by the day after we receive your deposit. If you will need the funds from a deposit right away, you should ask us when the funds will be available.

In addition, funds you deposit by check may be delayed for a longer period under the following circumstances:

- We believe a check you deposit will not be paid.
- You deposit checks totaling more than $7,750 on any one day.
- You redeposit a check that has been returned unpaid.
- You have overdrawn your account repeatedly in the last six months.
- There is an emergency, such as failure of computer or communications equipment.

We will notify you if we delay your ability to withdraw funds for any of these reasons, and we will tell you when the funds will be available. They will generally be available no later than the seventh business day after the day of your deposit.

Special Rules for New Accounts. If you are a new customer, the following special rules will apply during the first 30 days your account is open.

Funds from electronic direct deposits to your account will be available on the day we receive the deposit. Funds from deposits of cash, wire transfers and the first $7,750 of a day's total deposits of cashier's, certified, teller's, traveler's, and federal, state and local government checks will be available on the first business day after the day of your deposit if the deposit meets certain conditions. For example, the checks must be payable to you. The excess over $7,750 will be available on the seventh business day after the day of your deposit. If your deposit of these checks (other than a U.S. Treasury check) is not made in person to one of our employees, the first $7,750 will not be available until the second business day after the day of your deposit.

Funds from all other check deposits will be available on the seventh business day after the day of your deposit.

Holds on Other Funds. If we cash a check for you that is drawn on another bank, we may withhold the availability of a corresponding amount of funds that is already in your account. Those funds will be available at the time funds from the check we cashed would have been available if you had deposited it.

If we accept for deposit a check that is drawn on another bank, we may make funds from the deposit available for withdrawal immediately, but delay your availability to withdraw a corresponding amount of funds that you have on deposit in another account with us. The funds in the other account would then not be available for withdrawal until the time periods that are described elsewhere in this disclosure for the type of check that you deposited.

INTEREST ON DEPOSITS

Interest Rates. Interest rates paid on our accounts are determined by our management, based on market conditions and other business factors. Except for certificates of deposit (which earn the same interest rate through maturity), the interest rate and Annual Percentage Yield on deposits can change as often as daily, at our discretion, without prior notice to you. On tiered-rate accounts, the entire balance is subject to the interest rate for the balance tier of your end-of-day balance. For current rates, please visit one of our offices or contact us at 916-567-2899 or 1-800-564-7144.

The Annual Percentage Yield stated for time deposits that earn compounded interest (but which permit interest to be withdrawn prior to maturity) assumes that interest remains on deposit until maturity. A withdrawal of interest will reduce earnings.

Interest Calculations. Interest is calculated on an actual/365 day basis (366 days for leap years), except for certain public fund accounts where interest is calculated on an actual/360 day basis. Interest begins to accrue no later than the business day we receive credit for the deposit of noncash items (for example, checks).

We use the daily-balance method to calculate the interest on your account. This method applies a daily periodic rate to the principal in the account each day. The compounding frequency may differ. Please refer to your RCB Product Information and Disclosure.

Payment of Interest. Depending on the account, interest may be credited to your account at the end of your monthly or quarterly cycle, at maturity, or when your account is closed. See your Product Information and Disclosure for details. Interest is paid to the last day of each payment period, the date of withdrawal, and the maturity date. Interest will be lost on some accounts if the account is closed prior to the end of the statement period or the regular interest payment date.

Matured Time Deposits. At maturity, certain time deposit accounts will automatically renew for a new term at the rate then in effect for accounts of the same type, amount and duration. You have a seven-calendar day grace period after maturity during which a withdrawal can be made without penalty. We reserve the right to change the rate of interest for automatically renewable accounts at the time of each renewal. If we elect not to permit the renewal of an automatically renewable time deposit, we will notify you in advance. Unless specifically stated otherwise, any bonus or special promotion we are offering will not apply to automatically renewing time deposits. Time deposit accounts which do not automatically renew will stop earning interest at maturity.

Early Withdrawals from Time Deposits. Time deposit customers agree to keep funds on deposit for a fixed period of time. Unless otherwise provided, partial withdrawals and additional deposits are not permitted. If we permit an early withdrawal of principal from a time deposit, we may impose an early withdrawal penalty. Refer to your Certificate of Deposit Product Information and Disclosure for Early Withdrawal Penalties specific to your account. Tax penalties also may apply to premature distributions from IRAs.

River City Bank

WITHDRAWALS

Authorized Signers. Your signature card or other account opening record identifies who is authorized to make withdrawals, write checks, transfer funds, stop payments, obtain ancillary services (e.g., electronic fund transfer services or wire transfers), and otherwise give us instructions regarding your account. Although your card may indicate that more than one signature is required on checks and for the withdrawal or transfer of funds, that notation is principally for your own purposes. We do not assume a duty to enforce multiple signature requirements. As such, **we assume no duty to confirm that two or more (or any combination) of authorized signers have approved any transaction. We may act upon the instructions of any one authorized signer, including instructions to close your account or transfer any or all of your account balance at any time**. Although we may attempt on occasion to enforce the multiple signature requirement shown on your card (e.g., by refusing to permit a transaction by less than the stated number of authorized signers), we may cease doing so at any time and without prior notice to you.

We may pay any check that bears a signature or endorsement (including a facsimile signature) resembling an authorized signature on file with us. You agree that signatures by your authorized agents (e.g., persons acting under a power of attorney) are valid, even if the principal-agent relationship is not indicated on the check or instruction.

We may honor checks drawn against your account by authorized signers, even if the checks are made payable to them, to cash, or for deposit to their personal accounts. We have no duty to investigate or question withdrawals or the application of funds carried out by an authorized signer.

Requirements. We may, but are under no obligation to, refuse to pay any check that does not have the required number of signatures or that bears a signature that (in our opinion) does not satisfactorily compare with the specimen signature on file with us. All checks written on your account must be drawn in U.S. Dollars.

Check Presentment Cutoff Time. If your checks are presented for payment or acceptance on a weekend, a holiday, or after close of business, we may treat them as if we had received them on the next business day.

Order of Payments. This paragraph describes, generally, how we post transactions to accounts. Please note that this process may change from time to time, without prior notice to you. Our order of posting depends on a number of factors, including when a transaction occurs, whether it has already been approved by us or has become final, the order in which it is presented, the amount, system availability, potential risk of loss to the Bank, and the type of transaction in question, among other variables. Usually, deposits are posted before debits, and checks are posted at night in order of check number, with lower numbered checks posting before higher numbered checks. There are several exceptions to this, however. We also generally process previously authorized transactions (e.g., checks cashed at the Bank), wires, transfers, and ACH debits before we pay your checks. We also may pay Bank fees before your checks. We always reserve the right to post transactions that are payable to us first, and we may post any transaction earlier or later in the process than indicated. As such, if you want to avoid an overdraft or the possibility of a rejected transaction, you should take steps to ensure that your account has sufficient funds to cover each of your transactions and our fees.

Discrepancies. If there is a discrepancy in a check you have written between the amount in numbers and the amount in words or embossed numbers, we may utilize either amount in paying the item or may dishonor the item, without liability.

Limitations. We may refuse or limit withdrawals under special circumstances (e.g., if our system is down). We may (but are not obligated to) require suitable identification and/or presentation of account ownership records for any withdrawal or account closure. At our discretion, we may require all of your signatures for the withdrawal of funds and/or the closing of an account.

Money market and savings accounts are subject to transaction limitations (see "Account Limitations"). Time deposits may be subject to penalties for early withdrawal. We may refuse to honor any transaction if the funds on deposit are insufficient or unavailable to cover the transaction or there is a dispute or question as to the ownership of account funds.

You may not use your account or any account-related service to conduct Internet gambling transactions or any activity that would violate applicable law.

Non-Customer Check Cashing. We may impose a charge on non-customers who cash your check at one of our offices. We also may require non-customers to present us with suitable identification, including valid photo identification and a fingerprint, in connection with the cashing of your checks at one of our offices. If the person cashing a check fails to or refuses to satisfy our requirements, we may refuse to cash the check.

Advance Notice. As required by federal law, we reserve the right to require seven days advance written notice of an intended transfer or withdrawal of funds from any savings account, money market deposit account, or negotiable order of withdrawal (NOW) account.

Electronic Presentment/Posting. We may charge your account on the day that a check or other transaction is presented (or returned) to us directly or electronically for payment. We may charge your account or place a hold on funds at an earlier time if we receive notice that a check or other item deposited to your account is being returned, or if we receive notice that your check or electronic payment (e.g., at a point-of-sale) is being processed for collection. Please note: Some merchants may obtain authorizations in advance for point-of-sale transactions in an amount greater than the final transaction amount. You agree that we may place a hold on sufficient funds to cover the amount of the authorized transaction, pending its final settlement through the system, even if that amount exceeds the actual amount of the transaction. This could affect the balance available to cover other transactions.

ACCOUNT LIMITATIONS

Deposits. We may refuse to accept a deposit or an addition to an account, limit its size, or return all or part of it to you. We reserve the right to limit the amount of funds that may be maintained in an account.

Cash Withdrawals. Cash withdrawals or payments at any branch may be restricted due to the limited amount of currency on hand. If we do not have sufficient cash for a large withdrawal or payment, we may make arrangements for a later cash payment or offer to make payment with a Bank check. We assume no responsibility to provide personal protection for customers who elect to carry large sums of money off our premises.

Money Market and Savings Accounts. With respect to these accounts, you may only make up to six withdrawals and/or transfers each month by check (for accounts with check privileges), preauthorized or automatic transfer (e.g., automatic payments to an insurance company), draft, point-of-sale debit card, telephone and/or online banking. If you exceed this limitation, we may refuse to honor the excessive transactions, remove your transfer privileges, close the account without prior notice, convert it to another type of account, and/or impose a fee for exceeding the limits (See your Schedule of Miscellaneous Fees and Service Charges for details). Note: We count checks for purposes of the transaction limitation as of the date we post them to your account (not as of the date you write them). As such, a check you write during one month may not be counted until a subsequent month.

This limit does not apply to withdrawals made in person, at an Automated Teller Machine (ATM), by mail, messenger, or telephone (via check mailed to you), automatic internal transfers initiated by the Bank's system, or to transfers made to repay a loan with us. Nor is there any limit on the number of deposits that can be made to your account each month (e.g., in person or by preauthorized or automatic transfer). We may refuse or limit telephone and mail withdrawals, at our discretion.

FEES

Our RCB Consumer and/or Business Schedule of Miscellaneous Fees and Service Charges and product information disclosures describe the most frequently encountered fees associated with our accounts and services. Some services are negotiated separately and may be subject to other written agreements with us. Information on fees for services not covered by the schedule is available upon request. In addition to fees, you agree to pay for all taxes, tariffs and assessments levied or imposed by any government agency in connection with your account or account-related services (excluding any income tax payable by us).

Monthly maintenance fees and service charges are earned the first day of the statement period and collected on the last day of the statement period or the date the account is closed. Service charges are not prorated for partial months. Certain fees may change without specific notice to you. Account owners must promptly pay the fees and charges associated with their accounts and services, and are jointly and severally liable for such fees. We may deduct account fees automatically from your accounts.

STATEMENTS AND LIABILITY

Statements and Notices. If we provide you with a notice or statement, electronically or otherwise, you must promptly and carefully review it to determine if any errors or problems exist. You agree to notify us immediately of any error, discrepancy or unauthorized transaction you discover on any statement, notice or check. If you fail to do so, you may become responsible for the losses resulting from such failure. If you are a business, you agree not to entrust the writing of checks and the reconcilement and review of your account statements and notices to the same person without frequent monitoring. We may deny a claim for monetary loss due to forged, altered or unauthorized checks if you fail to follow these procedures.

Statements and notices are normally sent to the last address (or e-mail address) listed with us for your account. If you ask us to hold statements and notices for you, and we agree, we may mail them to you or destroy them if they are not picked up within 30 calendar days. Notify us promptly if you do not receive your statement by the date you normally would expect to receive it.

Statements and notices sent or made available to any of you are deemed to be received by all of you, and you agree that they are considered delivered to you as of the statement date or the date the information is otherwise made available to you, whichever is earlier. If we hold statements at your request or because you fail to provide us with a current address, they will be deemed delivered to you when they are prepared (for held statements), mailed (for returned mail) or otherwise made available to you (e.g., at a website or email address if you have agreed to electronic communications). We may hold statements if the Post Office notifies us that your mail is undeliverable. At our discretion, we may destroy mail that is returned to us or determined to be undeliverable.

You must mail or deliver all notices to us in writing at the branch where you maintain your account or at such other address(es) as we designate (e.g., on a statement or in connection with a service). Notices sent elsewhere may be delayed or may not reach the correct office.

Liability for Unauthorized Transactions Generally. If you discover an error, forgery, alteration or other unauthorized activity involving your account, you must notify us immediately by telephone, and promptly notify your branch of account in writing of the relevant facts, including a description of the transaction or error and the identity of any suspected perpetrator. You agree to maintain a current check register and to carefully and promptly review all statements and notices we send or make available to you. If we make account statements available to you, your statements will be deemed to provide sufficient information about your checks and other transactions for you to determine whether there was an error or unauthorized transaction if the statements provide you with the check or transaction number, the amount, and the date of payment.

You are in the best position to discover and report any errors or unauthorized transactions involving your account. If you do not discover and report an error or an unauthorized signature, alteration, forgery, counterfeit check, or other unauthorized debit to your account within 30 days after the date of your statement or the date the information about the item or transaction is made available to you, whichever is earlier, you are precluded from asserting the error or unauthorized transaction against us. In addition, if you fail to notify us within this timeframe, we will not be responsible for any subsequent unauthorized transactions initiated by the same wrongdoer, unless you prove that we failed to act in good faith in completing such a transaction.

If you claim a credit or refund because of an error or unauthorized transaction, you agree to provide us with a declaration containing whatever reasonable information we require regarding your account, the transaction, and the circumstances surrounding the claimed loss. We must receive your declaration within 10 days of our request. If applicable, we may request that you make a report to the police and to provide us with a copy of the report. We will have a reasonable period of time to investigate the circumstances surrounding any claimed loss. During our investigation, we will have no obligation to provisionally credit your account, unless otherwise required by law (e.g., in connection with certain consumer electronic fund transfer services).

Our maximum liability will never exceed the amount of actual damages proven by you. Our liability will be reduced: (a) by the amount of the loss that is caused by your own negligence or lack of care; (b) to the extent that damages could not have been avoided by our exercise of ordinary care; and (c) by any loss recovery that you obtain from third parties (apportioned in accordance with this provision). We will not be liable for any loss that is caused in part by your negligence if we acted with ordinary care. Unless otherwise required by law, we will not be liable for incidental, special or consequential damages, including loss of profits and/or opportunity, or for attorney's fees incurred by you, even if we were aware of the possibility of such damages.

Unless otherwise expressly agreed in writing, our relationship with you will be that of debtor and creditor. That is, we owe you the amount of your deposit. No fiduciary, quasi-fiduciary or other special relationship exists between you and us. We owe you a duty of ordinary care. Any internal policies or procedures that we may maintain in excess of reasonable commercial standards and general banking usage are solely for our own benefit and shall not impose a higher standard of care than otherwise would apply in their absence. There are no third party beneficiaries to this Agreement. If you open a business account, you agree not to use it primarily for personal, family or household purposes.

You agree to pursue all rights you may have under any insurance policy covering any loss and to provide us with information regarding coverage. Our liability will be reduced, proportionately in accordance with our responsibility for any loss, by the amount of any insurance proceeds you receive or are entitled to receive for the loss. If we reimburse you for a loss and the loss is covered by insurance, you agree to assign us your rights under the insurance policy to the extent of our reimbursement, in accordance with this provision. You waive all rights of subrogation against us with respect to any insurance policy or bond.

Fraud Prevention. (Business Accounts Only)

We offer fraud prevention products and services such as check positive pay, ACH positive pay, and ACH blocks and filters so you can effectively reduce your risk from unauthorized transactions. We also recommend industry best practices such as dual control for online wires and ACH origination. If we have offered you one or more of these products and services and you either: decline the service, do not implement the service, or fail to follow the procedures necessary for proper use of these products or services, you agree that you will be precluded from asserting any claims against us for paying any unauthorized signature, alteration, forgery, counterfeit check, or other unauthorized debit to your account that such product, service, or precaution was designed to detect or deter, and we will not be required to re-credit your account or otherwise have any liability for paying such items.

Wires and Certain Other Payment Orders. The following provisions apply to payment orders governed by Article 4A (Division 11 in California) of the Commercial Code (e.g., wire transfers). They do not apply to the transactions described in the "Consumer Electronic Fund Transfers" section of this Agreement.

At our discretion, we may process your payment order to transfer funds to another account with us or to an account maintained with another financial institution. We reserve the right to reject any payment order without cause or prior notice, and may notify you of the rejection orally, electronically or in writing.

Our processing hours for payment orders vary based on location, transaction type and other factors. Information about our processing hours is available upon request. We may process any payment order we receive after our processing cutoff time on our next funds transfer business day.

You must accurately describe the beneficiary of your payment order and the beneficiary's financial institution. If you describe any beneficiary or institution inconsistently by name and account or identifying number, we and other institutions may process the order solely on the basis of the number, even if the order identifies a person or entity different from the named beneficiary or institution. We may also process incoming fund transfers based on the account number, rather than on any inconsistent name reflected in the payment order. Unless otherwise required by Regulation E, if you give us a payment order that is erroneous in any way, you agree to pay the amount of the order whether or not the error could have been detected by any security procedure we employ.

You do not have a right to cancel or amend any payment order after we receive it. Although we may attempt to act on any amendment or cancellation request you make (e.g., if it is received in a time and manner which permits us to do so), we assume no responsibility for failing or refusing to do so, even if we could have effected the change or cancellation. You agree to indemnify, defend and hold us harmless from any loss, damage, claim, action, and liability that results, and any charges and costs we incur, in connection with any request by you to amend or cancel a payment order.

Foreign transfers may be subject to delays, charges imposed by other financial institutions, and changes in foreign currency exchange rates. If you direct a payment order to a foreign country, we may execute the order in the currency of the country of the payee's bank at either our buying rate of exchange for U.S. dollar transfers or the exchange rate of the payee bank. If the transfer is made in U.S. Dollars, we cannot guarantee that the beneficiary will receive the funds in U.S. currency. The beneficiary bank may convert the funds into the local currency and may also charge incidental fees. If for any reason the payment order is returned to us, you agree to accept the refund in U.S. dollars in the amount of the foreign money credit, based on the current buying rate on the day of the refund, less any charges and expenses incurred by us.

We may process any payment order we believe is transmitted or authorized by you if we act in compliance with a security procedure agreed upon by you and us. Such payment orders will be deemed effective as if made by you, and you will be obligated to pay us in the amount of such orders, even though they are not transmitted or authorized by you.

Each time you request a payment order using our services, you warrant that the security procedures to which we have agreed with you for the particular service are commercially reasonable for the transaction, based on the circumstances involved (e.g., the size, type, and frequency of your transfers, as well as your internal controls). In addition, whether or not required by such security procedures, you agree that we may seek to confirm the authenticity and content of payment orders (among other ways) by contacting any of you in any way we deem reasonable. If we cannot reach you, or if the payment order is not confirmed or approved in the manner we require, we may either make or refuse to execute the payment order in our sole discretion. In such an event, we will not be liable to you for any actual loss of any kind or for any consequential, punitive or exemplary damages in any amount, provided that we have acted in good faith.

You agree to review all statements and notices promptly to confirm the accuracy and authorization of each payment order. You must notify us immediately if there is any discrepancy between your payment order and any confirmation or statement of account, or if you discover any other problem with respect to a transfer. You must send a written notice to us of the discrepancy or other problem, including a statement of the relevant facts, within a reasonable time (not to exceed 30 days from your statement date, the date you first discover the problem, or the date you receive a notice reflecting the problem, whichever occurs first).

Our liability for any act or failure to act shall not exceed the direct resulting loss, if any, which you incur and payment of interest, and we will not be liable for any consequential, indirect or special damage that you incur in connection with payment orders, even if we are aware of the possibility for such damages.

Business ATM and/or MasterCard® Debit Card Transactions. Keep your card and personal identification number ("PIN") secure. If your liability cannot be limited as described in this Agreement, then you will be liable for all transactions made using a card, PIN or card number, or otherwise in connection with the services contemplated under this Agreement. You shall be responsible regardless of whether such transactions were effectuated: (a) by or on behalf of any authorized individual, or for any

authorized purpose, or by an unauthorized person or in conflict with any usage limitation established by you; (b) using a valid PIN; or (c) in accordance with any rules or regulations of ours, the applicable networks or any merchant. Without limiting the foregoing, you are responsible for any and all transactions of any type processed through an authorized system if we receive transaction data identifying a card, PIN or other access device as one issued to you. For purposes of this Agreement, an authorized system is any system that will process transaction data for valid cards (including MasterCard and any other POS and ATM system shown as a logo on the card). Please note: this means that business card transactions are not considered unauthorized if they are made by a business co-owner or any other person with an interest in or authority to transact business on your account or using a card or card number you have provided to them, even if the person exceeds any authority given by you, and regardless of whether or not such persons are authorized signers on your account.

You are liable for all unauthorized transactions made with your business card or the PIN associated with your card that occur prior to the time you notify us to cancel your card, that an unauthorized transaction has taken place, or that your card or PIN has been lost or stolen. There is one exception to this liability: Under the MasterCard Rules, you will not be liable for unauthorized transactions conducted with a MasterCard debit card, provided (i) you have exercised reasonable care in safeguarding your debit card from risk of loss or theft; and (ii) upon becoming aware of such loss or theft, you promptly reported the loss or theft to us. If the conditions set forth above have not been met, you will be liable for unauthorized transactions to the extent otherwise provided in this Agreement. The zero liability limit described above ("MasterCard Zero Liability Policy") only applies to a United States issued MasterCard branded debit card issued to: (i) a natural person, or (ii) a business or other entity only if the card is issued under a "small business" program described on MasterCard's website. The MasterCard Zero Liability Policy does not apply until your identity is registered by or on behalf of the card issuer. Under MasterCard's rules (as may be amended from time to time), the MasterCard Zero Liability Policy may not apply for other reasons.

When you use your business card to pay for goods or services, certain merchants may ask us to authorize the transaction in advance and may estimate its final value. When we authorize the transaction, we commit to make the requested funds available when the transaction finally settles and may place a temporary hold on your account for the amount indicated by the merchant. Until the transaction finally settles or we determine that it is unlikely to be processed, the funds subject to the hold will not be available to you for other purposes. We will only charge your account for the final amount of the transaction, however, and we will release any excess amount when the transaction settles.

Cash refunds will not be made to you for purchases made with your card. If a merchant gives you a credit for merchandise returns or adjustments, it may do so by processing a credit adjustment, which we will apply as a credit to the account from which the original funds were debited.

If you conduct a transaction in a currency other than U.S. dollars, the merchant, network or card association that processes the transaction may convert any related debit or credit into U.S. dollars in accordance with its then current policies. The conversion rate may be different from the rate in effect on the date of your transaction and the date it is posted to your account. Part of MasterCard's currency conversion procedure includes use of either a government-mandated exchange rate or a wholesale exchange rate, selected by MasterCard. The government-mandated exchange rate or wholesale exchange rate that MasterCard uses for a particular transaction is the rate MasterCard selects for the applicable currency on the date that the transaction is processed (the Central Site Business Date), which may differ from the rate selected on the date the transaction occurred or on the date the transaction is posted to your account.

RiverCityBank

CONSUMER ELECTRONIC FUND TRANSFERS

The following terms apply to electronic fund transfers governed by the Electronic Fund Transfer Act (e.g., consumer ATM, point-of-sale and ACH transfers). Any authorized signer on an account may apply for electronic fund transfer services on behalf of all authorized signers. Once an electronic fund transfer service is established, any authorized signer on your account may act alone in conducting electronic fund transactions, regardless of the number of required signers indicated on the account's signature card.

Electronic Check Conversion. You may authorize a merchant or other payee to make a one-time electronic payment from your checking account using information from your check to pay for purchases or pay bills.

Automated Teller Machine ("ATM") Card/Debit Card. You can perform the following transactions with your ATM and/or MasterCard® Debit Card ("Card"), depending on the accounts and services associated with your Card and particular ATM or point-of-sale ("POS") terminal and/or network capabilities:

- Withdraw cash from your checking or savings account;
- Transfer funds between your checking and savings accounts;
- Pay for purchases at places that honor the Card; and
- Obtain account balance information.*
  - * Balance information may not reflect recent transactions, and may include funds that are not available for immediate withdrawal.

All deposits and payments are subject to later verification by us. If you have more than one account with us, some of these services may not be available for each account. For example, POS payments cannot be made to merchants from savings accounts or money market accounts.

Your Card cannot be used to transfer money into or out of your account without a personal identification number ("PIN") at ATMs and most POS terminals. You may be asked to sign a sales slip or provide identification, rather than enter your PIN, for certain Debit Card transactions. At some merchants, such as gas stations, you may not be required to sign your name or enter your PIN for a Debit Card purchase; however, you may be required to enter your ZIP code or another identifier. If you decide you do not want to use your Card, destroy it at once by cutting it in half and notify us in writing.

Transaction Holds. When you use your Card to pay for goods or services, certain merchants may ask us to authorize the transaction in advance and may estimate its final value. When we authorize the transaction, we commit to make the requested funds available when the transaction finally settles and may place a temporary hold on your account for the amount indicated by the merchant. Until the transaction finally settles or we determine that it is unlikely to be processed, the funds subject to the hold will not be available to you for other purposes. We will only charge your account for the final amount of the transaction, however, and we will release any excess amount when the transaction settles.

Card and PIN Security. You agree not to disclose or otherwise make your Card or PIN available to others without our prior written consent. For security reasons, you agree not to write your PIN on your Card or keep it in the same location as your Card. You agree to return your Cards to us upon our request.

Refunds on Purchases. Cash refunds will not be made to you for purchases made with your Debit Card. If a merchant gives you a credit for merchandise returns or adjustments, it may do so by processing a

credit adjustment, which we will apply as a credit to the account from which the original funds were debited.

Foreign Transactions. If you conduct a transaction in a currency other than U.S. dollars, the merchant, network or card association that processes the transaction may convert any related debit or credit into U.S. dollars in accordance with its then current policies. The conversion rate may be different from the rate in effect on the date of your transaction and the date it is posted to your account. Part of MasterCard's currency conversion procedure includes use of either a government-mandated exchange rate or a wholesale exchange rate, selected by MasterCard. The government-mandated exchange rate or wholesale exchange rate that MasterCard uses for a particular transaction is the rate MasterCard selects for the applicable currency on the date that the transaction is processed (the Central Site Business Date), which may differ from the rate selected on the date the transaction occurred or on the date the transaction is posted to your account.

We may impose a charge equal to 1% of the transaction amount (including credits and reversals) for each transaction that you conduct outside the United States or in a foreign currency or for purchases made within the United States but where the merchant is located internationally. For ATM transactions conducted outside the United States, this charge is in addition to the fees that the Bank charges (and any fees the ATM owner may charge) in connection with such transactions.

Telephone Banking Service. You can use this service by calling 916-567-2899 or 1-800-564-7144 to transfer funds between your designated accounts with us, to obtain account information, and to pay certain loans with us from your deposit account. Not all account or loan types can be tied to this service.

Personal Identification Number. We will provide you with a personal identification number ("PIN") in order to access this service and provide you with instructions upon request. You agree not to disclose your PIN to others and to safeguard its confidentiality.

Transfers. You can transfer funds between your Bank accounts that have been tied to this service. Transfers cannot be made from time deposits.

Account Information. You can obtain information regarding your Bank accounts that are tied to this service. Please note that balance information may not reflect recent transactions, and may include funds that are not available for immediate withdrawal. The balance information feature is not subject to the error resolution or liability sections set forth below.

Cutoff Time. We will act upon instructions received pursuant to this service prior to 10:00 p.m. on any business day. If we receive transfer or other instructions after this cutoff time or on a non-business day, they may not be processed until the next business day.

Preauthorized/Automatic Transfers. Pre-authorized electronic fund transfers may be made to your account from a third party (e.g., Social Security, a pension fund or your employer) or from your account to a third party (e.g., recurring mortgage or insurance payments through the Automated Clearing House). Pre-authorized transfers generally do not include: (a) transactions initiated by check, draft or similar paper instrument, (b) transfers between business or other non-personal accounts, (c) individual transfers we initiate under an agreement with you, but without your specific request (e.g., automatic savings and automatic loan payments to us from your account), or (d) transfers initiated by telephone. Please note: If federal recurring or other electronic payments are made into your account, the payments may be affected by a change in account status or transfer (e.g., to another office). If you plan to transfer your account or

change its status, please speak with us in advance about the impact the change may have on your electronic fund transfer services.

Limitations. Certain transaction limitations are imposed on Money Market and Savings Accounts as described elsewhere in this Agreement. You may use your Card to withdraw a total of $500 per day from ATMs. In addition, you may use your Debit Card to purchase goods or services up to (a) $1,500 per day in PIN-based transactions, and (b) $1,500 per day in transactions that are not PIN-based (e.g., purchases made based on your signature or over the telephone). In addition, there is an overall limit of $2,000 per day for all Card transactions. For security reasons, there may be times when we further limit these amounts or disable your Card. Additional transaction limitations may also apply at particular ATM or POS terminals and/or be imposed by particular ATM or POS networks. You may not use your Card or account for any unlawful purpose or to conduct Internet gambling transactions.

Record of Your Transactions

Receipts. You can get a receipt at the time you make any transfer to or from your account using one of our ATMs or a POS terminal; however, receipts for transactions of $15 or less may not always be available. All ATM transactions are subject to later verification by us.

Preauthorized Credits. If you have arranged to have direct deposits made to your account at least once every 60 days from the same person or company, you can call us at 916-567-2899 or 1-800-564-7144 to find out whether or not the deposit has been made.

Account Statements. Except for certificates of deposit, you will get a monthly account statement unless there are no transfers in a particular month. In any case, you will get a statement at least quarterly.

Varying Preauthorized Transfers. If you have arranged in advance to make regular payments out of your account and they may vary in amount, the person you are going to pay will tell you 10 days before each payment when it will be made and how much it will be. You may choose instead to get this notice only when the payment would differ by more than a certain amount from the previous payment or when the amount would fall outside certain limits that you set.

Our Liability for Failing to Make Transfers. If we do not complete an electronic fund transfer to or from your account on time or in the correct amount according to our agreement with you, we will be liable for your losses or damages. There are some exceptions, however. We will not be liable, for instance, if:

- Through no fault of ours, you do not have enough available funds in your account to make the transfer;
- The transfer would exceed any permitted overdraft line you have with us;
- Circumstances beyond our control (such as fire, flood, water damage, power failure, strike, labor dispute, computer breakdown, telephone line disruption or a natural disaster) or a rolling blackout prevent or delay the transfer despite reasonable precautions taken by us;
- The system, ATM or POS terminal was not working properly and you knew about the problem when you started the transaction;
- The funds in your account are subject to legal process; an uncollected funds hold or are otherwise not available for withdrawal;
- The information supplied by you or a third party is incorrect, incomplete, ambiguous or untimely;
- We have reason to believe the transaction may not be authorized by you; or

- The transaction cannot be completed because your Card is damaged.

There may be other exceptions stated in this Agreement.

Your Liability for Unauthorized Electronic Fund Transfers. Tell us AT ONCE if you believe your Card or PIN has been lost or stolen, or if you believe that an electronic fund transfer has been made without your permission using information from your check. Telephoning is the best way of keeping your possible losses down. You could lose all the money in your account (plus your maximum overdraft line of credit). If you tell us within two business days after you learn of the loss or theft of your Card or PIN, you can lose no more than $50 if someone used your Card or PIN without your permission.

If you do NOT tell us within two business days after you learn of the loss or theft of your Card or PIN, and we can prove we could have stopped someone from using your Card or PIN without your permission if you had told us, you could lose as much as $500.

Note: Under the MasterCard Rules, you will not be liable for the $50 or $500 amounts described above for transactions conducted with a MasterCard debit Card, provided (i) you have exercised reasonable care in safeguarding your debit Card from risk of loss or theft; and (ii) upon becoming aware of such loss or theft, you promptly reported the loss or theft to us.

If your statement shows transfers that you did not make, including those made by Card, PIN or other means, tell us at once. If you do not tell us within 60 days after the statement was mailed or otherwise made available to you, you may not get back any money you lost after the 60 days if we can prove that we could have stopped someone from taking the money if you had told us in time.

If a good reason (such as a long trip or a hospital stay) kept you from telling us, we will extend the time periods.

How to Stop Preauthorized Transfers From Your Account. If you have told us in advance to make regular payments out of your account, you can stop any of these payments by writing to us at River City Bank, P.O. Box 15247, Sacramento, CA 95851, or by calling us at 916-567-2899 or 1-800-564-7144.

We must receive your request at least three business days before the payment is scheduled to be made. (Note: If you fail to give us your request at least three business days prior to a transfer, we may attempt, at our sole discretion, to stop the payment. We assume no responsibility for our failure or refusal to do so, however, even if we accept the request for processing.) If you call, we may require you to put your request in writing and to provide us with a copy of your notice to the payee, revoking the payee's authority to originate debits to your account, within 14 days after you call. If we do not receive the written confirmation within 14 days, we may honor subsequent debits to your account. For individual payments, your request should specify the exact amount (dollars and cents) of the transfer you want to stop, the date of the transfer, and the identity of the payee. Unless you tell us that all future transfers to a specific recipient are to be stopped, we may treat your stop payment order as a request concerning the one transfer only. If you order us to stop one of these payments at least three business days before the transfer is scheduled and we do not do so, we will be liable for your losses or damages.

Lost or Stolen Card/Pin or Unauthorized Transaction. If you believe your Card or PIN has been lost or stolen or that someone has transferred or may transfer money from your account without your permission, call us at the number or write us at the address described in the preceding section. You

should also call the number or write to the address if you believe a transfer has been made using the information from your check without your permission.

In Case of Errors or Questions About Your Electronic Transfers. Call us at the number or write us at the address described above as soon as you can if you think your statement or receipt is wrong or if you need more information about an electronic transaction. We must hear from you no later than 60 days after we sent the FIRST statement on which the problem or error appeared.

(1) Tell us your name and account number.

(2) Describe the error or the transfer you are unsure about, and explain as clearly as you can why you believe it is an error or why you need more information.

(3) Tell us the dollar amount of the suspected error.

In addition, it would be helpful if you provided us with any supporting documentation related to the error.

If you tell us orally, we may require that you send us your complaint or question in writing within 10 business days.

We will determine whether an error occurred within 10 business days after we hear from you and will correct any error promptly. If we need more time, however, we may take up to 45 days to investigate your complaint or question. If we decide to do this, we will credit your account within 10 business days for the amount you think is in error, so that you will have the use of the money during the time that it takes us to complete our investigation. If we ask you to put your complaint or question in writing and we do not receive it within 10 business days, we may not credit your account.

For errors involving new accounts, point-of-sale, or foreign-initiated transactions, we may take up to 90 days to investigate your complaint or question. For new accounts, we may take up to 20 business days to credit your account for the amount you think is in error.

We will tell you the results within three business days after completing our investigation. If we decide that there was no error, we will send you a written explanation. You may ask for copies of the documents that we used in our investigation.

Fees. See our current Schedule of Miscellaneous Fees and Service Charges related to electronic fund transfer services. If you conduct a transaction at an ATM that is not operated by us, the operator of the ATM or any network utilized to effect the transaction may impose a fee.

Business Days. Our business days are Monday through Friday, excluding federal holidays.

Release of Account Information. We may release information regarding your account and the transactions you perform.

Change in Terms/Termination of Service. We may add to, delete or amend the terms of or terminate your use of our electronic fund transfer services at any time, with or without cause and without affecting your outstanding obligations under this Agreement, including but not limited to by adding new terms governing your use of such services. We may terminate or suspend your electronic fund transfer service

immediately if: any of you breach this or any other agreement with us; we have reason to believe that there has been or may be an unauthorized use of your account, Card or PIN; there are conflicting claims to the funds in your account; or any of you requests that we do so. If you ask us to terminate your account or the use of any Card, you will remain liable for subsequent transactions performed by you or any authorized user.

DISPUTE RESOLUTION

This Dispute Resolution section describes your and our rights in relation to any disputes between us in connection with this Agreement and our services that we cannot resolve ourselves through mutual agreement (referred to in this section as "Claim(s)" with the person asserting the Claim(s) being "Claimant(s)").

Jury Trial Waiver and Class Action Waiver. **YOU AGREE AND UNDERSTAND THAT NO CLAIM SHALL BE RESOLVED BEFORE A JURY AND THAT YOU (AND WE) ARE EACH GIVING UP CONSTITUTIONAL AND STATUTORY RIGHTS TO GO TO COURT AND HAVE A TRIAL IN FRONT OF A JUDGE OR A JURY. YOU AGREE AND UNDERSTAND THAT THIS SECTION PREVENTS YOU AND US FROM PARTICIPATING IN ANY CLASS OR REPRESENTATIVE ACTION OR JOINING OR CONSOLIDATING THE CLAIMS OF OTHER PERSONS IN RELATION TO YOUR ACCOUNT OR OTHERWISE IN CONNECTION WITH THIS AGREEMENT.**

Dispute Resolution Options. You agree that all Claims or other disputes relating to your account or otherwise in connection with this Agreement shall, if either you or we elect, be subject to mandatory arbitration, except as specifically provided below. If neither party exercises its right to compel resolution of a dispute by arbitration or judicial reference as set forth in this Dispute Resolution section, you agree that the dispute shall be resolved in court by a judge without a jury.

Customer Mediation Program. Before asserting a Claim in any proceeding, you agree that you shall engage in a good faith attempt to resolve the dispute. In order to avoid the expense and uncertainty of arbitration and litigation, we agree that we will attempt to resolve such potential Claims by way of a mediation session. Please address requests for mediation of potential claims to River City Bank Mediation Program P.O. Box 15247, Sacramento, CA 95851. If we cannot resolve the potential Claim within sixty (60) days of receiving the request or by a later date if we both agree, you may proceed with asserting your Claim in arbitration or otherwise as outlined below.

Arbitration. All Claims relating to your account or otherwise in connection with this Agreement that cannot be resolved informally or in small claims court shall be resolved by binding arbitration on an individual basis under the terms of this Dispute Resolution section. This Dispute Resolution section applies to both you and us, including your and our respective assigns, representatives and/or agents, as to all matters which arise out of or relate to this Agreement or any resulting transaction or relationship.

The Federal Arbitration Act governs the interpretation and enforcement of this Dispute Resolution section. We agree that any issues or disputes regarding arbitrability of the Claims shall be and hereby are delegated to the arbitrator.

Arbitration shall be initiated through the American Arbitration Association ("AAA"), an established alternative dispute resolution provider ("ADR Provider"). If the selected ADR Provider is not available to arbitrate, we shall select an alternative ADR Provider. The rules of the ADR Provider shall govern all

aspects of this arbitration, except to the extent such rules are in conflict with this Agreement or with the Federal Arbitration Act or to the extent that application of such rules would result in the unenforceability of this Dispute Resolution section. The applicable AAA rules governing the arbitration are available online at https://www.adr.org/ or by calling AAA at 1-800-778-7879.

Arbitration shall be conducted before a sole neutral arbitrator selected by our mutual agreement as parties to the Claim. If the parties cannot agree on the appointment of a single arbitrator within thirty (30) days after either party delivers a request for arbitration, a neutral arbitrator shall be selected as provided in the AAA rules. The arbitration shall be conducted in an expedited manner, exclusively in the English language, at a site specified by us in Sacramento, California, USA. The arbitrator shall issue a written award and statement of decision describing the essential findings and conclusions on which the award is based. The arbitrator has the same authority to award relief on an individual basis that a judge in a court of law would have. The award of the arbitrator is final and binding upon you and us. The award of the arbitrator shall be the exclusive remedy of the parties for all claims, counterclaims, issues or accountings presented or plead to the arbitrator. The award of the arbitrators shall require payment of the costs, fees and expenses incurred by the prevailing party in any such arbitration by the non-prevailing party. Judgment upon the award may be entered in any court or governmental body having jurisdiction thereof. Any additional costs, fees or expenses incurred in enforcing the award may be charged against the party that resists its enforcement.

Your Right to Opt Out of Arbitration. You may opt out of the portion of this Dispute Resolution section requiring you to submit to binding arbitration by sending a signed written notice of your election to do so, within thirty (30) days of the date of your entering into this Agreement. Such notice shall be sent to River City Bank P.O. Box 15247, Sacramento, CA 95851. Opting out of the arbitration provisions of this Agreement will not affect any other provision of this Agreement.

Waiver of Class Actions. ALL CLAIMS AND DISPUTES WITHIN THE SCOPE OF THIS DISPUTE RESOLUTION SECTION MUST BE RESOLVED ON AN INDIVIDUAL BASIS. WE AGREE AND ACKNOWLEDGE THAT NEITHER OF US MAY ASSERT CLAIMS ON BEHALF OF ANOTHER PARTY AS A REPRESENTATIVE AND NEITHER OF US MAY JOIN ANY CLASS OF CLAIMANTS ASSERTING CLAIMS COVERED BY THIS DISPUTE PROVISION. WE AGREE AND ACKNOWLEDGE THAT CLAIMS OF MORE THAN ONE CLAIMANT CANNOT BE ARBITRATED OR LITIGATED JOINTLY OR CONSOLIDATED WITH THOSE OF ANY OTHER CLAIMANT.

Severability. If any part or parts of this Dispute Resolution section other than the Waiver of Class Actions section are found under the law to be invalid or unenforceable, then such specific part or parts shall be of no force and effect and shall be severed and the remainder of the Dispute Resolution section shall continue in full force and effect. If the Waiver of Class Actions section is found to be unenforceable, then as to the specific dispute in which that ruling of unenforceability was made, this entire Dispute Resolution section shall be unenforceable.

Survival. This Dispute Resolution section shall survive the termination of this Agreement.

Judicial Reference. To the extent any court refuses to enforce the arbitration provisions of this Dispute Resolution section or if they are otherwise inapplicable, then at the election of either of us, the Claim will be resolved by judicial reference in accordance with California Code of Civil Procedure, Sections 638, et seq. instead of by litigation or arbitration. The reference proceeding will take place solely on an individual basis and without any joinder of multiple parties' claims or as a form of class or other

representative action. The referee shall be a retired judge, agreed upon by the parties or appointed by the court. The costs of the reference procedure, including the fee for the court reporter, shall be paid equally by all parties as the costs are incurred. The referee shall hear all pre-trial and post-trial matters, including requests for equitable relief, prepare an award with written findings of fact and conclusions of law, and apportion costs as appropriate. Judgment upon the award shall be entered in the court in which such proceeding was commenced and all parties shall have full rights of appeal.

Rights to Other Remedies. This Dispute Resolution section will not be deemed to limit or constrain either party's right to exercise self-help remedies such as set off, to obtain provisional or ancillary remedies such as injunctive relief or the appointment of a receiver, to interplead funds in the event of a dispute, to exercise any right or remedy as a secured party against any collateral pursuant to the terms of a security agreement, or to comply with legal process involving accounts or other property.

ADDITIONAL TERMS AND CONDITIONS

Account Verification. We may use a third party service to verify and obtain information regarding your previous banking relationships. We may also report the status, history and/or closure of your account to such third party services.

Adjustments. We may make adjustments to your account whenever a correction or change is required. Adjustments might occur, for example, if deposits are recorded or keyed in the wrong amount or items you deposit are returned unpaid. We may elect, at our discretion, not to make an adjustment to your account to correct an error which you or a third party (e.g., another financial institution) cause if the adjustment is less than $5.00 or our cost to make the adjustment is greater than the amount in question.

Amendments/Changes in Agreement. We may add to, delete, or change the terms of this Agreement, or add new terms to it, at any time by mailing, e-mailing or delivering a notice, a statement message or an amended Agreement to any of you at the last address (location or e-mail) on file for you, your account, or the service in question or by providing the notice to you through our online banking service. Unless otherwise required by law, we may amend the Agreement without prior notice (e.g., by posting the information in our offices, on our/your web site, or otherwise making it available to you).

We may substitute similar services or discontinue currently offered services for certain accounts by giving you prior notice. We do not have to notify you, however, of any changes that are beneficial to you (e.g., a reduction or waiver of any fees or the addition of services) or if the change is required for security reasons.

Changes in Account Ownership, Address and Authorized Signers. You agree to notify us immediately in writing of any change in your name, address, email address, business capacity (e.g., sole proprietor to corporation), or the authorized signers on your account. We may require a new signature card or other documentation before giving effect to any change in ownership or authorized signers. We may rely on our account records to determine the ownership of your account. If you provide us with information relating to the beneficial ownership of a legal entity customer, you certify that such information is up-to-date and accurate as of the time your account is opened and that you will notify us in the event any of that information needs updating thereafter.

If the authorized persons on your account change, we may continue to honor items and instructions given earlier by any previously authorized person(s) until we receive specific notice from you in writing not to do so (Note: A new or updated signature card, by itself, does not constitute notice to terminate any pre-

existing payment or transfer plan). In some instances we may require you to close your account or provide us with stop payment orders in order to prevent transactions from occurring. There may be a delay in implementing a change in the authorized persons on our records, and you agree that we will be given a reasonable opportunity to make the changes necessary.

ATM Safety. You agree to exercise discretion when using ATMs. If there are any suspicious circumstances, do not use the ATM. If you notice anything suspicious while transacting business at the ATM, cancel the transaction, pocket your card and leave. Be careful when using the ATM and be aware of the surroundings, especially at night or in isolated areas. Park near the ATM in a well-lighted area. At night, have someone accompany you when possible. Do not approach a dark ATM. Do not accept assistance from anyone while using the ATM. Don't display your cash; pocket it and count it later in the safety of your office or home. Be sure to save your transaction slips. Check them against your statements regularly. If deposits are supported at a particular ATM and you plan to make them, prepare these at home to minimize your time at the ATM. Make sure you safeguard your PIN — do not write it on your card or carry it in your wallet or purse. Always secure your card just like you would your cash, checks and credit cards. Report all crimes to the ATM operator and local law enforcement officials immediately. We do not guarantee your safety while using any ATM.

Checks Bearing Notations. Although we are not obligated to, we may pay or accept checks and other items bearing restrictions or notations (e.g., "Void after 6 months," "Two Signatures Required," "Void over $50.00," "Payment in Full," and the like), whether on the front or back, in any form or format. If you cash or deposit an item or write a check with such a notation, you agree that it applies only between you and the payee or maker. The notation will have no effect on us, and you agree to accept responsibility for payment of the item.

Check Charges, Format, and Security. Check prices vary according to the types of checks you select. You can obtain information on the current price of checks by contacting us at the number shown at the end of this Agreement. Check charges may vary from time to time without specific notice to you. You are responsible for verifying the accuracy of all information shown on your checks and deposit tickets. If you find an error, please notify us immediately. We are not liable for losses resulting from incorrectly printed checks or deposit tickets.

If you arrange for the printing of your own checks, the form, encoding and format of the checks must follow our check specification requirements and be approved by us in advance. The name(s) printed on your checks must agree with the name(s) on our account records. If you do not purchase your checks through us, we may charge a fee for each check that is rejected during processing due to poor print quality, or if it fails to meet our specifications. You agree not to issue checks with features or marks that obscure, alter or impair information on the front or back of a check or that otherwise prevents us or another bank from capturing such information during automated check processing.

We make checks available that include fraud prevention features. If you choose not to use them or other checks that include fraud prevention features, you agree to assume a heightened degree of care for safeguarding your checks, and for reviewing all returned checks and statements as soon as you receive them.

You agree to safeguard your blank and canceled checks, and to take reasonable steps to prevent their unauthorized use. If you are a business, you should store them under dual control in a secure, locked location that is accessible only to authorized personnel. If your checks are lost or stolen, you agree to notify us immediately. For security reasons, we reserve the right to close your account and transfer the

balance to a new account. If we do, all checks written but not yet paid may be returned to payees as "Account Closed" or "Refer to Maker." You will be responsible for issuing any replacement checks.

Check Endorsement. Federal regulations provide that the top 1-1/2 inches on the back of a check (when read vertically from the trailing edge) is designated for your endorsement as payee. If you endorse a check in the area outside of the endorsement area, mark or otherwise obscure the other area, or make an endorsement which is illegible or incomplete, you agree to hold us harmless from any loss, delay, liability, claim, or damage which occurs as a result. If you deposit checks using our remote or mobile deposit services, you will include the notation "For Mobile Deposit at River City Bank" as part of each endorsement.

Check Images. If we do not return your paid checks to you, images of the checks may be sent or made available to you each month with your account statement. Your original checks may be destroyed shortly after we process the checks, but we will maintain a record of the checks for several years. You can obtain copies of your checks by sending us a written request with the following information: your name, account number, check number, the amount of the check, and (if known) the date the check was paid. There is no charge for the first two items per statement that we copy for you. After that, we will charge your account a fee for each copy (including the front and back of the check). We will not be responsible for any indirect, special or consequential damages under any circumstances for our inability to provide copies of checks. Our liability, if any, will not exceed the face amount of the check in question, and you must provide us with reasonable proof of any loss.

Check Processing Cutoff Times. We have a daily cutoff time by which we must receive any knowledge, notice, stop payment order, or postdated check notice affecting our right or duty to pay a check that we are processing. That cutoff time is one hour after the opening of the business day following the business day on which we receive the check. We also have a daily cutoff time prior to which our exercise of setoff rights affects our right or duty to pay a check that we are processing. That cutoff time is the close of the business day following the business day we receive a check, or such later time by which we must return the check to the extent permitted by applicable law. These cutoff times determine our obligation under state law to pay or return certain checks that have been received (but not finally paid) by us on the previous business day.

Check Signature Verification. We may process certain checks mechanically, based on the information encoded on the items. This means that we may not visually examine each of your checks to determine if they are properly completed and endorsed, and we assume no duty to identify and/or return duplicate checks, checks with duplicate serial numbers, misencoded items, or checks lacking an encoded serial number. Although we may examine checks from time to time, you understand that reasonable commercial standards do not require us to do so.

Compliance. You agree not to violate the laws of the United States, including without limitation, the economic sanctions administered by the U.S. Treasury's Office of Foreign Assets Control. You may not use your account or any account-related service to process Internet gambling transactions or conduct any activity that would violate applicable law. If we are uncertain regarding the legality of any transaction, we may refuse the transaction or freeze the amount in question while we investigate the matter.

Conflicting Demands/Disputes. If there is any uncertainty regarding the ownership of an account or its funds, there are conflicting demands over its ownership or control, we are unable to determine any person's authority to give us instructions, we are requested by Adult Protective Services or any similar state or local agency to freeze the account or reject a transaction due to the suspected financial abuse of an

elder or dependent adult, or we believe a transaction may be fraudulent or may violate any law, we may, at our sole discretion: (1) freeze the account and refuse transactions until we receive written proof (in form and substance satisfactory to us) of each person's right and authority over the account and its funds;(2) refuse transactions and return checks, marked "Refer to Maker" (or similar language); (3) require the signatures of all authorized signers for the withdrawal of funds, the closing of an account, or any change in the account regardless of the number of authorized signers on the account; (4) request instructions from a court of competent jurisdiction at your expense regarding the account or transaction; and/or (5) continue to honor checks and other instructions given to us by persons who appear as authorized signers according to our records. The existence of the rights set forth above shall not impose an obligation on us to assert such rights or to deny a transaction.

Consent For Us to Contact You. You agree that we or our agents may contact you at any email address or telephone number you provide to us, including any cell phone number, whether at account opening or thereafter. You authorize us to send text messages and make prerecorded or autodialed calls to any number(s) you provide. Your service provider may impose a charge for those calls/messages.

Consent to Gather Information. You authorize us to obtain information from time to time regarding your credit history from credit reporting agencies and other third parties. You authorize us to obtain address information from the California Department of Motor Vehicles or any other government agency. As such, you waive your rights under California Vehicle Code §1808.21 (or equivalent).

Cutoff Times. Cutoff times vary by transaction and service type. Instructions received by us after the applicable cutoff time on a business day or on a non-business day may be treated and acted upon as if received on the next business day.

Death or Adjudication of Incompetence. You agree to notify us immediately of the death or court-declared incompetence of any owner, authorized signer or designated beneficiary on your account. We may disregard any notice of incompetence unless the person in question has been declared incompetent by a court of appropriate jurisdiction and we receive written notice and instructions from the court regarding the account. We also may freeze, offset, refuse and/or reverse deposits and transactions (e.g., governmental or retirement benefit payments payable to the deceased) if an owner dies or is adjudicated incompetent. If we are obligated to return funds removed from the account following the death or incompetence of any owner, the other owners agree to reimburse us for the amount.

If your account ownership records indicate that the account is held in "joint tenancy," upon the death of any owner, the deceased owner's share passes automatically to the surviving owner(s) unless there is clear and convincing evidence of a different intent on the signature card. If the account is held as "tenants in common," a deceased owner's share passes to the estate or other legal representative of the deceased tenant. If the account is held by a husband and wife or by registered domestic partners as "community property," ownership of the account will be determined by community property law and may be affected by a will. "Pay On Death" and Totten Trust ("In trust for") accounts pass automatically (and in equal shares unless otherwise indicated in our records) to the named beneficiaries who survive the last surviving owner.

If we have any question as to the ownership of funds or the amount of funds that belong to any person upon the death of an owner, we may freeze all or part of the account, pending receipt of proof (satisfactory to us) of each person's right to the funds.

Deposit Insurance. Your accounts with us are insured to the regulatory limits by the Federal Deposit Insurance Corporation (FDIC). For further information regarding insurance of accounts, you may write to the FDIC at 550 17th Street, N.W., Washington, D.C. 20429, telephone the FDIC's toll-free consumer hotline at 877-ASKFDIC (**877-275-3342**) TDD: **800-925-4618**, or visit its website at www.fdic.gov.

For account types that may be eligible for pass-through deposit insurance, certain conditions must be satisfied for pass-through deposit insurance coverage to apply.

Facsimile Signatures. You agree not to use facsimile signatures on checks unless we receive representative samples and approve their use. We may refuse to accept or may pay items bearing facsimile signatures. You agree to assume full responsibility for any and all payments made by us in reliance upon signatures that resemble the actual or facsimile signature(s) (without regard to variation in color or size) that any of you provide to us in connection with your accounts or services. You authorize us to pay any check that appears to bear your authorized facsimile signature, without further inquiry. You agree to indemnify, defend and hold us harmless from any and all actions, claims, losses, damages, liabilities and expenses (including attorney's fees) arising directly or indirectly from the misuse or the unlawful or unauthorized use or copying of facsimile signatures (whether affixed manually, by stamp, mechanically, electronically or otherwise).

Fax Instructions/Voice Mail/Email. We may, but are not required to, act upon instructions received by fax transmission, voice mail or email. We may not review your message until the business day after its receipt. As such, it may not be appropriate to use these methods of communication if you need to reach us with time-sensitive information. If your instruction is time-sensitive, you should contact us in person or via our customer service telephone number at 916-567-2899 or 1-800-564-7144.

Financial Statement. You will provide us with a current financial statement upon request.

Force Majeure. We shall not be liable for any loss, expense, failure to perform, or delay caused by failure of communication systems, accidents, strikes, fire, flood, war, riot, civil strife, terrorist attack, earthquake, power outage, funds transfer system or government rules, acts of third parties, or any cause that is beyond our reasonable control.

Governing Law and Rules. This Agreement will be governed by and construed in accordance with United States federal law and, to the extent state law is applicable, the laws of the State of California, without giving effect to any choice of law or conflict of laws rules or provisions, whether of California or any other jurisdiction, that would cause the application of the laws of any state other than California. All deposits are considered to be accepted and held in, and all accounts opened and maintained in, the State of California, regardless of where you are located or how you elect to do business with us. Your accounts and services also will be subject to applicable clearinghouse, Federal Reserve Bank, funds transfer system, image exchange and correspondent bank rules ("Rules"), which may be governed by New York law. You agree that we do not have to notify you of a change in the Rules, except to the extent required by law. If there is any inconsistency between the terms of this Agreement and the Rules, the terms of this Agreement shall supersede the Rules, unless otherwise provided in the Rules. Except as set forth in the Dispute Resolution section and otherwise expressly provided hereunder, each party hereto: (a) consents to and waives any objections to personal jurisdiction, service of process, and venue in the federal and state courts located in the State of California, and (b) agrees that any action arising out of or relating to this Agreement shall be filed and prosecuted only in such courts. Nothing in this Agreement shall limit our rights with respect to the preemption of any state law pursuant to applicable federal law.

Inactive Accounts. For security reasons, we may refuse a withdrawal or transfer from accounts we internally classify as inactive or dormant if we cannot reach you in a timely fashion to confirm the transaction's authorization. Monthly maintenance fees and service charges for "dormant" or "inactive accounts" are the same as service charges for active accounts. Charges are not reimbursed for dormant or inactive accounts that are later reclassified as "active."

We will be required to transfer (escheat) your property to the appropriate state if no activity occurs in the account and you otherwise fail to communicate with us regarding your account within the time period specified by state law. We may consider an account dormant or inactive even if you maintain another active account with us. We may impose a fee for sending an inactive account notice to you prior to transferring the funds to the state. If funds are transferred to the state, you may file a claim with the state to recover the funds.

Indemnification. Except as otherwise set forth in this Agreement, you agree to indemnify, defend and hold us harmless from all claims, actions, proceedings, fines, costs and expenses (including, without limitation, attorney fees) related to or arising out of: (a) your actions or omissions in connection with your accounts or our services, or (b) our actions or omissions, provided that they are taken/omitted in accordance with this Agreement or your instructions. This provision shall survive the termination of this Agreement.

Legal Process. We may comply with any writ of attachment, execution, garnishment, tax levy, restraining order, subpoena, warrant or other legal process which we believe (correctly or otherwise) to be valid. We may notify you of such process by telephone, electronically or in writing. We have a daily cutoff time by which we must receive any legal process affecting our right or duty to pay a check that we are processing. That cutoff time is one hour after our opening of business following the business day on which we receive the check. If we are not fully reimbursed for our record research, photocopying and handling costs by the party that served the process, we may charge such costs to your account, in addition to our minimum legal process fee. Please refer to your RCB Schedule of Miscellaneous Fees and Service Charges Schedule for specific fee information. You agree to reimburse us for any cost or expense, including attorney fees, which we incur in responding to legal process related to your accounts.

We may not pay interest on any funds we hold or set aside in response to legal process. You agree that we may honor legal process that is served personally, by mail, email or facsimile transmission at any of our offices (including locations other than where the funds, records or property sought is held), even if the law requires personal delivery at the office where your account or records are maintained or at another office designated by us for that purpose. You acknowledge that accounts opened with trust or fiduciary designations (e.g., "XYZ, Inc. -- Client Trust Account") may be subject to levies and other legal process against your property unless our records clearly reflect the existence of an express written trust or court order.

Limitation on Time to Bring Action. Unless otherwise required by law, an action or proceeding by you to enforce an obligation, duty or right arising under this Agreement or by law with respect to your account or any account service must be commenced no later than one year after the day the cause of action accrues.

MasterCard® Automatic Billing Updater. Your River City Bank Debit Card has been automatically enrolled in this service, but you do have the option to opt out of participation at any time.

What is MasterCard® Automatic Billing Updater (ABU)? The ABU Service facilitates uninterrupted processing of your recurring charges. In the past, your authorized recurring MasterCard® Debit Card payments would not be processed if there was a change to your debit card number or debit card expiration date. For example, if you gave your debit card number to a merchant and authorized that merchant to process a recurring charge on your account (such as authorizing the local gym to withdraw funds from your account via your MasterCard® Debit Card on a monthly basis to pay your gym membership fees.) and your debit card number or debit card expiration date changed, you had to contact the merchant and provide them with your updated MasterCard® Debit Card information. The ABU service solves this problem and allows your recurring payments to continue, uninterrupted, if the merchant participates in the ABU service.

How does ABU work? When your MasterCard® Debit Card expires or is lost, and a new card is issued, participating merchants may electronically receive your updated card information (new card number, expiration date or account close status).

How does MasterCard protect my card information? The ABU service is only available over the protected MasterCard® Network. ABU only provides your debit card number, expiration date or account close status to those qualified merchants that have been approved by MasterCard®, and that you have authorized to make recurring payment(s) from your MasterCard® Debit Card. Changes to your MasterCard® Debit Card information that were made due to reported fraud will not be provided to merchants through this service.

Do all merchants participate in the ABU Service? Not all Merchants will participate. We recommend you continue to notify each merchant you have authorized to perform recurring payments on your behalf if there are any changes to your MasterCard® Debit Card number or expiration date.

What if I do not want ABU Services on my River City Bank MasterCard® Debit Card? YOU MAY OPT OUT OF ABU SERVICES AT ANY TIME. Opting out of the ABU Services will only apply to your MasterCard® Debit Card number identified in the opt out request. Please allow two business days for us to process your opt out request upon receipt. We will respond to you with written confirmation that your request is complete.

If I opt out of ABU Services will my future cards be opted out? No, newly opened MasterCard® Debit cards will automatically be enrolled in the service unless you opt out when the new MasterCard® Debit Card is requested.

If you have any questions regarding this service, or wish to opt out, please contact us in one of the following ways: (1) Call us at 916-567-2899 or 1-800-564-7144, (2) Write to us at Customer Service Dept, River City Bank, P.O. Box 15247, Sacramento, CA 95851, or (3) E-mail us at CallCenter@rivercitybank.com.

Other Agreements. You may have another agreement with us which, by its terms, supersedes this Agreement in whole or in part. For example, if you are a governmental unit or a business customer, certain provisions of your other agreements with us (e.g., involving cash management services) may supersede some of the terms of this Agreement, to the extent that they are inconsistent.

Overdrafts. If you do not have sufficient available funds on deposit to cover the amount of a check or other transaction (e.g., in-person withdrawal, automatic payment, or other electronic transaction), we may return the check or reject the transaction without payment. We may elect, however, in our sole discretion

to create an overdraft by paying the check or permitting the transaction. Note: if you make a deposit on the same day that an item, service charge or transaction creates an overdraft (a "temporary or "intra-day overdraft"), we may charge the fee for the overdraft since the covering deposit may not be posted until the end of the business day. In some cases (e.g., deposits received after our close of business or on a non-business day), the deposit may not be deemed received until the next business day. We also may impose a fee for overdrafts created by fees or deposited items that are returned. Note: We do not impose an overdraft fee for consumer ATM transactions or everyday (that is, non-recurring) debit card transactions. Please refer to your Schedule of Miscellaneous Fees and Service Charges for the specific instances when such a fee may be charged.

If you maintain a savings account with us, you may be able to link that account so that your available funds are automatically transferred to your checking account in connection with any overdrafts on that account. In addition, we offer an overdraft line of credit that can be used in connection with overdrafts on your checking account up to your credit limit. There are fees for these services. If you would like more information or wish to apply for either of these services, please visit one of our branch offices or contact us at 916-567-2899 or 1-800-564-7144.

If we permit an overdraft or otherwise allow your account balance to drop below zero, you agree to pay the amount of the overdraft promptly, without notice or demand from us. You agree that we may use subsequent deposits and other credits to the account, including without limitation deposits of government, welfare, retirement and Social Security benefits, to cover any overdraft existing in your account, to the fullest extent permitted by law.

Each account owner is jointly and severally responsible for paying any overdrafts created by any authorized signer(s) or party to the account, whether or not the owner participates in the transaction or benefits from its proceeds.

Our payment of any checks or allowance of transactions that create overdrafts in no way obligates us to continue that practice at a later time. We may discontinue permitting overdrafts without cause or notice to you. We discourage the practice of overdrawing accounts.

"Pay-on-Death" Accounts. This type of account passes to the designated beneficiaries on the death of an owner (or all of the owners if this is a joint account). During their lifetime, the owner(s) may exercise full control over the account and may make deposits to and withdrawals from the account. Upon the death of the last surviving owner, the account funds pass to the surviving beneficiaries. If there is more than one surviving beneficiary, each will receive an equal share of the funds, unless we have been instructed otherwise by the owner(s) in writing. The owner(s) may change beneficiaries during their lifetimes by updating our account documentation. Owners should keep us informed about each beneficiary's address.

Photocopies. Checks and other items are sometimes lost during processing or while in transit. If a photocopy of a check or other item that appears to be drawn on your account is presented to us for payment in place of the original, we may pay the photocopy if it is accompanied by a representation from another financial institution that the original item has been lost or destroyed. We will not incur any liability in the event the original item is later presented to and paid by us, unless a stop payment order is in effect for the check.

Postdated Checks. Unless you provide your branch of account with a written postdated check notice that describes a postdated check with reasonable certainty, we may pay the check before the date stated on the

check. Your notice must include the exact amount (dollars and cents), account number, check number, date of check and the name of payee. If you provide us with a postdated check notice in a time and manner which affords us a reasonable opportunity to act on it, we will not pay the item and may return it (marked "payment stopped", "postdated" or otherwise) if it is presented to us prior to the date indicated in the order (up to six months from the date of the notice). After six months, a notice is no longer effective and must be renewed. We may impose a fee for each notice. If we re-credit your account after paying a postdated check over a valid and timely postdated check notice, you agree to transfer to us all of your related rights against the payee or other holder of the check, and to assist us in any legal action we take against that person.

Power-of-Attorney. Any owner may appoint an attorney-in-fact for an account and may revoke a power of attorney. You should notify us in advance if you plan to create a power of attorney involving your account. Upon request, we may provide you with a power-of-attorney form for that purpose. We generally will accept a Uniform Statutory Form Power of Attorney that complies with state law. We may refuse to accept other forms of powers of attorney, however, with or without cause.

We may act on the instructions of an attorney-in-fact whether or not the attorney-in-fact relationship is noted in the instruction (e.g., on any check signed by the attorney-in-fact). You can revoke your power of attorney by sending a written notice to us at your branch of account. We assume no duty to monitor the actions of your attorney-in-fact to ensure that (s)he acts for your benefit.

Privacy. We may release information about you, your deposit accounts, and the transactions you perform to third parties: where it is necessary or helpful in verifying or completing a transaction; to disclose the existence, history, and condition of your account to consumer reporting agencies; when you give us your consent; to comply with the law or a court or governmental order; to local, state and federal authorities if we believe a crime may have been committed involving your account; as permitted by law; and, if you are a business, in response to trade inquiries. Please see our Privacy Policy for additional details. All information and documents that you supply us when applying for an account or requesting new or additional products or services becomes our property. That information and those documents will not be returned to you except as required by law.

You (and, if acting in a representative capacity, individually and for such entity or person that you represent) authorize us to make or have made any credit, employment, or other investigative inquiries we deem appropriate (including, without limitation, obtaining a consumer and commercial report (credit report)) in connection with our determination to open, renew, update, maintain, or collect on an account. Upon your request, we will tell you whether we obtained a consumer or commercial report (credit report) and the names and addresses of any consumer-reporting agencies that provided such reports.

If you, as an individual, believe that we have furnished any inaccurate information relating to you, as an individual, or your account to any consumer-reporting agency, you may notify us by phone at 916-567-2899 or by mail at P.O. Box 15247, Sacramento, CA 95851. To help us respond to your notification, you must include your account number, Social Security Number, the name of the consumer-reporting agency reflecting the inaccurate information, and an explanation of why you believe the information is inaccurate.

WE MAY REPORT INFORMATION ABOUT YOUR ACCOUNT TO CREDIT BUREAUS. LATE PAYMENTS, MISSED PAYMENTS, OR OTHER DEFAULT ON YOUR ACCOUNT MAY BE REFLECTED IN YOUR CREDIT REPORT. IN ADDITION, AS REQUIRED BY LAW, YOU ARE HEREBY NOTIFIED THAT A NEGATIVE CREDIT REPORT REFLECTING ON YOUR CREDIT

RECORD MAY BE SUBMITTED TO A CREDIT REPORTING AGENCY IF YOU FAIL TO FULFILL THE TERMS OF YOUR CREDIT OBLIGATIONS.

Protecting Your Identity. Never disclose your PIN or password to anyone. Our employees will never ask you for your PIN, and we will not send unsolicited emails to you that request personal information.

Remotely Created Checks and Demand Drafts. If you provide your account number to a third party in order to charge your account by means of one or more remotely created checks or demand drafts (i.e., items which do not bear the maker's signature, but purport to be drawn with the maker's authorization), you authorize us to pay such items, even though they do not contain your signature and may exceed the amount you authorized to be charged. This provision shall not obligate us to honor such items. We may refuse to honor such items without cause or prior notice, even if we have honored similar items in the past.

You may not deposit remotely created checks or demand drafts to an account with us without our prior written consent. Upon our request, you agree to provide us with evidence of your authorization to create and/or deposit such items. You also agree to indemnify, defend and hold us harmless from every loss, expense, cost (including attorney's fees), claim and liability related to or arising from such items, including (without limitation) claims that they were not authorized by the persons on whose accounts the items were drawn.

Returned Items/Transactions. If we are notified that an item you cashed or deposited is being returned unpaid, we may attempt to reclear the item, place a hold on the funds in question (see "Funds Availability") or charge your account for the amount (and any interest earned on it), whether or not the return or notice of non-payment is proper or timely. This also applies to checks drawn on us which are not paid for any reason, and to checks and other transactions that are returned or charged back to us in accordance with any law, regulation, funds transfer system or clearinghouse rule. We may assess a fee for each returned item/transaction and notify you of the return orally, electronically, or in writing.

If one of your deposited items is returned with a claim stating that an endorsement on an item deposited to your account is forged, that the item contains an alteration, or that there has been a breach of warranty in connection with any item or transaction, we may charge the item or transaction back against your account or place a hold on the funds pending an investigation, without prior notice to you, whether or not the notice is prompt or timely. We are under no duty to question the truth of the facts that are being asserted, to assess the timeliness of the claim, or to assert any defense.

Security Interest. You grant us a security interest in your account, including all current and future deposits and renewals, for amounts owing to us now and/or in the future under this Agreement or under any account service agreement by any owner. This provision does not apply to IRA or tax-qualified retirement accounts or where otherwise prohibited by law.

Setoff. We may charge or set off funds in your account for any direct, indirect and/or acquired obligations that you (including any owner) owe us now and/or in the future, regardless of the source of the funds in the account, to the fullest extent permitted by law. This provision does not apply to IRA or tax-qualified retirement accounts, to consumer credit card obligations, or where otherwise prohibited by law.

Severability. If any of the provisions of this Agreement are determined to be void or invalid, the remainder of the Agreement shall remain in full force and effect.

Stale-Dated Checks. You agree that we may pay or reject a check which is presented to us for payment more than six months after its date (a "stale-dated" check), even if the presentation occurs after the expiration of a stop payment order. We normally do not examine the date on checks presented for payment. You agree that we are not required to identify stale-dated checks or to seek your permission to pay them.

Stop Payment Orders. Any owner or authorized signer on your account may request us to stop payment on a check or transaction. Your stop payment order must include the account number, check number, exact amount (dollars and cents), check or transaction date and the name of the payee. We will not be liable for paying a check or transaction over a stop payment order if the order is incomplete or incorrect. We must receive stop payment orders at a time and in a manner which affords us a reasonable opportunity to act upon them.

There is a per-check/transaction charge for each stop payment order. Please refer to the Schedule of Miscellaneous Fees and Service Charges for specific fee information. Stop payment orders are valid for six months. After that time, the check may be paid and charged to your account unless you renew the stop payment order for an additional fee.

We are not required to accept oral stop payment orders. If we elect to act upon an oral stop payment order, however, you agree to promptly confirm the order in writing and deliver it to us. If you fail to do so within 14 calendar days, we may release the stop payment. Our records will be conclusive evidence of the existence, details of, and our decision regarding any oral stop payment order or its revocation.

You may not stop payment on point-of-sale debit card transactions, cashier's checks, or checks or payments guaranteed by us. Under certain circumstances, however, you may be able to claim a refund on lost, stolen or destroyed cashier's checks 90 days following the date of their issuance. Please note that electronic stop payment requests (through our online banking service) may not be effective in stopping the payment of checks that have been posted to, but not finally paid from, your account on the preceding day. In order to prevent those checks from being paid, you must contact one of our customer representatives in person, by telephone or in writing within one hour after we open on the day following the day we post the items to your account. You also should contact a representative if you wish to stop the payment of a check that has been converted to an electronic transaction by a merchant. Electronic transactions are often processed on the same day and cannot be stopped with a regular check stop payment order. (Please also see the section in this Agreement entitled "Consumer Electronic Fund Transfers" for information on consumer rights to stop payments and dispute unauthorized transfers.)

Subaccounts. For regulatory reporting and reserve purposes, we divide checking accounts into two subaccounts: a checking subaccount and a savings subaccount. If your checking account earns interest, we will pay the same interest rate on both subaccounts. If it does not earn interest, no interest will be paid on either subaccount. In either case, your account will continue to operate, from your perspective, as one account.

We may establish a threshold for the balance maintained in the checking subaccount and may transfer funds periodically from one subaccount to the other to meet that threshold and cover transactions against your account. Your account statements will not reflect the existence of the subaccounts, and our periodic reallocation of funds between subaccounts will not affect your ability to withdraw funds, the interest rate (if any), fees, or other features of your checking account. You agree that we may treat the subaccounts as one and the same account if we receive a levy, subpoena or other legal process regarding either subaccount or your checking account.

Substitute Checks. You agree not to deposit substitute checks, as described below, or checks bearing a substitute check legal equivalence statement ("*This is a legal copy of your check. You can use it the same way you would use the original check.*") to your account without our prior written consent. Unless we agree otherwise in writing, our acceptance of such checks shall not obligate us to accept such items at a later time, and we may cease doing so without prior notice. If we approve the deposit of substitute checks, you agree to indemnify, defend and hold us harmless from all losses, costs, claims, actions, proceedings and attorney's fees that we incur as a result of such checks, including without limitation, any indemnity or warranty claim that is made against us because: (a) the check fails to meet the requirements for legal equivalence, (b) a claimant makes a duplicate payment based on the original check, the substitute check, or a paper or electronic copy of either; or (c) a loss is incurred due to the receipt of the substitute check rather than the original check. Upon our request, you agree to provide us promptly with the original check or a copy that accurately reflects all of the information on the front and back of the original check when it was truncated.

You agree not to issue checks with features or marks that obscure, alter or impair information on the front or back of a check or that otherwise prevents us or another bank from capturing such information during automated check processing.

We may convert original checks to substitute checks.

The following notice applies to consumer accounts and supersedes, where inconsistent, other terms in this Agreement with respect to substitute checks.

Substitute Checks and Your Rights – Important Information About Your Account

What is a Substitute Check?
To make check processing faster, federal law permits banks to replace original checks with "substitute checks." These checks are similar in size to original checks with a slightly reduced image of the front and back of the original check. The front of a substitute check states: "This is a legal copy of your check. You can use it the same way you would use the original check." You may use a substitute check as proof of payment just like the original check.

Some or all of the checks that you receive back from us may be substitute checks. This notice describes rights you have when you receive substitute checks from us. The rights in this notice do not apply to original checks or to electronic debits to your account. However, you have rights under other law with respect to those transactions.

What Are Your Rights Regarding Substitute Checks?

In certain cases, federal law provides a special procedure that allows you to request a refund for losses you suffer if a substitute check is posted to your account (for example, if you think that we withdrew the wrong amount from your account or that we withdrew money from your account more than once for the same check). The losses you may attempt to recover under this procedure may include the amount that was withdrawn from your account and fees that were charged as a result of the withdrawal (for example, bounced-check fees).

The amount of your refund under this procedure is limited to the amount of your loss or the amount of the substitute check, whichever is less. You also are entitled to interest on the amount of your refund if your

account is an interest-bearing account. If your loss exceeds the amount of the substitute check, you may be able to recover additional amounts under other law.

If you use this procedure, you may receive up to $2,500 of your refund (plus interest if your account earns interest) within 10 business days after we received your claim and the remainder of your refund (plus interest if your account earns interest) not later than 45 calendar days after we received your claim.

We may reverse the refund (including any interest on the refund) if we later are able to demonstrate that the substitute check was correctly posted to your account.

How Do You Make a Claim for a Refund?

If you believe that you have suffered a loss relating to a substitute check that you received and that was posted to your account, please contact us at 916-567-2899 or 1-800-564-7144. You must contact us within 40 calendar days of the date that we mailed (or otherwise delivered by a means to which you agreed) the substitute check in question or the account statement showing that the substitute check was posted to your account, whichever is later. We will extend this time period if you were not able to make a timely claim because of extraordinary circumstances.

Your claim must include –

- Your name and account number;
- A description of why you have suffered a loss (for example, you think the amount withdrawn was incorrect);
- An estimate of the amount of your loss;
- An explanation of why the substitute check you received is insufficient to confirm that you suffered a loss; and
- A copy of the substitute check and/or the following information to help us identify the substitute check: the check number, the date of the check, the name of the person to whom you wrote the check, and the exact amount of the check (dollars and cents).

Telephone and Electronic Communication Monitoring/Recording. We may monitor telephone conversations and electronic communications for quality and control purposes without prior notice to you. We may record your telephone conversations with the bank, but generally will not do so without notice to you.

Termination/Closing Your Account. At any time you may request that we close your account. We are not required to provide notice of such closure request or completed closure to the other authorized signers on the account.

We may terminate your account relationship with us or close any of your accounts with us at any time, with or without cause, by giving oral, electronic or written notice to any of you. We may automatically close your account if the account balance is zero.

Factors considered as part of our account closure process may include whether all pending transactions are processed, whether the account has a negative balance, whether you owe us any fees or other amounts, whether any legal or other holds apply to the account, and whether any remaining funds are withdrawn or otherwise transferred to another account. While we complete the steps we deem necessary to close an account, new or pending transactions may continue to be processed. If any remaining funds are not

withdrawn prior to our closing an account, we may send a check for the collected account balance to any of you at the last address we have on file for the account. Thereafter, the funds will stop earning interest (even if the check is returned or remains uncashed for any reason).

We may dishonor any check or other item presented for payment after an account is closed or as we are completing our account closure process. During such times, at our sole discretion, we may honor checks or other items presented or occurring under certain conditions (e.g., under a check guarantee or as part of an electronic fund transfer arrangement), if you fail to give us a timely stop payment order for any outstanding checks, if any authorized transactions have not yet posted, or for any other reason in our sole discretion. You remain responsible for such checks and other items, which may be treated as overdrafts, and accordingly you agree that we may reopen your accounts or keep them open as necessary in our sole discretion. It is also your responsibility to cancel any scheduled deposits or recurring transactions and otherwise discontinue any activity that is connected to any account with us that has been closed or that we are in the process of closing. You agree that we are not liable for any loss or damage that results from our dishonoring deposits or other items that are presented or received after your account is closed or that we are in the process of closing, even if we are still holding funds that would cover such items.

Your obligations persist under this Agreement, and this Agreement continue to govern matters related to your account, after your account with us is closed and after your account relationship with us is terminated, or if we reopen your previously closed account as described above. This means, among other things, that you agree to pay us for all amounts that you owe us, whether or not your account(s) with us has been closed, and that we may reduce the amount of any funds we remit to you as part of our account closing process by such amounts owed.

Third-Party Mobile Wallets. You can add your River City Bank MasterCard® debit card(s) to your wireless device's digital wallet or another electronic platform (a "Wallet") provided by or on behalf of a party other than River City Bank (each such third party being a "Wallet Provider"). The term "Wallet" includes your payment-supported Apple®, Android®, or Samsung® device that allows you to create and use a virtual representation of your River City Bank debit card in order to make contactless payments at participating merchants by utilizing the merchant's contactless terminal, by utilizing the merchant's participating mobile app, or through other digital commerce payment services.

To add an eligible River City Bank debit card to your Wallet, you will need to follow the instructions and meet operating system, memory, or other eligibility requirements specified by the applicable Wallet Provider. Once added, you will then be able to conduct transactions remotely or in person with merchants who accept the Wallet as a means to do so. We reserve the right to limit the number of supported devices to which you can add a River City Bank debit card. A River City Bank debit card can be removed from the Wallet by following the procedures supplied by the Wallet Provider.

Whether you have added it to a Wallet using mobile banking services made available to you through the Bank or another means available to you through a Wallet Provider, transactions completed or attempted using your River City Bank debit card through a Wallet constitute use of your card and associated account(s) with the Bank and are subject to this Agreement and other River City Bank debit card terms and conditions. Except for fees that would otherwise apply to such card usage, we do not currently charge a fee for adding a River City Bank debit card to your Wallet or for using a River City Bank debit card to conduct a transaction with a supported device. Third parties such as wireless companies or data service providers may charge you fees for using the Wallet and you are responsible for any such wireless carrier data or usage fees incurred.

As part of adding a card to a Wallet for use with a mobile device, a Wallet Provider and/or the payment card networks may create a token, a "device account number," or other security element that is specific to your card and/or your device. This number or other security element may be used to facilitate Wallet transactions without the need to store, use, or display the applicable card number on your mobile device or at a merchant location. By agreeing to add a card to your Wallet for use with a particular device, you agree to the issuance of such security devices corresponding to your card for use in the Wallet.

We may take steps to authenticate your addition of a River City Bank debit card to a Wallet. By attempting to add a River City Bank debit card to a Wallet, in order to prevent fraud, you authorize your wireless carrier and/or device manufacturer to disclose to us your name, mobile telephone number, mailing address, email address, device make and model, device operating system, and other information for the purposes of verifying your identity and your request to add a card. We can block you from adding an otherwise eligible River City Bank debit card to a Wallet, suspend your ability to use a River City Bank debit card to make purchases using a Wallet, or cancel entirely your ability to continue to use a River City Bank debit card in a Wallet. We may take these actions at any time and for any reason, such as if we suspect fraud with your River City Bank debit card, if you have an overdue or negative balance on your account with River City Bank, or if applicable laws change.

Your Wallet may also allow you to view recent purchase transactions made by you with your River City Bank debit card. Please note that some of the listed transactions may be pending charges, which are temporary and are subject to change (for example, pre-authorizations at hotels). Your Wallet may provide you with the option to turn off this purchase transaction reporting for each debit card in the Wallet.

You agree to protect and keep confidential your user identification, passwords, and all other information required for you to make purchases with your River City Bank debit card using the Wallet. If you share these credentials with others, they may be able to access your Wallet and make purchases with your River City Bank debit card or obtain your personal information. Please notify us if you lose any device or associated security credentials through which your card is accessible using a Wallet. We will not be liable for any losses you incur in connection with Wallet usage except as specifically provided in this Agreement.

We collect certain information from the Wallet Provider to verify your identity and to enable you to use the River City Bank debit card. You authorize us to collect, use and share your information in accordance with the applicable River City Bank privacy notice and online privacy statement as amended from time to time. The River City Bank online privacy statement is available at www.rivercitybank.com. We do not have any control over the privacy and security of information that you provide to the Wallet Provider. The Wallet Provider is responsible for the security of information provided to it or stored in the Wallet. We are not responsible if there is a security breach affecting any information stored in the Wallet or sent from a Wallet. We are not responsible for any Wallet terms or conditions, or the performance or availability of any Wallet. Your Wallet may not be accepted at all places where your River City Bank debit card is accepted, and your ability to use your Wallet to complete transactions will depend on wireless or mobile service availability and other factors we do not control.

You are granted a non-exclusive, non-sublicensable, non-transferable, personal, limited license to use your River City Bank debit card on an eligible mobile device in the Wallet of your choice solely in accordance with these terms. The license is limited to use on any eligible mobile device that you own or control and as permitted by any applicable third-party agreements. You are prohibited from using your River City Bank debit card on a device that you do not own or control.

If you have questions, disputes, or problems with the Wallet, contact the Wallet Provider. If you have questions, disputes, or problems concerning the River City Bank debit card, you should contact us at 916-567-2700 or 1-800-564-7144.

Transfers/Assignments. Unless otherwise agreed by us in writing, all accounts are non-transferable and non-negotiable by you. You may not grant, transfer or assign any of your rights to an account without our prior written consent. We are not required to accept or recognize an attempted assignment of your account or any interest in it, including a notice of security interest. However, your obligations hereunder will be binding on your heirs, successors, estate, personal representatives, agents, beneficiaries, transferees or assignees, if any. We may transfer your accounts and our rights and obligations hereunder at any time and without prior notice to you or your consent, except as may be required by law.

Waivers. We may delay enforcing our rights under this Agreement without losing them. Any waiver by us shall not be deemed a waiver of other rights or of the same right at another time. You waive diligence, demand, presentment, protest and notice of every kind, except as set forth in this Agreement.

WITHHOLDING OF INCOME TAX

Unless you are exempt under federal law, we are required to withhold a portion of your taxable interest and certain other payments (this is referred to as backup withholding) if: (1) you fail to supply us, under penalties of perjury, with your correct taxpayer identification number (TIN); (2) you fail to provide us with the required certified information; (3) the IRS instructs us to withhold; or (4) the IRS notifies you that you are subject to backup withholding. You must provide your TIN whether or not you are required to file a tax return. You also must certify that you are not subject to backup withholding.

We may report interest and other payments to you to the Internal Revenue Service (IRS), along with your TIN. You agree that we may provide any and all account records and statements (including without limitation tax reporting records) to each accountholder on a joint account.

We may refuse to open, and we may close, any account for which you do not provide a certified TIN, even if you are exempt from backup withholding and information reporting. To avoid possible erroneous backup withholding, an exempt payee should furnish its TIN and indicate on the signature card that it is exempt.

A non-resident alien or foreign entity not subject to information reporting must certify its exempt status by completing an appropriate IRS certification form (e.g., W-8 BEN). Non-resident aliens may be required to certify their exempt status every three years (or earlier upon request) to avoid backup withholding.

You may be subject to civil and criminal penalties if you fail to provide us with a correct TIN or falsify information with respect to withholding. For additional information on interest reporting and withholding, contact your tax advisor or the IRS.

QUESTIONS OR COMMENTS

If you have any questions or comments, you can call us at 916-567-2899 or 1-800-564-7144, or write to us at River City Bank, P.O. Box 15247, Sacramento, CA 95851.

Note: The fees, rates, and benefits described in this booklet and in the accompanying account disclosure and Schedule of Miscellaneous Fees and Service Charges were current as of the date of publication, but are subject to change. You can obtain current information by calling us at 916-567-2899 or 1-800-564-7144.

CITY OF CITRUS HEIGHTS

CITY COUNCIL STAFF REPORT MEMORANDUM

DATE: May 27, 2026

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

FROM: Alexander A. Turcotte, Chief of Police
Kris Frey, Police Commander
William Dunning, Police Lieutenant
Debra Miller, Police Services Supervisor
Casey Kempenaar, Community Development Director
Alison Bermudez, Senior Planner

SUBJECT: **Ordinance Amending Citrus Heights Municipal Code Chapter 22 – Businesses, Article VIII. – Massage Establishments**

Recommendation

Staff recommends the City Council move to introduce for a first reading, read by title only and waive full reading of Ordinance No. 2026-____, amending Citrus Heights Municipal Code Chapter 22 – Businesses, Article VIII. – Massage Establishments.

If Council passes this motion, the proposed ordinance will be scheduled for a second reading and adoption at the Council meeting on June 10, 2026, with an effective date 30 days thereafter.

Strategic Plan Alignment

This item is in alignment with the following City Council priority from 2025:

> **Goal:** Preserve and Enhance Public Safey
> **Objective:** To maintain consistency with regional and adjacent jurisdictions, present Zoning and Municipal Code updates. Consider regulations for high visibility or high impact uses including massage establishments, vending/food trucks, and similar challenges facing the region.

Fiscal Impact

There is no direct impact to the City's general fund.

Background and Analysis

In March of 2025, City Council adopted a strategic goal to maintain consistency with regional and adjacent jurisdictions, to present zoning and municipal code updates, by considering regulations for high visibility or high impact uses to include massage establishments. Staff completed a comprehensive review of Chapter 22, Article VIII of the Citrus Heights Municipal Code, which regulates massage establishments and was last updated in 2018. While the existing ordinance provides foundational licensing and operational requirements, staff identified the need for clearer standards, enhanced application requirements, and more effective enforcement mechanisms to deter illegal conduct while supporting legitimate massage establishments within the city.

During the review process, staff completed a comprehensive review and comparison of massage establishment ordinances within the region to include, the City of Sacramento, County of Sacramento, City of Rancho Cordova, and the City of Roseville. Based on staff's review, it was determined the County of Sacramento and City of Roseville's ordinances, both updated in 2025, provided staff with up-to-date ordinances to model for proposed amendments to the existing massage establishment ordinance.

Regional Massage Ordinances	
City of Sacramento	Updated in 2021
County of Sacramento	Updated in 2025
City of Rancho Cordova	Updated in 2016
City of Roseville	Updated in 2025
City of Citrus Heights	Updated in 2018

Public Outreach

As part of the ordinance review, staff created a dedicated webpage on the City's website for massage establishments, providing the community with access to information related to the proposed updates. In addition, staff from the police department and the community development department participated in a community workshop held on January 22, 2026, which was attended by approximately 20 participants. The purpose of the workshop was to provide massage establishment owners, managers, and employees with an opportunity to ask questions directly to staff regarding the proposed ordinance changes.

On February 25, 2026, staff presented nineteen proposed updates to the existing massage establishment ordinance to City Council. The proposed updates were consistent with the County of Sacramento and the City of Roseville, and there are no requirements being considered that are more restrictive than these two neighboring jurisdictions. At the conclusion of the presentation, City Council provided staff with direction to move forward with 18 of the 19 proposed updates.

Following the February 25, 2026, City Council meeting, staff updated the dedicated webpage on the City's website with the direction from council. Staff also updated the website to provide massage establishment owners, manager, and employees information for the May 27th, 2026, City Council meeting and anticipated effective date of the new ordinance if approved by City Council.

Proposed Amendments

Purpose and Intent: Amend Section 22-602 to explicitly frame massage therapy as a valid health service while emphasizing ethics, crime deterrence, blight reduction, and neighborhood protection. Owners and managers bear full responsibility for all on-site conduct, a common accountability measure to combat illicit operations disguised as legitimate businesses.

Definitions: This amendment to Section 22-604 would remove "approved national massage organization or association" and the $2,000,000 liability insurance, which would be added to Section 22-613(d). This amendment would also add the term "Independent Contractor", which aligns with the amendment to Section 22-613(6).

Licensing and Application Enhancements: These strengthen vetting and transparency:

- Amend Section 22-613(5) to require the property owner or landlord contact information to allow notifications to property owners regarding violations.
- Amend Section 22-613(6) to require applicants to provide documentation if they are proposing to retain a massage therapist as an independent contractor. This update would result in an amendment to Section 22-604- Definitions.
- Amend Section 22-613(a)(7)(f) to broaden criminal history disclosures to include prior criminal charges and convictions.
- Amend Section 22-613(b) to establish clear timelines for application review and completion for incomplete applications.
- Add Section 22-613(d) to require a current and valid policy of liability insurance providing minimum coverage of $1,000,000.
- Amend Section 22-619(3) for further clarify grounds for denial of a massage establishment license for non-compliance with safety requirements and standards imposed by laws of the state and the ordinances of the city, to include this article.

License Renewal Requirements: Add Section 22-630(f) to require all unpaid citations or uncorrected violations must be corrected prior to the renewal of a business license.

Revocation or Suspension of Massage Establishment License:

- Amend Section 22-640 to add subsections 4-8 to further clarify the actions of a licensee which can cause the revocation or suspension of a massage establishment license. This amendment would align with staffs recommendation to strengthen enforcement efforts, which was a direction from Council.

- Add Section 22-644 to allow one-time continuance during the appeal hearing process.
- Add Section 22-645 to establish guidelines if the appealing party fails to attend the scheduled appeal hearing.

Operational and Facility Standards: These amendments would establish and clarify current standards within the existing ordinance language.

- Amend section 22-280 to establish the owner and manager of the massage establishment is responsible for the conduct of all persons on the premise.
- Amend Section 22-682 to prohibit any person from entering a massage establishment under the influence of alcohol or drug.
- Amend Section 22-683 to prohibit the residential use (living facilities) of a commercial massage establishment, pursuant to California Health and Safety Code 17920.3(n).
- Amend Section 22-684(e) to restrict therapist attire to prohibit transparent, see-through, or garments which substantially expose the anatomical areas.
- Amend Section 22-685(a) to expand prohibited conduct to prohibit the touching of anatomical areas of a female customer without their written consent.
- Amend Section 22-687 to allow security cameras at the reception desk and rear entry/exit of the business.
- Amend Section 22-692(b) to create advertising restrictions, to include sexually suggestive content and add section 22-693(c) to prohibit advertising on websites known to promote illicit activity.
- Add Section 22-695 to define window covering requirements to allow visibility into a massage establishment during the hours of operation.
- Add Section 22-696 to prohibit the installation or use of table showers.
- Add Section 22-697 to mandate the posting of notices which include victim and human trafficking information pursuant to California Civil Code Section 52.6.

Enforcement:

- Amend Section 22-701 to establish violations of this article deemed non-correctable may be subject to immediate issuance of administrative notice of violation.
- Add Section 22-702(b) to establish failing to comply with a final administrative order or to pay any administrative fines or late fees may result in misdemeanor charges. Pursuing criminal action does not limit the City's ability to use other legal remedies to enforce compliance or collect unpaid fines and fees.
- Add Section 22-704 to clarify a conviction or penalty for violating this article does not excuse a person from paying any unpaid taxes, fees, penalties, or interest that remain due. The City may use multiple enforcement actions at the same time or separately and using one remedy does not prevent the use of other legal, civil, or administrative remedies to enforce compliance.

Attachments

1. Ordinance No. 2026-____, An Ordinance of the City Council of the City of the Citrus Heights, California, Amending Citrus Heights Municipal Code Chapter 22 – Businesses, Article VIII. – Massage Establishments
   a. CHMC Chapter 22, Article VIII – Massage Establishments with amendments.

ORDINANCE NO. 2026-___

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CITRUS HEIGHTS, CALIFORNIA, AMENDING CITRUS HEIGHTS MUNICIPAL CODE CHAPTER 22 – BUSINESSES, ARTICLE VIII. – MASSAGE ESTABLISHMENTS

The City Council of the City of Citrus Heights does ordain as follows:

The provisions of Chapter 22, Article VIII of the Citrus Heights Municipal Code are hereby amended as follows:

SECTION 1. Amendment. Section 22-602 of the Citrus Heights Municipal Code is hereby amended to read as set forth below**:**

Sec. 22-602 – Purpose and Intent.
To explicitly frame massage therapy as a valid health service while emphasizing ethics, crime deterrence, blight reduction, and neighborhood protection. Owners and managers bear full responsibility for all on-site conduct, a common accountability measure to combat illicit operations disguised as legitimate businesses.

SECTION 2. Amendment. Section 22-604 of the Citrus Heights Municipal Code is hereby amended to read as set forth below**:**

Sec. 22-604 – Definitions. This section is amended to:

- Remove the definition of "approved national massage organization or association";
- Add the definition of "Independent Contractor"; and
- Relocate liability insurance requirements to Section 22-613(d).

SECTION 3. Amendment. Section 22-613 of the Citrus Heights Municipal Code is hereby amended to read as set forth below:

Sec. 22-613 – Massage Establishment License Application Requirements.
Application requirements are amended to include:

- Property owner or landlord contact information;
- Documentation for massage therapists retained as independent contractors;
- Criminal history disclosures including prior criminal charges and convictions;
- Application review timelines and procedures for incomplete applications; and
- A current and valid liability insurance policy with minimum coverage of $1,000,000.

SECTION 4. Amendment. Section 22-619 of the Citrus Heights Municipal Code is hereby amended to read as set forth below:

Sec. 22-619 – Grounds for Denial.
Grounds for denial are amended to clarify that failure to comply with safety

requirements, state laws, city ordinances, or provisions of this article may result in denial of a massage establishment license.

SECTION 5. Amendment. Section 22-630 of the Citrus Heights Municipal Code is hereby amended to read as set forth below:

Sec. 22-630 – Renewal Requirements.

A new subsection (f) is added requiring correction of all unpaid citations and outstanding violations prior to renewal of a business license.

SECTION 6. Amendment. Section 22-640 of the Citrus Heights Municipal Code is hereby amended to read as set forth below:

Sec. 22-640 – Suspension and Revocation.

Subsections 4 through 8 are added to further clarify actions or violations that may result in suspension or revocation of a massage establishment license.

SECTION 7. Addition. Sections 22-644 and 22-645 are added to read as follows:

Sec. 22-644 – Appeal Continuance.

Allows for a one-time continuance during the appeal hearing process.

Sec. 22-645 – Failure to Appear.

Establishes procedures if an appealing party fails to attend a scheduled appeal hearing.

SECTION 8. Amendment. Operational Standards. The following sections are amended or added:

- **Section 22-680** – Clarifies owner and manager responsibility for conduct on premises.
- **Section 22-682** – Prohibits entry under the influence of alcohol or drugs.
- **Section 22-683** – Prohibits residential or living facilities within massage establishments.
- **Section 22-684(e)** – Restricts therapist attire to prohibit transparent or revealing garments.
- **Section 22-685(a)** – Prohibits touching anatomical areas of female customers without written consent.
- **Section 22-687** – Permits security cameras at reception desks and rear entry/exit areas.
- **Section 22-692(b)** – Restricts sexually suggestive advertising.
- **Section 22-693(c)** – Prohibits advertising on websites known to promote illicit activity.
- **Section 22-695** – Establishes window covering requirements for business visibility.
- **Section 22-696** – Prohibits installation or use of table showers.
- **Section 22-697** – Requires posting of victim and human trafficking notices pursuant to California Civil Code Section 52.6.

SECTION 9. Amendment. Enforcement Provisions.

Sec. 22-701 is amended to authorize immediate issuance of administrative notices of violation for non-correctable violations.

Sec. 22-702(b) is added to establish failing to comply with a final administrative order or to pay any administrative fines or late fees may result in misdemeanor charges. Pursuing criminal action does not limit the City's ability to use other legal remedies to enforce compliance or collect unpaid fines and fees.

Sec. 22-704 is added to clarify that conviction or penalty under this article does not excuse payment of unpaid taxes, fees, penalties, or interest, and that remedies available under this article are cumulative.

SECTION 10. Severability. If any section, subdivision, sentence, clause, phrase, or portion of this Ordinance is for any reason held invalid or unconstitutional by any court of competent jurisdiction, such portion shall be deemed a separate, distinct, and independent provision, and such holding shall not affect the validity of the remaining portions thereof.

SECTION 11. Effective Date and Notice. This Ordinance shall take effect thirty (30) days after adoption, provided it is published in full or summary within fifteen (15) days of adoption in a newspaper of general circulation published and circulated in the City of Citrus Heights.

PASSED AND ADOPTED by the City Council of the City of Citrus Heights this ___ day of May, 2026, by the following vote:

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

_____

MariJane Lopez-Taff, Mayor

ATTEST:

_____

Amy Van, City Clerk

Exhibit
A. CHMC Chapter 22, Article VIII – Massage Establishments with amendments.

ARTICLE VIII. MASSAGE ESTABLISHMENTS[1]

DIVISION 1. GENERALLY

Sec. 22-600. Title.

This article shall be known as the "Massage Establishment Licensing Law of the City of Citrus Heights."

(Ord. No. 2016-010, § 1, 9-22-2016; Ord. No. 2018-03, § 1(Exh. A), 10-11-2018)

Sec. 22-601. Authority.

This article is enacted pursuant to Chapter 6, Part 1 of Division 1 of Title 5 of the California Government Code (commencing with Section 51030).

(Ord. No. 2016-010, § 1, 9-22-2016; Ord. No. 2018-03, § 1(Exh. A), 10-11-2018)

Sec. 22-602. Purpose and intent.

The purpose of this article is to provide for the orderly regulation of the business of massage and massage therapists in the city, and to protect the public's health and safety by establishing certain licensing standards pertaining to massage therapy business activities within the City of Citrus Heights and to recognize massage therapy as a legitimate business occupation and health-related service.

The City of Citrus Heights wishes to promote the ethical practice of massage therapy and to prevent and discourage the misuse of massage therapy as a front for criminal activities, reduce blight, and protect the quality of life within our neighborhoods and commercial districts. Massage establishment owners and managers shall be responsible for all conduct and activity occurring on or from the establishment premises.

(Ord. No. 2016-010, § 1, 9-22-2016; Ord. No. 2018-03, § 1(Exh. A), 10-11-2018)

Sec. 22-603. Construction of this article with other city codes.

To the extent that there is any conflict between the provisions of this article and the provisions of any other section(s) of this Code, the provisions of this article shall prevail.

(Ord. No. 2016-010, § 1, 9-22-2016; Ord. No. 2018-03, § 1(Exh. A), 10-11-2018)

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[1]Editor's note(s)—Ord. No. 2016-010, § 1, adopted September 22, 2016, amended article VIII, in its entirety to read as herein set out. Former article VIII, §§ 22-600—22-606, 22-610—22-627, 22-640—22-643, 22-650, 22-651, 22-660—22-662, 22-670—22-677, 22-680—22-692 and 22-700—22-703, pertained to similar material, and derived from Ord. No. 2003-06, adopted Sept. 10, 2003; Ord. No. 2008-10, adopted May 8, 2008 and Ord. No. 2009-005, adopted December 10, 2009.

Sec. 22-604. Definitions.

The definitions contained in this section shall govern the construction of this article. Words contained in this article but not defined by this section shall be construed according to the ordinary and common usage of the word, taking into consideration the context of the language and the definition of the word as provided in a standard English language dictionary:

Applicant means any person who applies for a license as required by this article. In the event the applicant is a non-natural person (e.g., a corporation), the term applicant shall also include the responsible person legally authorized to act on behalf of the applicant and, submit an application to the city pursuant to this article.

~~*Approved national massage organization or association* means an organization recognized by the City of Citrus Heights, specifically the: American Massage Therapy Association (AMTA) or the Associated Bodywork and Massage Professionals (ABMP), or a similar organization which requires: completion of at least 100 hours of massage training or experience; possession of practioner's liability insurance coverage in the minimum amount of $2,000,000.00 per event; adherence to a code of ethics; and renewal of an annual membership.~~

Business license administrator means the City of Citrus Heights Business License Administrator or his/her designee.

California Massage Therapy Council or *CAMTC* means the nonprofit organization created pursuant to Business and Profession Code § 4600 et seq. to regulate and issue massage practitioner and therapist certificates.

CAMTC certificate or *certificate means the certificate, or conditional certificate, issued by the California Massage Therapy Council to massage therapists and to massage practitioners that entitles the holder to practice massage. When used in this article, "CAMTC certification" or "CAMTC-certified* means a person who has a valid, unexpired CAMTC certificate.

CAMTC identification card means a valid and unexpired identification card issued by the California Massage Therapy Council containing a certificate holder's name, photograph, and certification number.

Certificate holder means a person who has a valid, unexpired certificate from, and who is in good standing with, the California Massage Therapy Council.

Chief of police means the Citrus Heights Police Department Chief of Police or his/her designee.

City means the City of Citrus Heights.

City clerk means the City Clerk of the City of Citrus Heights or his/her designee.

City council means the City Council of the City of Citrus Heights.

Compensation means a payment, loan, advance, donation, contribution, deposit, or gift of money, or anything of value.

Employee means a person who performs any massage service on the premises of a massage establishment on a full-time, part-time, or contract basis, whether or not the person is denominated an employee, independent contractor, agent, or otherwise and whether or not the person is paid a salary, wage or other compensation by the massage establishment.

Home occupation massage therapist means a massage therapist who engages in the business of massage therapy in his/her home or residence, or who engages in massage therapy in both his/her home or residence and in a massage establishment.

Independent contractor means a person who contracts to do work for another person according to his or her own processes and methods; the contractor is not subject to another's control except for what is specified in a mutually binding agreement for a specific job.

Licensee means any person operating or maintaining a massage establishment pursuant to a massage establishment license.

Massage means any method of placing pressure on, or friction against, or manipulating, stroking, kneading, rubbing, tapping, pounding, vibrating, or stimulating of the external parts of the human body below the neck with the hands or other parts of the body, with or without the aid of any mechanical or electrical apparatus or appliances, or with or without supplementary aids such as rubbing alcohol, liniments, antiseptics, oils, powder, creams, lotions, ointments or other similar preparations commonly used in the practice of massage.

Massage establishment means a fixed place of business where any person engages in or carries on massage in exchange for any form of compensation.

Massage establishment license or *license* means a license issued by the business license administrator and required pursuant to this article, to operate or maintain a massage establishment within the city, issued to the massage establishment's responsible person.

Massage therapist means any person who gives or administers a massage to another person, for any form of consideration whatsoever. Unless otherwise specified, "massage therapist" includes those persons with CAMTC certification and those individuals classified by his/her school of education as bodyworkers, bodywork therapists, massage practitioner, bodywork practitioner, or massage technicians.

Off-premises massage therapist means massage therapists who provide off-premises massage services and who are self-employed and/or who contract with or work for a business other than a massage establishment. Massage therapists who conduct massage as a home occupation are engaged in off-premises massage therapist businesses.

Owner means each of the following:

(1) For a sole proprietorship, the sole owner of the business;

(2) For a business association, each owner of more than ten percent of the business;

(3) For a corporation, each stockholder of the corporation and each officer and director of the corporation;

(4) For a limited liability company, each member of the company; and

(5) For a partnership, each partner, including limited partners, and where a partner is a corporation, the provisions pertaining to a corporate applicant in division (3) apply.

Person means any individual, partnership, firm, association, joint stock company, corporation or combination of individuals of whatever form or character.

Recognized massage school means a facility that (1) teaches the theory, ethics, practice, profession or work of massage; (2) requires a resident course of study before the student shall be furnished with a diploma or a certificate of graduation from such school or institution of learning following the successful completion of such course of study or learning; and (3) meets the minimum standards for training and curriculum in massage and related subjects and that was either recognized by the Bureau of Private Postsecondary and Vocational Education pursuant to former Section 94739 of the California Education Code prior to July 1, 2007, and on the date the received his/her certificate, or is recognized by the department of consumer affairs, by an institution accredited by the Accrediting Commission for Senior Colleges and Universities or the Accrediting Commission for Community and Junior colleges of the Western Association for Schools and Colleges and that is one of the following: (a) a public institution, (b) an institution incorporated and lawfully operating as a nonprofit public benefit corporation under the State of California laws, and that is not managed by an entity for profit; (c) a for-profit institution; (d) an institution incorporated that does not meet all of the criteria in subparagraph (b) that is incorporated and lawfully operating as a nonprofit public benefit corporation, that has been continuously operating since April 15, 1997; (d) a college or university of the state of higher education system, as defined in Education Code § 100850; or (e) a

school of greater or equal training that is approved by the corresponding agency recognized by the U.S. Department of Education. Schools or institutions of learning offering a correspondence course not requiring actual attendance shall not be deemed a recognized massage school. The applicant shall provide the documentation necessary, to the satisfaction of the business license administrator, to provide proof that his/her school is a recognized massage school.

Reflexology means a non-invasive complementary modality involving the use of alternating pressure applied to the reflexes within the reflex maps of the body located on the feet, hands, and outer ears.

Responsible person means the sole proprietor of a massage establishment or the person designated by the sole proprietor, partnership, firm, association, joint stock company, corporation, limited liability corporation, or other business entity to be responsible for the operation of the massage establishment.

Specified anatomical areas means, less than completely and opaquely covered: Human genitals, public regions, buttocks, or female breasts below a point immediately above the top of the areola, and human male genitals in a discernibly turgid state, even if completely and opaquely covered.

(Ord. No. 2016-010, § 1, 9-22-2016; Ord. No. 2018-03, § 1(Exh. A), 10-11-2018)

Sec. 22-605. Exemptions from article.

This article shall not apply to the following classes of persons and, except as provided in subsections (4), (5) and (7) below, a massage establishment license or CAMTC certificate shall not be required of such persons while engaged in the performance of the duties of their respective professions, but such persons must comply with the sanitation and decency requirements of this article:

(1) Physicians, surgeons, nurses, chiropractors, osteopaths, acupuncturists, naturopathic doctors and physical therapists who are duly licensed to practice their respective professions in the state, and massage therapists working under the direct supervision of such duly licensed physicians, surgeons, chiropractors, osteopaths, acupuncturists, naturopathic doctors and physical therapists;

(2) Trainers of any amateur, semiprofessional or professional athlete or athletic team;

(3) Hospitals, nursing homes, or persons working in any such establishments;

(4) Barbers or cosmetologists lawfully carrying out their particular occupation or business, and holding a valid, unrevoked license or certificate of registration issued by the State of California, and where massage comprises not more than 25 percent of the square footage of the establishment; however, any massage therapist engaged in massage at such establishment shall be required to obtain a CAMTC certificate;

(5) Athletic clubs or fitness facilities, where such facility is designed and equipped for indoor sports, exercise, or physical education and where massage comprises not more than ten percent of the square footage of the establishment shall not be required to obtain license pursuant to this article; however, any massage therapists engaged in massage at such establishment shall be required to obtain a CAMTC certificate;

(6) A recognized school of massage which: (i) teaches the theory, ethics, practice, profession and work of massage; (ii) requires a residence course of study to be given before the student is furnished with a diploma or certificate of learning or completion; and (iii) has been approved pursuant to Education Code § 94915, or, if said school is not located in California, has complied with the standards commensurate with those specified in Education Code § 94915;

(7) Reflexologists performing reflexology; however, any reflexologist engaged in massage shall be required to obtain a CAMTC certificate.

(Ord. No. 2016-010, § 1, 9-22-2016; Ord. No. 2018-03, § 1(Exh. A), 10-11-2018)

Sec. 22-606. Application of article to persons practicing massage under a license or permit issued by the city as of the effective date of this article; grandfather clause.

(a) For purposes of this section, "massage therapist permit" or "permit" means a permit issued to a person by the city prior to the effective date of Ordinance No. 2016-010, and which authorized such person to practice massage therapy within the city.

(b) For purposes of this section, "massage establishment license" or "license" means a license issued prior to the effective date of Ordinance No. 2016-010, which exempted the license holder from obtaining a massage therapist permit under the prior version of this article.

(c) Any person holding a valid, unsuspended and unrevoked massage therapist permit or massage establishment license issued by the city pursuant to the prior version of this article for the purpose of practicing massage or operating a massage business, and who has held the permit or license continually for five or more years as of the effective date of Ordinance No. 2016-010, shall be exempt from the requirement to possess a CAMTC certificate to practice massage within the city, provided all of the following criteria are met:

(1) No substantiated complaints have been lodged with the city regarding the permit or license holder under this article;

(2) The permit or license was valid and in good standing as of the effective date of Ordinance No. 2016-010; and

(3) The holder of the permit or license continues to maintain a valid, unsuspended and unrevoked permit or license issued by the city, and continues to meet all conditions and qualifications specified in the prior version of this article, including, but not limited to, insurance requirements, continuing education, tuberculosis skin testing, and cardiopulmonary resuscitation. This exemption shall no longer apply if such permit or license is suspended, revoked, or not renewed.

(d) Any person holding a valid, unsuspended and unrevoked massage therapist permit or massage establishment license issued by the city pursuant to the prior version of this article for the purpose of practicing massage or operating a massage business, and who has held the permit or license for less than five years as of the effective date of Ordinance No. 2016-010, shall be temporarily exempt from the requirement to possess a CAMTC certificate to practice massage within the city until November 1, 2017, provided all of the following criteria are met:

(1) No substantiated complaints have been lodged with the city regarding the permit or license holder under this article;

(2) The permit or license was valid and in good standing as of the effective date of Ordinance No. 2016-010; and

(3) The holder of the permit or license continues to maintain a valid, unsuspended and unrevoked permit or license issued by the city during the temporary exemption period, and continues to meet all conditions and qualifications specified in the prior version of this article, including, but not limited to, insurance requirements, continuing education, tuberculosis skin testing, and cardiopulmonary resuscitation. The temporary exemption shall no longer apply if such permit or license is suspended, revoked, or not renewed.

(e) The business license administrator shall process applications for renewal of massage therapist permits or massage establishment licenses during applicable exemption periods, and may deny the renewal of, suspend, or revoke such permits or licenses, pursuant to the prior version of this article.

(f) Each massage establishment shall comply with all provisions of this article as if the license holder or employed permit holder holds a CAMTC certificate, including, but not limited to, providing information about a permit holder on its massage establishment license application, listing the employee on its register of employees, and posting an original copy of the employee's permit in a conspicuous public place on the premises.

(g) Except as expressly stated in this section, all terms and conditions of this article, including but not limited to, general business license and massage establishment license requirements, sanitation and decency provisions, and grounds for suspension, revocation, or denial, shall apply to all massage establishments and therapists in the jurisdiction, regardless of the date of issuance of the initial massage therapist permit or massage establishment license.

(h) For purposes of this section, "prior version of this article" means this article, as it existed from December 10, 2009, to the effective date of Ordinance No. 2016-010 (noninclusive).

(Ord. No. 2016-010, § 1, 9-22-2016; Ord. No. 2018-03, § 1(Exh. A), 10-11-2018)

Secs. 22-607—22-609. Reserved

DIVISION 2. LICENSES AND CERTIFICATIONS

Sec. 22-610. Massage establishment—General business license and massage establishment license required.

Except as otherwise provided by this article, it is unlawful for any person to operate, engage in, carry on, or allow the operation of a massage establishment without having a valid and unexpired general business license issued pursuant to article II of this chapter and a massage establishment license issued pursuant to this article. A person shall be deemed to operate or conduct a business and violate this article if the person, without the required general business license and massage establishment license in effect, supervises, inspects, directs, organizes, manages or controls or is in any way responsible for, or in charge of, the business for which the license is required.

(Ord. No. 2016-010, § 1, 9-22-2016; Ord. No. 2018-03, § 1(Exh. A), 10-11-2018)

Sec. 22-611. Term of massage establishment license.

A massage establishment license issued pursuant to this article shall be valid for a period of one year from the date of its issuance and shall then automatically expire unless renewed pursuant to the terms of this article.

(Ord. No. 2016-010, § 1, 9-22-2016; Ord. No. 2018-03, § 1(Exh. A), 10-11-2018)

Sec. 22-612. Applicant/license holder must be the responsible person.

The applicant for a massage establishment license shall be the responsible person, who shall hold a valid and unexpired CAMTC certificate. The responsible person shall also provide documentation to the city evidencing that the business, corporation, partnership or entity that owns the massage establishment has designated him or her as the responsible person. If the license is issued, the responsible person shall hold a valid and unexpired CAMTC certificate throughout the term of the license.

(Ord. No. 2016-010, § 1, 9-22-2016; Ord. No. 2018-03, § 1(Exh. A), 10-11-2018)

Sec. 22-613. Massage establishment license application; application filing.

(a) Applications for a massage establishment license to operate a massage establishment shall be filed on a form by the responsible person and shall contain such information as required by the business license administrator, including but not limited to, all of the following information:

(1) The full legal name and any other names used by the responsible person.

(2) The business name, address and telephone number of the proposed massage establishment for which the license is sought.

(3) The current residential address and telephone number of the responsible person, and the two previous residential addresses and business addresses, if any.

(4) If the proposed massage establishment business is:

a. A sole proprietorship, the responsible person shall provide the name of the sole owner of the business (if different from the responsible person).

b. A partnership, the responsible person shall state the partnership's complete name, address, the name of each owner, whether the partnership is general or limited, and a copy of the partnership agreement, if any.

c. A corporation, the responsible person shall state the corporation's complete name, the date of its incorporation, evidence that the corporation is in good standing under the laws of California, the names and capacity of all officers and directors, the name of each owner, and the name of the registered corporate agent and the address of the registered office for service or process.

d. A business association, the responsible person shall state the business association's complete legal name and the name of each owner.

e. A limited liability company, the responsible person shall state the company's complete legal name and the name of each owner.

f. Another type of business entity, the responsible person shall state the entity's complete legal name and the name of each owner.

(5) The name and address of the owner of the real property upon or in which the proposed massage business is to be conducted. In the event the applicant is not the legal owner of the property, the application must be submitted with a copy of a valid or current lease agreement for the property, which includes specific language from the owner of the property acknowledging that a massage business will be located on the property. If the lease does not contain such language, then the applicant shall submit other documentation demonstrating the property owner's knowledge and approval of the operation of a massage business on property. The city may also provide the property owner with copies of the license or notices issued to an applicant at any time before or after the issuance of a license, or with copies of any communication between the city and applicant.

(6) A list stating the number of massage therapists the applicant intends to employ at the establishment, the full name, date of birth, current address, and telephone number of each person who will perform massage at the establishment, the identification number and expiration date of each therapist's CAMTC certificate, and how many massage therapists the applicant intends to be working on-site performing massages simultaneously. If the applicant is proposing to retain a massage therapist as an independent contractor, the applicant must also provide sufficient information demonstrating that such massage professional is operating as an independent contractor.

(7) Except as specified in subsection (d), each owner of a massage establishment shall file an application for a background check, including the following:

a. The individual's legal name, height, weight, color of eyes, and hair;

b. A copy of a valid and current driver's license and/or identification issued by a state or federal government agency or other photographic identification bearing a bona fide seal by a foreign government showing, to the satisfaction of the city, that the individual is at least 18 years of age;

c. The individual's business, occupation or employment history for the five years immediately preceding the date of the application;

d. The name and address of any massage establishment or similar business owned or operated by the person whether inside or outside the city or state;

e. The massage or similar business license history of the individual, including whether such person, in previously operating in this city or another city, county or state under a license or permit, has had such license or permit revoked or suspended, and the reasons and dates for any such revocation or suspension;

f. All criminal charges within the past ten (10) years, and all criminal convictions since the age of eighteen (18), except minor traffic violations;

g. Two identical passport photos; and

h. The individual shall be fingerprinted, and such fingerprints shall be submitted to the department of justice for a criminal background check.

(8) A statement as to whether the proposed business intends to provide massage services off-site.

(9) Information demonstrating that the proposed business is consistent with the applicable land use designation and city zoning code.

(10) A floor plan showing the layout of the massage establishment, to the specifications required by the community and economic development department.

(11) An acknowledgement signed by the responsible person and each owner of the massage establishment that all information contained in the application is true and correct; that the responsible person shall be responsible for all conduct of the business's employees; and acknowledging that the failure of the business, responsible person, any owner, or any employee to comply with Business and Professions Code § 4600 et seq., and any local, state, or federal law, including CAMTC rules or regulations and the provisions of this article, may result in revocation of the massage establishment license.

(12) Such other identification and information as may be required by the city to verify the truth of the matters specified in this section, or any additional information required to show that the applicant has met the minimum qualifications to be licensed pursuant of this article.

(b) An application is deemed complete and validly filed when the business license administrator has received all information required by this Code, including the results of the department of justice criminal background check, and has received any fees associated with the application or application processing. However, where a building permit is necessary as a prerequisite to occupancy of a building, the massage establishment license application is not complete and validly filed until proof of submittal of the building permit application is provided to the business license administrator. In the event the business license administrator requires further information, or deems the application incomplete, the applicant shall be notified in writing of the required information. Additional information shall be provided within fifteen (15) calendar days from the date of the request, after which the application will be deemed withdrawn. Withdrawn or incomplete applications shall be denied.

(c) If an owner is a CAMTC certificate holder, submission of a copy of the CAMTC certificate and CAMTC identification card shall deem the person exempt from the requirements set forth in subsection (a)(6) of this section.

(d) A current and valid policy of insurance issued by an insurance company authorized to do business in the State of California evidencing that the applicant is insured under a liability insurance providing the minimum coverage of $1,000,000 for injury or death to any one person arising out of the operations of any massage business and the administration of a massage.

(Ord. No. 2016-010, § 1, 9-22-2016; Ord. No. 2018-03, § 1(Exh. A), 10-11-2018)

Sec. 22-614. Massage therapists—State certification required.

Except as otherwise provided in this article, it is unlawful for any person to perform massage without having a valid and unexpired CAMTC certificate.

(Ord. No. 2016-010, § 1, 9-22-2016; Ord. No. 2018-03, § 1(Exh. A), 10-11-2018)

Sec. 22-615. Massage establishment license fees; duplicate licenses.

(a) The business license administrator shall impose nonrefundable fees to recover the administrative costs of processing applications; issuing and renewing massage establishment licenses; and administering this chapter. Such fees shall be established by resolution of the city council, amended from time to time. To the extent the city council determines practical, such fees may vary depending on the type of license for the sole purpose of apportioning relative regulatory costs to parties regulated.

(b) The business license administrator shall impose nonrefundable fees to recover the costs of issuing duplicate copies of massage establishment business licenses. Such fees shall be established by resolution of the city council, amended from time to time.

(Ord. No. 2016-010, § 1, 9-22-2016; Ord. No. 2018-03, § 1(Exh. A), 10-11-2018)

Sec. 22-616. Background investigation.

Under this article, the chief of police shall investigate the background of each owner, as deemed appropriate. The owner shall pay fees for fingerprinting or investigation required by the city for such services. If an owner is a CAMTC certificate holder, the chief of police shall waive the background investigation for that owner. The chief of police shall evaluate each application to evaluate whether an owner's involvement in the operation of the business involves an unreasonable risk to the health, safety or general welfare of the public.

(Ord. No. 2016-010, § 1, 9-22-2016; Ord. No. 2018-03, § 1(Exh. A), 10-11-2018)

Sec. 22-617. Issuance of licenses; transferability.

(a) The business license department shall issue the massage establishment license not later than 60 days after the date a complete application is filed, unless grounds for denial established in this article or otherwise applicable code sections exist.

(b) A massage establishment license shall not be transferable or assignable from one person to another, or from one location to another. A new massage establishment license application shall be required for any change in the identity of the responsible person and/or owner(s).

(c) No massage establishment license shall be issued for a change in the identity of the responsible person and/or owner, if the massage establishment, or another massage establishment operating at the same location, is under investigation by a law enforcement agency. Upon completion of the law enforcement agency's investigation, the business license administrator shall process the application for change in the identity of the responsible person and/or owner in accordance with this article.

(Ord. No. 2016-010, § 1, 9-22-2016; Ord. No. 2018-03, § 1(Exh. A), 10-11-2018)

Sec. 22-618. Conditions on massage establishment license; procedure for imposition of conditions.

(a) The business license administrator may issue a massage establishment license upon such conditions relating to the method or manner of operation of the business as he/she deems necessary to adequately protect members of the public in their patronage or dealings with the business or to reduce the incidence, detect the commission, or identify perpetrators of crime. Such conditions may be imposed at the time an establishment license is initially issued, upon renewal of the license, or at any time during the term of the license.

(b) Written notice of conditions imposed on the establishment license and the reasons for the conditions shall be provided to the applicant or license holder.

(c) Conditions imposed at the issuance of the establishment license become effective immediately following the date of service of the notice thereof. The applicant is entitled to appeal the conditions within the time and manner prescribed; however, the massage establishment license shall not be effective until the appeal is finally determined.

(d) Conditions imposed at the time of renewal or during the term of the massage establishment license become effective 15 days following the date of service of the notice thereof; however, if an appeal is filed within the time and manner prescribed, the conditions shall not become effective until the appeal is finally determined.

(Ord. No. 2016-010, § 1, 9-22-2016; Ord. No. 2018-03, § 1(Exh. A), 10-11-2018)

Sec. 22-619. Grounds for denial of massage establishment license.

(a) The business license administrator shall deny an initial application for a massage establishment license or an application for renewal of a massage establishment license if the business license administrator or police chief finds any of the following: ~~in writing~~:

(1) That the applicant, massage establishment licensee, responsible person and/or owners of the massage business, have engaged in unlawful activity, or been convicted of any of the following offenses or convicted of an offense outside the state that would have constituted any of the following offenses if committed within the state:

a. Penal Code §§ 266i, 315, 316, 318 or 647(b) of the state or that the massage personnel or the owners of a massage establishment are required to register under Penal Code § 290;

b. Any felony offense involving the sale of a controlled substance specified in the Health and Safety Code §§ 11054, 11055, 11056, 11057 or 11058;

c. Any crime or unlawful activity, on the basis of which the chief of police reasonably concludes that by reason of the nature of the crime or activity, the applicant's operation of a massage establishment would pose a risk of harm to the public;

(2) That the applicant/responsible person, owners and/or employees of the massage business have engaged in unprofessional conduct, including but not limited to, personal conduct or operation of a

business resulting in denial of a license, revocation, suspension, restriction, or any other disciplinary action taken against an applicant, licensee, responsible person, owner and/or employee by the city, by another state, by any other governmental agency, or by CAMTC;

(3) That the massage establishment, as proposed, does not comply with all applicable laws, including, but not limited to, health, zoning, fire, building and safety requirements and standards imposed by the laws of the state and the ordinances of the city, including this article. ~~is not operated in a manner, or housed within a building, which complies with all city, state, federal or otherwise applicable, codes, rules, regulations or laws, or CAMTC rules or regulations;~~

(4) That the applicant failed to provide all requisite information in connection with the application requested by the city, preventing the chief of police from making his or her determination as to suitability to conduct work at the business;

(5) That the applicant does not meet the qualifications necessary for issuance of a massage establishment license as required by this Code;

(6) That statements made in the application or any information submitted supplementary to the application are incorrect or untrue;

(7) That the responsible person is under the age of 18 years of age;

(8) That, based on specific facts identified by the chief of police, the chief of police reasonably concludes that the operation of the proposed massage establishment would pose a risk to the public, that the applicant would not conduct the business in a law abiding or professional manner, and/or that the operation of the proposed business would subject patrons of the business to a risk of harm or criminal, deceitful or otherwise unethical practices;

(9) That another massage establishment is or was operating at that same location and any of the following are true:

a. The other business's massage establishment license is suspended or was revoked or denied renewal for cause within the previous five years;

b. The other business's owner had a massage establishment license suspended, revoked, or denied for cause within the previous five years;

c. The business license administrator has served a notice of suspension, revocation, or denial of renewal regarding the other business's massage establishment license within the previous 15 days; or

d. An appeal from a notice of suspension, revocation, or denial of renewal is pending;

(b) In addition to the above grounds for denial of a massage establishment license, the business license administrator shall also deny an application for renewal of a massage establishment license if he/she determines that:

(1) One or more conditions applicable to the previous license have been violated;

(2) The business and/or its employees do not comply with city, state, federal or otherwise applicable, codes, rules, regulations or laws, including CAMTC rules or regulations.

(Ord. No. 2016-010, § 1, 9-22-2016; Ord. No. 2018-03, § 1(Exh. A), 10-11-2018)

Sec. 22-620. Method of denial of massage establishment license.

(a) The business license administrator's denial of an initial application or application for renewal of a massage establishment license shall be in writing, with the reasons stated therefor. Written notice of the denial,

together and a copy of this division, or any applicable code provisions applicable to the license, shall be sent to the applicant.

(b) Denial of an initial application or application for renewal of a massage establishment license shall prohibit operation of the business at any location within the city.

(c) With respect to denial of an application for renewal of a massage establishment license the immediately preceding license shall be deemed to be in full force and effect for a period of 15 days following the date of service upon the applicant of the notice of denial. If the licensee files an appeal within the time and manner prescribed, the immediately preceding massage establishment license shall continue in full force and effect until the appeal is finally determined.

(Ord. No. 2016-010, § 1, 9-22-2016; Ord. No. 2018-03, § 1(Exh. A), 10-11-2018)

Sec. 22-621. Updated therapist list; proof of certification.

(a) Prior to any new employee performing massage at a massage establishment, a massage establishment shall provide the business license administrator with an updated list stating the number of massage therapists employed at the establishment, the full name, date of birth, current address, and telephone number of each person who performs or will perform massage at the establishment, the identification number and expiration date of each therapist's CAMTC certificate, and how many massage therapists the applicant intends to be working on-site performing massages simultaneously.

(b) Every massage therapist shall, prior to performing massage at any massage establishment in the city, appear in person before the business license administrator or his or her designee and present a copy of his or her CAMTC certificate and CAMTC identification card. The business license administrator or his or her designee shall verify that the massage therapist appears on the list of employees provided by a massage establishment; verify the massage therapist's identity; and photocopy the therapist's CAMTC certificate and CAMTC identification card.

(c) A massage establishment shall notify the business license administrator in writing of the name and CAMTC identification number of each massage provider who is no longer an employee of the massage establishment within five days of that person no longer being employed at the business.

(Ord. No. 2016-010, § 1, 9-22-2016; Ord. No. 2018-03, § 1(Exh. A), 10-11-2018)

Secs. 22-622—22-629. Reserved.

DIVISION 3. RENEWAL OF MASSAGE ESTABLISHMENT LICENSES

Sec. 22-630. Massage establishment license renewal.

(a) At least 60 days prior to expiration of a massage establishment license, the business license administrator shall mail the licensee an application for renewal. The application for renewal shall be on a form provided by the business license administrator, and shall include the following:

(1) A current list stating all massage therapists employed by the massage establishment as of the renewal date, including each individual's full name, date of birth, current address, and telephone number, the identification number and expiration date of each therapist's CAMTC certificate, and how many massage therapists perform massages simultaneously;

(2) A copy of each massage therapist's unexpired CAMTC certificate; and

(3) A description of any and all improvements which the applicant has made upon the premises since the last massage establishment license was issued.

(b) The licensee shall file the application for renewal, and any required fees, with the business license administrator prior to the expiration of the immediately preceding license.

(c) The business license administrator shall investigate and process an application for renewal of a massage establishment license in the same manner as an initial application for a massage establishment license. Within 60 days of receiving a complete application, the business license administrator shall issue the massage establishment license unless grounds for denial identified in this article exist.

(d) With respect to any application for renewal which is filed on or before the date of expiration of the immediately preceding license, the business license administrator shall extend the term of the immediately preceding license, without charge, during the period of any investigation required in order to determine whether the license should be renewed.

(f) In addition to any other remedy available to the city under applicable law, a massage business license shall not be issued for renewal unless and until all due and unpaid administrative citations issued to the applicant or business owner for violations of this article are paid in full and all outstanding violations of the municipal code have been corrected to the satisfaction of the Chief of Police or his/her designee and business license administrator.

(Ord. No. 2016-010, § 1, 9-22-2016; Ord. No. 2018-03, § 1(Exh. A), 10-11-2018)

Sec. 22-631. Added application fee for late renewals.

An application for a renewal of a massage establishment license will be deemed received late and subject to a penalty of 50 percent of the application fee if the complete application, including all fees, ~~is~~ if not received by the finance department within 60 days of the date of expiration of the immediately preceding license. If a licensee continues to operate without a valid license, the licensee may be subject to all other penalties authorized by the City Code, up to and including denial, suspension, or revocation of a general business license or massage establishment license.

(Ord. No. 2016-010, § 1, 9-22-2016; Ord. No. 2018-03, § 1(Exh. A), 10-11-2018)

Secs. 22-632—22-639. Reserved.

DIVISION 4. REVOCATION OR SUSPENSION OF MASSAGE ESTABLISHMENT LICENSE

Sec. 22-640. Grounds for revocation or suspension.

A massage establishment license may be suspended for not longer than one year or revoked during its term if the business license administrator or chief of police finds and of the following ~~in writing~~:

(1) That pursuant to section 22-619, grounds for denial of an initial application for a massage establishment license exist, including but not limited to, untrue statements made in the application or conviction of a crime that would inhibit the person's ability to conduct the business in a law abiding manner; or

(2) The business has operated in a manner, or is housed on premises or within a building which violates or is in violation of any city, state, federal, or otherwise applicable codes, rules, regulations or laws, or

CAMTC rules or regulations, including, but not limited to, violations by the responsible person or employees; or

(3) The licensee has violated one or more terms and conditions imposed upon the license; or

(4) The licensee has demonstrated a pattern of violating or failing to comply with the terms and conditions of the license; or

(5) The licensee has demonstrated a pattern of violating any other provisions of this article or any federal, state or local law or regulation related to their license activity; or

(6) The licensee employs, retains or otherwise allows any person to provide massage services without: (1) an active and valid certificate from the CAMTC as massage therapist or massage practitioner; or (2) qualifying as an exempt therapist and having a valid exemption certificate.

(7) The licensee, their agent(s), employee(s) or independent contractor(s) have been cited for and/ or found to have engaged in unprofessional conduct, including, but not limited to, any of the following:

a. Engaging in sexually suggestive advertising related to massage services.

b. Engaging in any form of sexual activity on the premises of a massage business where massage is provided for compensation.

c. Engaging in sexual activity while providing massage services for compensation.

d. Practicing massage on a suspended or revoked license or certificate.

e. Providing massage of the specified anatomical areas.

(8) Dressing while engaged in the practice of massage or while visible to clients in the massage establishment in any of the following:

a. Attire that is transparent, see-through or exposes undergarments.

b. Attire that exposes the massage professional's specified anatomical areas.

c. A manner that violates Section 314 of the California Penal Code, as may be amended.

d. A manner that deemed by the CAMTC to constitute unprofessional attire based on the custom and practice of the profession in California.

(Ord. No. 2016-010, § 1, 9-22-2016; Ord. No. 2018-03, § 1(Exh. A), 10-11-2018)

Sec. 22-641. Method of revocation or suspension.

(a) The finance department may revoke a massage establishment license by issuing written notice of the suspension or revocation, stating the reasons therefor, and serving the notice and a copy of this article or any otherwise applicable code sections, upon the holder of the license.

(b) The revocation or suspension shall become effective 15 days following the date of service upon the licensee of the notice of revocation or suspension. If the licensee files an appeal within the time and manner prescribed, the license shall remain in effect until the appeal is finally determined.

(c) A massage establishment license may be temporarily suspended pending disposition of an appeal, if any, if the business license administrator finds that such temporary suspension is necessary in order to protect against a serious and immediate threat to the health, safety or welfare of the public caused by exercise of the license. If the business license administrator orders a temporary suspension, the notice of suspension shall be delivered to each place of business licensed, served upon the licensee, and shall contain the following:

(1) The finding justifying the temporary suspension;

(2) The time, date, and place at which the licensee may appear in advance of the commencement of the temporary suspension for the purpose of showing cause to the hearing officer as to why the suspension is not necessary; and

(3) The time and date on which the temporary suspension commences, which shall not be earlier than 24 hours following the time and date of delivery of the notice.

(Ord. No. 2016-010, § 1, 9-22-2016; Ord. No. 2018-03, § 1(Exh. A), 10-11-2018)

Sec. 22-642. Appeals.

(a) The holder of a massage establishment license or applicant for a massage establishment license may appeal from the following:

(1) The denial of an initial application or renewal of a massage establishment license;

(2) The imposition of conditions on an initial massage establishment license at the time of issuance;

(3) The imposition of conditions on a massage establishment license at the time of renewal of the license or during the term of the license;

(4) The suspension or revocation of a massage establishment license; or

(5) The determination that the licensing requirements of this division apply to any person or business.

(b) An appeal pursuant to this section shall be in writing, shall state the specific reasons for the appeal and the grounds asserted for relief, and be accompanied by a non-refundable appeals processing fee set by city council resolution. The appeal shall be filed with the business license administrator no later than 15 days after the date of service of the notice providing the grounds for appeal. The failure to file an appeal within the time or in the manner prescribed in this section, or to include the appeals processing fee, waives the right to appeal.

(Ord. No. 2016-010, § 1, 9-22-2016; Ord. No. 2018-03, § 1(Exh. A), 10-11-2018)

Sec. 22-643. Appeal hearing.

(a) No later than 30 days following the filing of a timely appeal, a hearing shall be held to determine whether the appeal shall be granted. The city shall provide the appellant written notice of the time, date, and place of the hearing no later than ten days before the hearing date.

(b) The business license administrator shall have the burden of proof during the hearing, and prove that by a preponderance of the evidence that grounds for the business license administrator's action exist. The provisions of the California Administrative Procedure Act, Government Code § 11500 et seq., and formal rules of evidence do not apply at the hearing. At the conclusion of the hearing, the hearing officer shall prepare a written decision which either grants or denies the appeal and contains findings of fact and conclusions. The written decision shall be filed with the business license administrator no later than ten days following the date on which the hearing is closed. The business license administrator shall, within five days of the filing of such decision, serve the applicant or licensee with notice and copy of the written decision.

(c) With regard to an appeal from the imposition of conditions during the term of a massage establishment license, or on an application for renewal of a massage establishment business license, the business license administrator must demonstrate by substantial evidence the necessity of the conditions. If the imposition of

such conditions is upheld, the hearing officer shall specifically provide findings regarding the evidence within the record supporting the determination.

(Ord. No. 2016-010, § 1, 9-22-2016; Ord. No. 2018-03, § 1(Exh. A), 10-11-2018)

Sec. 22-644. One time continuance.

The appealing party may request a one-time continuance upon showing of good cause. The request for a continuance must be in writing and submitted to the City Clerk and the hearing officer, if any. If granted, the City may continue the hearing on its own initiative, but in no event shall the hearing begin later than ninety (90) days after the date of a timely appeal request.

Sec. 22-645. Failure to attend.

If the appealing party fails to attend the scheduled hearing, the City may proceed to hold the hearing without the requesting person, and the requesting person will be deemed to have waived the right to an administrative hearing.

Sec. 22-646. Finality of determination.

(a) With respect to appeals from the denial of an initial application for a massage establishment license, or the imposition of conditions on an initial application for a massage establishment license, the hearing officer's decision is final upon service of the hearing officer's decision upon the appellant.

(b) With respect to an appeal from the denial of a renewal of a massage establishment license, from the imposition of conditions on a massage establishment license at the time of renewal or during the term of the business license, or from the revocation of a massage establishment license, the hearing officer's decision is final 15 days after service of the hearing officer's decision on the appellant, unless city council review is requested either by the business license administrator or appellant.

(Ord. No. 2016-010, § 1, 9-22-2016; Ord. No. 2018-03, § 1(Exh. A), 10-11-2018)

Sec. 22-647. Request for review by city council.

(a) To request city council review of the hearing officer's decision, the applicant for a license, licensee, or business license administrator shall file a written request with the city clerk within 15 days following the date of service of the hearing officer's decision. The request for review shall state in detail the reasons for review, the error alleged in the hearing officer's decision, and include a copy of the hearing officer's decision attached to the request for review, and an appeals processing fee as set by city council resolution.

(b) Upon receipt of a request for review by city council, the city clerk shall schedule city council review not later than 30 calendar days following the date of filing of the notice of appeal. The city clerk shall provide notice of the time and date of the hearing to the appellant at least ten days in advance. The city council shall be authorized to deny the introduction of evidence and decide the matter after oral argument presented during the hearing, to admit supplementary evidence with respect to challenges or particular findings, or reject the findings and conclusions and conduct a de novo hearing. The determination by the city council granting or denying the appeal shall be final and shall be accompanied by findings of fact and conclusions, which may consist of an adoption by reference of those by the hearing officer.

(c) The city council is authorized to order the issuance or renewal of the massage establishment license, the revocation of the massage establishment license, suspension of the massage establishment license, or order the massage establishment license to remain in effect upon such terms and conditions as the city council deems necessary and appropriate.

(Ord. No. 2016-010, § 1, 9-22-2016; Ord. No. 2018-03, § 1(Exh. A), 10-11-2018)

Sec. 22-648. Effect of revocation or denial of an application for renewal.

(a) The revocation of a massage establishment license or denial of renewal of a massage establishment license for cause shall terminate the right of the licensee to engage in the business authorized by the license anywhere within the city for a period of five years following the effective date of revocation or denial. At the conclusion of such period, the former holder may file a written application for issuance of a new license with the business license administrator. The business license administrator may grant or deny the application pursuant to such terms and conditions necessary to ensure compliance with the law, including conditions relating to the rehabilitation of the applicant.

(b) The revocation of a massage establishment license or denial of renewal of a massage establishment license for cause shall automatically and without notice also revoke or deny renewal of each general business license issued for the same business at each location where the business is located.

(c) Reserved.

(d) The revocation of a massage establishment's general business license or massage establishment license, or denial of renewal of a massage establishment license for cause, shall prohibit the operation of a massage establishment in that same location for a period of five years. The revocation of a massage establishment's general business license or massage establishment license, or denial of renewal of a massage establishment license for cause, shall also prohibit a massage establishment, or any other business establishment operating in the same location, from using the same name and/or same phone number as the revoked or denied massage establishment for a period of five years.

(e) If a massage establishment's general business license or massage establishment license is revoked or renewal of a massage establishment license is denied for cause, neither the spouse, child, brother, sister or parent of the holder of the revoked license nor a person possessing an ownership interest in the business for which the license was revoked or who was an employee thereof shall be entitled to issuance of a massage establishment license for the business.

(f) For purposes of this article, denial of renewal of a massage establishment license "for cause" means denial of renewal pursuant to subsections (a)(1)—(3) or (b) of section 22-619.

(Ord. No. 2016-010, § 1, 9-22-2016; Ord. No. 2018-03, § 1(Exh. A), 10-11-2018)

Sec. 22-649. Operation with revoked, suspended, or non-renewed license.

It is unlawful for any person to engage in, conduct or carry on, or to permit to be engaged in, conducted or carried on, in or upon any premises in the city, the application of massage or the operation of a massage establishment if such person's license has been revoked, suspended, or denied renewal.

(Ord. No. 2016-010, § 1, 9-22-2016; Ord. No. 2018-03, § 1(Exh. A), 10-11-2018)

~~**Secs. 22-648, 22-649. Reserved.**~~

DIVISION 5. OFF-PREMISES MASSAGE THERAPISTS

Sec. 22-650. Requirements for home occupation massage therapists.

(a) It shall be unlawful to conduct massage therapy as a home occupation massage therapist without obtaining a valid and unrevoked CAMTC certificate and a home occupation business license pursuant to this Code. A home occupation massage therapist who lives within the city and operates out of his/her home must comply with the city's zoning and business license procedures.

(b) Home occupation massage therapists shall comply with all of the provisions of this article, except that a home occupation massage therapist need not comply with the facilities requirements of section 22-683.

(c) The location at which the home occupation massage therapist conducts his/her massage therapy business shall be subject to inspections pursuant to section 22-688.

(Ord. No. 2016-010, § 1, 9-22-2016; Ord. No. 2018-03, § 1(Exh. A), 10-11-2018)

Sec. 22-651. Requirements for off-premises massage therapists.

(a) It shall be unlawful to conduct massage therapy as an off-premises massage therapist without obtaining a valid and unrevoked CAMTC certificate.

(b) An off-premises massage therapist shall comply with all of the provisions of this article except that an off-premises massage therapist need not comply with the facilities requirements of section 22-663.

(c) Whenever an off-premises massage therapist conducts his/her massage business at any business or commercial establishment that is open to the public, that portion of the business or commercial establishment at which the off-premises massage therapist conducts his/her massage therapy business shall be subject to inspections pursuant to section 22-668. Whenever the off-premises massage therapist conducts his/her massage business at any place other than a business or commercial establishment that is open to the public, the city's agents may enter and inspect the premises or property to the extent authorized by law.

(Ord. No. 2016-010, § 1, 9-22-2016; Ord. No. 2018-03, § 1(Exh. A), 10-11-2018)

Sec. 22-652. Exemption for businesses at which off-premises massage therapy business is conducted.

(a) The owner and/or operator of a business at which off-premises massage therapy is conducted is not required to obtain a massage establishment license pursuant to this article, as long as the primary purpose of the business is not massage therapy. The business shall not be required to remain closed during the particular hours provided in this article; however, massage therapy shall only occur during the regular business hours of that business.

(b) The finance department, with input from any other department of the city, or any other appropriate agency or entity, shall be vested with discretion in determining the primary purpose of the business. If the finance

department determines a business is operating as a massage establishment, notice of such determination and notice of the requirement to obtain a massage establishment license shall be sent to the business.

(Ord. No. 2016-010, § 1, 9-22-2016; Ord. No. 2018-03, § 1(Exh. A), 10-11-2018)

Sec. 22-653. Special and charitable events within the city.

(a) Massage therapists holding a valid and unexpired CAMTC certificate may volunteer their massage services at special events, charitable events, or non-profit events that have obtained required permits from the city. The holders of CAMTC certificates may volunteer at these events without having to obtain any additional permits from the city.

(b) Each massage therapist shall wear his/her CAMTC identification card on his/her outermost garment when working as a massage therapist a special or charitable event in the city.

(Ord. No. 2016-010, § 1, 9-22-2016; Ord. No. 2018-03, § 1(Exh. A), 10-11-2018)

Secs. 22-654—22-679. Reserved.

DIVISION 6. OPERATION OF BUSINESS AND CONDITIONS OF FACILITIES

Sec. 22-680. Compliance with article.

It is unlawful for any person to engage in, conduct or carry on, or to permit to be engaged in, conducted or carried on, in or upon any premises in the city, the application of massage or the operation of a massage establishment in violation of the terms of this article, or in violation of any of the terms and conditions of any license issued pursuant to this article. Massage establishment owners and managers are responsible for the conduct of all persons on the premise.

(Ord. No. 2016-010, § 1, 9-22-2016; Ord. No. 2018-03, § 1(Exh. A), 10-11-2018)

Sec. 22-681. Closed hours.

It is unlawful for a massage establishment to be open and carry on massage operations between the hours of 9:00 p.m. and 8:00 a.m. of the following day. All customers, patrons and visitors must be excluded from the massage establishment premises during those hours.

(Ord. No. 2016-010, § 1, 9-22-2016; Ord. No. 2018-03, § 1(Exh. A), 10-11-2018)

Sec. 22-682. Alcoholic beverages.

It is unlawful for any person to sell, give, dispense, provide or keep, or cause to be sold, given, dispensed, provided or kept, any alcoholic beverage, as defined in the Business and Professions Code § 23004, on the premises of any massage establishment or in conjunction with any massage business. No person or persons shall enter, be, or remain in any party of a massage establishment while under the influence of an alcoholic beverage or drug unless it is a drug prescribed for that individual.

(Ord. No. 2016-010, § 1, 9-22-2016; Ord. No. 2018-03, § 1(Exh. A), 10-11-2018)

Sec. 22-683. Massage establishment facilities.

Except as otherwise provided by this article a massage establishment license shall not be issued until an inspection by the city reveals that the establishment complies with each of the following minimum requirements:

(1) The premises and restrooms comply with the current California Building Standards Code, beginning with Title 17 of the California Code of Regulations. All plumbing and electrical installations in the massage establishment must have been installed under permit and inspection by the building department, and installed in accordance with the California Building Standards Code.

(2) In any massage establishment which employs more than two massage therapists performing on-site massages simultaneously, separate restroom facilities shall be provided for each gender in convenient locations. All restroom facilities shall be equipped with self-closing doors opening in the direction of ingress to such facilities.

(3) Pursuant to California Health and Safety Code 17920.3(n), no person shall be permitted to reside on or within the premises of a massage establishment. Beds, floor mattresses, water beds, couches with mattresses included or any other types of similar furniture used for sleeping are prohibited on the premises. Evidence such as the presence of bedding, pillows, sleeping bags, suitcases, clothing, toiletries or other personal belongings, cooking appliances, utensils, or food in excess of a massage establishment's normal requirements may be used as evidence when establishing that the premise is being used as a residence, or otherwise used in a manner inconsistent with a legitimate massage establishment.

Upon a showing of good cause, the community development director may exempt a massage establishment from the requirement to maintain separate restroom facilities.

(Ord. No. 2016-010, § 1, 9-22-2016; Ord. No. 2018-03, § 1(Exh. A), 10-11-2018)

Sec. 22-684. Sanitation and decency.

(a) Every portion of a massage establishment, including appliances and apparatus, shall be kept clean and be operated in a sanitary condition.

(b) All massage establishments shall provide clean laundered sheets and towels in sufficient quantity which shall be laundered after each use, and stored in a sanitary manner. Receptacles shall be provided for the storage of soiled linens and paper towels.

(c) Wet and dry heat rooms, shower compartments, and toilet rooms shall be thoroughly cleaned each business day. Bathtubs shall be thoroughly cleaned after each use.

(d) Massages may not be carried on within any separate cubicle, room, booth or area within a massage establishment, which is fitted with a door capable of being locked. Additionally, except when there is no staff available to assure security for massage therapy patrons and staff who are behind closed doors, all reception and hallway doors must remain unlocked during business hours.

(e) All massage therapists shall wear garments which cover the entire body, exclusive of the head, neck, arms, legs, hands and feet. The massage therapist must be fully covered from a point not more than four inches above the center of the kneecap to the base of the neck, excluding the arms. Such garments shall not be transparent, see-through, or substantially exposes the individuals undergarments, breasts, buttocks, or genitals, and must be maintained in a clean and sanitary condition.

(Ord. No. 2016-010, § 1, 9-22-2016; Ord. No. 2018-03, § 1(Exh. A), 10-11-2018)

Sec. 22-685. Prohibited conduct.

(a) It is unlawful for any massage therapist, to directly or indirectly, offer, administer, touch, or perform massage to a customer's specified anatomical areas, to include the anatomical areas of a female customer without the written consent of the customer.

(b) A patron's specified anatomical areas must be fully draped at all times while any employee of the massage establishment, massage therapist or person is in the massage therapy cubicle or room.

(c) It is unlawful for any massage therapist to perform massage without first draping the client. If at any time the draping falls off or is removed, the massage must stop until the client is redraped.

(Ord. No. 2016-010, § 1, 9-22-2016; Ord. No. 2018-03, § 1(Exh. A), 10-11-2018)

Sec. 22-686. Register and list of services.

(a) The licensee of a massage establishment shall maintain a current register of all persons employed as massage therapists by the massage establishment, on a form provided by the city. The register shall include the full name, date of birth, current address, phone number, CAMTC certificate number, and the CAMTC certificate expiration date of each employee. This register shall be available for inspection to city personnel at all times during regular business hours.

(b) A list of the services available and the price of such services shall be posted in an open and conspicuous public place on the premises. The services shall be described in readily understandable language. No massage establishment owner, operator, manager or person in charge of, or in control of, the massage establishment shall permit, and no massage therapist shall offer to perform, any services other than those posted.

(c) For each massage service provided, every massage business shall keep a complete and legible written record of the following information: the date and hour that service was provided; the service received; the name or initials of the employee entering the information; and the name of the massage practitioner administering the service. Such records shall be open to inspection and copying by police officers, or other city officials charged with enforcement of this chapter. These records may not be used by any massage practitioner or operator for any purpose other than as records of service provided and may not be provided to other parties by the massage practitioner or operator unless otherwise required by law. Such records shall be retained on the premises of the massage business for a period of one year, and be immediately available for inspection during business hours.

(Ord. No. 2016-010, § 1, 9-22-2016; Ord. No. 2018-03, § 1(Exh. A), 10-11-2018)

Sec. 22-687. Prohibition against warning devices.

The presence of any device which can be utilized as an early warning system, to alert the employees or operator of a massages establishment to the presence of law enforcement or local authorities on the premises is prohibited in any massage establishment. Such prohibited devices include, but are not limited to, light or music dimmers, electronic detection devices, external ~~or internal~~ video equipment and alarm systems other than those used for fire alarms.

Each establishment may have up to two fixed security cameras that must face the reception desk and rear entrance. In the absence of a reception desk, the camera must be located in the main entry area, lobby of the massage establishment. The camera must not be utilized in a manner that acts as an early warning device. Monitoring equipment shall only be kept at the reception desk or within a room not designated for the public.

Owners and managers are required to retain video surveillance for thirty days and shall allow access to law enforcement for only official law enforcement purposes.

(Ord. No. 2016-010, § 1, 9-22-2016; Ord. No. 2018-03, § 1(Exh. A), 10-11-2018)

Sec. 22-688. Inspections.

Representatives of the city, including but not limited to members of the police department and any fire protection district of jurisdiction, may, at any time, with or without prior notice, inspect the subject premises and investigate the manner of the operation of the massage establishment to insure that it is operating in compliance with this article.

(Ord. No. 2016-010, § 1, 9-22-2016; Ord. No. 2018-03, § 1(Exh. A), 10-11-2018)

Sec. 22-689. Massage establishment license and CAMTC certificate posting requirements; identification cards.

(a) The original massage establishment license and original CAMTC certificate for each massage therapist working at the establishment shall be displayed in a conspicuous public place on the premises. It shall be unlawful to display photocopies of licenses or certificates. The massage establishment licensee shall be responsible for ensuring each massage therapist's certificate is displayed in a conspicuous place on the premises.

(b) Each massage therapist must wear his or her CAMTC identification card on his/her outermost garment when working in a massage establishment or at a business for the purpose of performing massage.

(Ord. No. 2016-010, § 1, 9-22-2016; Ord. No. 2018-03, § 1(Exh. A), 10-11-2018)

Sec. 22-690. Change of business name or location.

Except as otherwise provided by this article, no person granted a license pursuant to this article shall operate under any name or conduct his, her or its business at any location not specified in his/her or its license. If the business name, facilities and/or location is changed, a new license shall be obtained.

(Ord. No. 2016-010, § 1, 9-22-2016; Ord. No. 2018-03, § 1(Exh. A), 10-11-2018)

Sec. 22-691. Schools of massage.

No massage establishment shall use the facilities or premises of a school of massage in connection with the operation of a massage establishment. Students in training at a recognized school of massage may perform a massage on a member of the general public while on the premises of the school of massage in compliance with the following requirements:

(1) The student performs the massage only under the direct personal supervision of an instructor certified by: The California Department of Consumer Affairs Bureau for post-secondary and vocational education, a state-approved educational facility, an approved national massage organization or association, or similar organization; and

(2) Massage is performed in compliance with sections 22-683 and 22-684 of this article.

(Ord. No. 2016-010, § 1, 9-22-2016; Ord. No. 2018-03, § 1(Exh. A), 10-11-2018)

Sec. 22-692. Prohibited advertising practices.

(a) It is a violation of this article for any person who does not possess a valid and unexpired CAMTC certificate, and for any massage establishment that employs or retains such a person, to:

(1) State or advertise or put out any sign, card, or other device, or to represent to the public through any print or electronic media, that such person is certified, registered or licensed by a governmental agency as a massage therapist; or

(2) Hold oneself out of use the title of "certified massage therapist" or "certified massage practitioner" or any other term, such as "licensed," "registered," or "CMT," that implies or suggests that the person is the holder of a certificate issued by CAMTC.

(b) ~~No massage business shall place, publish or distribute, or cause to be placed, published or distributed any advertising matter that depicts any portion of the human body that would reasonably suggest to prospective clients that any service is available other than those services listed as an available service pursuant to section 22-686, nor shall any massage business employ language in the text of such advertising that would reasonably suggest to a prospective client that any service is available other than those services as described in compliance with the provisions of this chapter.~~

No massage establishment or any person employed or retained by the massage establishment may engage in sexually suggestive advertising related to the massage services on the premises of the massage establishment. Sexually suggestive advertising includes, but is not limited to, advertisements displaying images of individual's clothed in, attire that is transparent, see-through or substantially exposes the individuals undergarments, anatomical areas, describing a massage as "erotic:, or other descriptors that are sexually suggestive in nature.

(c) No massage establishment shall advertise on a website known to advertise or promote illicit activities.

(Ord. No. 2016-010, § 1, 9-22-2016; Ord. No. 2018-03, § 1(Exh. A), 10-11-2018)

Sec. 22-693. Employment of minors prohibited.

(a) No massage establishment shall employ any person under 18 years of age as a massage therapist or in any other capacity.

(b) This section shall not prohibit a business, where massage is not the primary purpose of the business, from employing individuals under 18 years of age. However, massage therapists must still be at least 18 years of age.

(Ord. No. 2016-010, § 1, 9-22-2016; Ord. No. 2018-03, § 1(Exh. A), 10-11-2018)

Sec. 22-694. Massage therapy services rendered to minors prohibited.

No massage therapist shall perform, cause to be performed, or allow to be performed, any massage on any person under the age of 18, except at the special instance, request, and with the express written consent of a parent, guardian, or other person in lawful custody of the minor upon whose behalf the massage service is requested.

(Ord. No. 2016-010, § 1, 9-22-2016; Ord. No. 2018-03, § 1(Exh. A), 10-11-2018)

Sec. 22-695. Window coverings.

No massage establishment with exterior windows shall block visibility into the interior reception and waiting area by using curtains, closed blinds, tints, or any other material that obstructs, blurs, or darkens the view into the premise from the exterior during the hours the massage establishment is open for business.

Sec. 22-696. Table showers.

No person shall install or use a table shower at a massage establishment.

Sec. 22-697. Display of Human Trafficking notices.

Massage establishments shall comply with California Civil Code 52.6. The required notices, which include victim and human trafficking information and telephone hotline numbers, shall be posted within the lobby of the massage establishment.

Secs. 22-698-699. Reserved.

DIVISION 7. ENFORCEMENT

Sec. 22-700. Separate offense for each day.

Any person who violates any provision of this article shall be guilty of a separate offense for each and every day during any portion of which any such person commits, continues, permits, or causes a violation thereof and, shall be punished accordingly.

(Ord. No. 2016-010, § 1, 9-22-2016; Ord. No. 2018-03, § 1(Exh. A), 10-11-2018)

Sec. 22-701. Public nuisance.

Any use or condition caused or permitted to exist in violation of any of the provisions of this article shall be and is hereby declared a public nuisance and may be abated by the city pursuant to the city's neighborhood enhancement code, chapter 50 of this Code. When a violation of this article is deemed non-correctable, a notice of administrative violation may be immediately issued.

(Ord. No. 2016-010, § 1, 9-22-2016; Ord. No. 2018-03, § 1(Exh. A), 10-11-2018)

Sec. 22-702. Criminal penalties.

(a) Violations of this article are hereby declared to be infractions except that notwithstanding any other provision of this article or state law, any such violation may, in the discretion of the prosecuting attorney, be charged and prosecuted as a misdemeanor. A conviction of an infraction shall be punishable by fine as follows: Upon a first conviction, a fine not exceeding $100.00; upon the second conviction within one year of a prior conviction, by a fine not exceeding $200.00; upon any subsequent conviction within one year of two prior convictions, by a fine of not exceeding $500.00. Any person convicted of a misdemeanor shall be punishable by a fine of not more than $1,000.00 or by imprisonment not to exceed six months, or both.

(b) Failure to comply with an administrative order after it becomes final, or to pay an administrative fine or late payment charges, is a misdemeanor offense. Filing a criminal misdemeanor action does not preclude

the city from using any other legal remedy available to gain compliance with an administrative order, or to collect any past-due administrative fine or late payment.

(Ord. No. 2016-010, § 1, 9-22-2016; Ord. No. 2018-03, § 1(Exh. A), 10-11-2018)

Sec. 22-703. Civil injunction.

The violation of any provision of this article shall be and is hereby declared to be contrary to the public interest and shall, at the discretion of city, create a cause for injunctive relief.

(Ord. No. 2016-010, § 1, 9-22-2016; Ord. No. 2018-03, § 1(Exh. A), 10-11-2018)

Sec. 22-704. Remedies cumulative.

The conviction and punishment of any person for failure to comply with the provisions of this article shall not relieve such person from paying any tax, fee, penalty, or interest due and unpaid at the time of such conviction, nor shall payment prevent a criminal prosecution or a civil or administrative penalty for the violation of any of the provisions of this article. All remedies shall be cumulative, and the use of any one (1) or more remedies by the city shall not bar the use of any other remedy for the purpose of enforcing the provisions of this chapter.

CITY OF CITRUS HEIGHTS

CITY COUNCIL STAFF REPORT MEMORANDUM

DATE: May 27, 2026

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

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

SUBJECT: **2026 Zoning Code Updates**

Recommendation

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

The proposed Zoning Code updates were presented to the Planning Commission on both February 24th and April 28th, 2026. The Planning Commission recommended that the City Council approve the proposed amendments as shown in Attachment 1A.

The following motions are recommended:

Motion 1: Move to determine the proposed amendments are exempt from the California Environmental Quality Act (CEQA) under Section 15061(b)(3) of the Guidelines; and

Motion 2: Move to introduce for first reading, read by title only and waive the full reading of Ordinance No. 2026- _____, as shown in Attachment 1, an Ordinance of the City Council of the City of Citrus Heights amending various sections of Chapter 106 of the Citrus Heights Municipal Code (Zoning Code Section)

Strategic Plan Alignment

This item is in alignment with the following City Council priority:

Goal: Diversity for a Vibrant Economy

Fiscal Impact

There is no fiscal impact associated with this action.

Background and Analysis

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

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

Accessory Dwelling Units (ADUs) and Junior ADUs (JADUs)

The City's ADU and JADU regulations have been comprehensively revised and restructured to ensure full consistency with current California State Law. This includes alignment with recent legislation such as AB 130, AB 462, AB 1154, SB 9, and SB 543, as well as the 2026 Addendum to the California Department of Housing and Community Development (HCD) ADU Handbook. The proposed ordinance replaces Section 106.42.015 in its entirety to streamline the development process and remove outdated subjective design language in favor of objective standards.

The revised code introduces two distinct compliance pathways for residential lots:

Single-Family Dwelling Pathways

- **Local Development Option:** This pathway applies objective local standards where permitted by State law. It allows for a total of two units: one ADU (attached or detached) and one JADU. Detached ADUs under this option have a maximum floor area of 1,200 square feet.
- **State Law Option:** This pathway provides for ministerial approval if statutory criteria are met. It allows for a total of three units on a single lot: one attached conversion ADU, one JADU, and one detached ADU. The detached ADU under this option is limited to 800 square feet.
- **Height Standards:** For both pathways, detached units are permitted a maximum height of 18 feet, plus an additional 2 feet for roof pitch. Attached ADU heights are determined by the underlying zoning district.

Multifamily Dwelling Standards

The City now follows State law for all multifamily properties, ensuring that current standards do not preclude development.

- **Interior Conversions:** Existing multifamily complexes may convert non-livable space (such as storage rooms or boiler rooms) into ADUs. The number of units allowed is at least one, and up to 25% of the number of existing units.
- **Detached Units:** For both existing and proposed multifamily developments, up to two detached ADUs are permitted by right. On existing multifamily lots, owners may construct up to eight detached ADUs, provided the total number of ADUs does not exceed the number of existing primary units on the lot.
- **Floor Area:** Local floor area limitations for multifamily ADUs have been removed where State law does not authorize size caps.

Additional Statutory Mandates

Several mandatory updates have been incorporated to ensure the City remains in legal compliance:

- **Fire Sprinklers:** The code clarifies that fire sprinklers are only required for an ADU if they are also required for the primary dwelling unit.
- **Nonconforming Conditions:** The ordinance now includes required language addressing nonconforming zoning conditions, preventing the City from denying an ADU application based on existing nonconformities elsewhere on the property.
- **Objective Standards:** All approvals must now be ministerial and based solely on objective criteria, removing previously required discretionary reviews.

Two-Unit Housing (SB 9)

As you may recall, SB 9 became effective in 2022. SB 9 contains two primary components: one allowing for urban lot splits (ministerial approval of qualifying single-family lots without application of traditional zoning standards), and the other allowing up to two primary units on a single-family lot. Both provisions may be utilized in combination on the same project.

Since its adoption, SB 9 has been further clarified through subsequent amendments and guidance issued by the California Department of Housing and Community Development (HCD). The proposed modifications to the City's two-unit development regulations reflect the most recent statutory changes and State guidance to ensure consistency with State law.

This update provides property owners with a clear and legally compliant pathway for small-scale residential infill by clarifying allowable unit potential based on the type of SB 9 project proposed:

- **Developments Without a Lot Split:** On a single-family residential lot that is not being split, the code now clarifies that property owners can achieve a total of **four units**. This is accomplished by combining the two "primary" units allowed under SB 9 with the standard allowance for two Accessory Dwelling Units under single family ADU designation.
- **Developments With an Urban Lot Split:** The amendments clarify the definition of an "urban lot split" to be consistent with Section 82 of the Municipal Code. When a lot is split under SB 9, the law generally allows for up to two units per resulting lot (for a total of four units across both lots).

- **Regulatory Consistency:** These changes ensure that the City's objective standards for SB 9 projects are synchronized with the latest legislative updates, providing clear guidance on density while maintaining the ministerial approval process required by the state.

Employee Housing

To comply with the California Employee Housing Act (Health and Safety Code Sections 17021.5 and 17021.6), the City has formalized "Employee Housing" as a new land use category. This update mandates that employee housing for six or fewer residents be treated exactly the same as a single-family residential use. This change fulfills a critical requirement of the General Plan Housing Element to avoid governmental constraints on housing production.

Accessory Educational Uses

A new land use category has been introduced to allow for the adaptive reuse of existing religious assembly buildings for minor educational purposes, such as tutoring or homeschool meetings during non-church (religious assembly use) operating hours. These uses are limited to 30% of the building's footprint and must operate within existing facilities. This provision utilizes existing building space to support educational uses within the community. Because these activities generate negligible impacts on traffic and noise compared to the primary assembly use, they are now permitted without the need for a Use Permit.

Additional Amendments

Several other minor updates are proposed to improve the code's clarity and functionality:

- Animal Keeping: Regulations were reorganized to clarify that animal keeping is not a primary use; a primary occupant must be present on the property to ensure responsible care and mitigate noise or odor issues.
- Murals: The City's public art footprint is expanded by permitting murals on masonry fences in residential zones that face arterial streets, provided they are completed within 60 days of commencement.
- Glossary Updates: Definitions for "Day Care" and "Primary Dwelling" were updated or added to ensure alignment with the California Health and Safety Code and provide clarity for ADU regulations.

Planning Commission Meetings

The proposed amendments to the Zoning Code were presented to the Planning Commission over two meetings held on February 24 and April 28, 2026. During the February 24th hearing, staff presented comprehensive updates to Section 106.42.015 regarding Accessory Dwelling Units (ADUs) and Junior Accessory Dwelling Units (JADUs). This specific section was presented ahead of the broader update to ensure compliance with State law and to support the City's efforts toward a pro-housing designation.

At the April 28th meeting, the Planning Commission reviewed the remaining package of zoning code updates alongside the previously discussed ADU amendments, which were consolidated into a single package for administrative efficiency. The Commission reviewed all proposed changes, including the detailed modifications provided in Exhibit A.

Following their review and the incorporation of these clarifying administrative edits, the Planning Commission recommended approval and forwarded the full set of amendments to the City Council for final action.

Post-Planning Commission review

After the Planning Commission's review, Economic Development staff received an inquiry regarding a specialized retail use that highlighted an opportunity to refine the "Auto and Vehicle Sales and Rental" definition. In response staff recommends an update on the definition to accommodate increased flexibility. The proposed definition now explicitly classifies non-street-legal vehicles, such as ATVs, under "General Retail." This clarification is intended to distinguish off-road recreational vehicles from high-impact automotive dealerships.

This revision also advances Economic Development Workplan goals related to business attraction and streamlined zoning practices. The updated language better aligns the Zoning Code with evolving retail formats and creates a clearer pathway for emerging retail concepts to occupy existing vacant commercial storefronts, including the potential activation of a long-vacant, highly visible commercial property that has experienced ongoing vacancy and blight-related challenges.

By aligning these smaller scale uses with General Retail, the City can support greater flexibility, encourage reinvestment, improve corridor vitality and community image, and help advance broader goals related to vacancy reduction and long-term commercial stabilization.

Environmental Review

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

Attachments

1. Ordinance No. 2026-_____ an Ordinance of the City Council of the City of Citrus Heights amending various sections of Chapter 106 of the Citrus Heights Municipal Code (Zoning Code Section)
    - Exhibit A: Redline Strikeout of Zoning Code
2. Planning Commission Meetings
    a. February 24, 2026 ADU Update Link to Staff Report (Page 22)
    b. Meeting video link: Planning Commission Meeting 2.24.2026 - YouTube
    c. April 28, 2026, Zoning Code Update Link to Staff Report (Page 5)
    d. Meeting Video Link: Planning Commission Meeting 4.28.2026 - YouTube

ORDINANCE NO. 2026-___

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CITRUS HEIGHTS AMENDING VARIOUS SECTIONS OF CHAPTER 106 OF THE CITRUS HEIGHTS MUNICIPAL CODE (ZONING CODE SECTION)

THE CITY OF CITRUS HEIGHTS DOES ORDAIN AS FOLLOWS:

Section 1: Purpose and Authority

The purpose of this Ordinance is to amend Chapter 106 of the Municipal Code (Zoning Code) to:

- Revise Land Use able 2-2 and 2-5 to allow for new zoning classifications within the residential and commercial zones.
- Replace Section 106.42.015 (Accessory Dwelling Units) to ensure full compliance with California Government Code Sections 65852.2 and 65852.22.
- Establish a new land use for accessory educational uses.
- Revise regulations pertaining to murals.
- Revise regulations for two-unit developments for consistency with SB 9 and make other minor clean-up amendments.
- Revise certain definitions for clarity and consistency

All changes are as detailed in Exhibit A, which is incorporated herein by reference.

Section 2: Findings

- Land Use Tables: The updates to the commercial and land use tables provide necessary consistency and clarity within the Zoning Code. These amendments do not change the fundamental allowable uses of the zones but rather streamline the code to improve transparency for residents and the development community, supporting General Plan Goal 10 to provide high-quality service to the public.

- Accessory Dwelling Units (ADUs): The replacement of Section 106.42.015 ensures that the City's regulations for Accessory Dwelling Units are in full compliance with California Government Code Sections 65852.2 and 65852.22. These updates are consistent with the General Plan Housing Element by removing local barriers to the creation of diverse housing types.

- Accessory Educational Uses: Establishing a new land use for accessory educational uses is consistent with General Plan Policy 25.1, which encourages a variety of educational and community-serving facilities. This addition provides a clear regulatory path for schools and institutions to offer ancillary services that benefit the city's social and economic vitality.

- Mural Regulations: The revisions to mural regulations support the General Plan's community identity goals. By providing clear standards for murals, the City fosters artistic expression while ensuring that such installations are compatible with the scale and character of the surrounding built environment.

- SB 9 (Two-Unit Developments): The revisions to regulations for two-unit developments are necessary to maintain consistency with Senate Bill 9 (SB 9) and Government Code Section 65852.21. These changes ensure that the City's local code remains legally enforceable and provides clear objective standards for urban lot splits and two-unit projects as mandated by State law.

- Public Welfare & Clean-up: The proposed minor "clean-up" amendments and the ordinance as a whole will not be detrimental to the public interest, health, safety, convenience, or welfare. These changes collectively improve the functionality of the Citrus Heights Municipal Code and ensure it remains a modern, legally compliant, and user-friendly document.

- Definitions. Chapter 8 amended to include Accessory Dwelling Unit, Junior; Auto and Vehicle sales to distinguish that non-street legal vehicles are classified as "General Retail", revised languages related to day-cares, added a new definition for "Employee Housing", expanded the definition of Habitable Space,

Section 3: Action

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

Section 4: Severability

If any section, subdivision, sentence, clause, phrase or portion of this Ordinance is for any reason held invalid or unconstitutional by any court of competent jurisdiction, such portion shall be deemed a separate, distinct and independent provision, and such holding shall not affect the validity of the remaining portions thereof.

Section 5: Effective Date and Publication

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

PASSED AND ADOPTED by the City Council of the City of Citrus Heights this ___ day of ___, 2026 by the following vote:

AYES: Councilmembers:
NOES: Councilmembers:

ABSENT: Councilmembers:
ABSTAIN: Councilmembers:

MariJane Lopez-Taff, Mayor

ATTEST:

Amy Van, City Clerk

Exhibit
A. Redline Strikeout of Zoning Code

Sec. 106.24.030. Residential and Open Space District Allowable Land Uses and Permit Requirements

A. *General permit requirements.* Table 2-2 identifies the uses of land allowed by this Zoning Code in each residential zoning district, and the planning permit required to establish each use, in compliance with Section 106.22.030 (Allowable Land Uses and Permit Requirements).

B. *Permit requirements for certain specific land uses.* Where the last column in Table 2-2 ("Specific Use Regulations") includes a section number, the referenced section determines whether the use requires a Zoning Clearance, Minor Use Permit, or Use Permit. The referenced section may also refer to other requirements and standards applicable to the use.

TABLE 2-2

Allowed Land Uses and Permit Requirements for Residential and Open Space Zones	P MUP UP S —	Permitted use, Zoning Clearance required Conditional use, Minor Use Permit required Conditional use, Use Permit required Permit requirement set by Specific Use Regulations Use not allowed						
LAND USE (1)	PERMIT REQUIRED BY ZONE							Specific Use Regulations
	RD-1 - 2	RD-3 - 4	RD-5 - 7	RD-10	RD-15 - 30	MH	O	
AGRICULTURAL & OPEN SPACE USES								
Animal keeping	P	P	P	P	P	P	P	106.42.030
Beekeeping	P	P	P	—	—	—	P	106.42.030
Community garden	P	P	P	P	P	P	P	
Crop production, horticulture, orchard, vineyard	P	P	—	—	—	—	P	
Medical marijuana cultivation	S	S	S	S	S	S	S	50-702
Non-medical marijuana cultivation	S	S	S	S	S	S	S	50-802
RECREATION, EDUCATION & PUBLIC ASSEMBLY USES								
Accessory educational use	S	S	S	S	S	S	-	106.42.016
Equestrian facility	UP	UP	—	—	—	—	UP	106.42.030
Golf course	UP	UP	—	—	—	—	P	
Meeting facility, public or private	UP	UP	UP	UP	UP	UP	—	
Park or playground, public	P	P	P	P	P	P	P	
Private residential recreation facility	MUP	MUP	MUP	MUP	MUP	MUP	MUP	
School, elementary through secondary	UP	UP	UP	UP	UP	—	—	
RESIDENTIAL USES								
Accessory dwelling unit	P	P	P	P	P	P	P	106.42.015

Condominium conversion	—	—	UP	UP	UP	—	—	106.42.050, 106.42.060
Condominium, townhouse, row house, or cluster development	—	—	—	P	P	—	—	106.42.050
Employee housing	P	P	P	P	P	P	MUP	
Duplex - Corner parcel	—	—	P	P	P	—	—	
Duplex - Interior parcel	—	—	UP	P	P	—	—	106.42.150
Home occupation	P	P	P	P	P	P	P	106.42.100
Mobile home park	UP	UP	UP	UP	UP	UP	—	106.42.140
Mobile/manufactured home	P	P	P	P	P	P	P	106.42.140
Multi-unit dwelling - 3 or more units	—	—	—	P	P	—	—	106.42.150
Residential accessory uses and structures	P	P	P	P	P	P	P	106.42.200
Residential care facility, 6 or fewer clients	P	P	P	P	P	P	P	
Residential care facility, 7 to 20 clients	UP	UP	UP	UP	P	—	—	
Residential care facility, 21 or more clients	—	—	—	UP	UP	—	—	
Rooming or boarding house	—	—	—	UP	UP	—	—	
Second dwelling unit	P	P	P	P	P	—	MUP	106.42.210
Single dwelling	P	P	P	P	P	P	MUP	106.42.220
Small lot housing product	—	—	—	S	S	—	—	106.42.225
Supportive/Transitional Housing, 6 or fewer clients	P	P	P	P	P	P	P	
Supportive/Transitional Housing, 7 or more clients	UP	UP	UP	UP	UP	—	—	
RETAIL TRADE								
Accessory retail and services	—	—	—	MUP	MUP	MUP	—	
SERVICES - BUSINESS, FINANCIAL, PROFESSIONAL								
Medical services - Extended care	UP	UP	UP	UP	UP	—	—	
SERVICES								
Adult day care - 6 or fewer clients	P	P	P	P	P	P	—	
Adult day care - 7 or more clients	UP	UP	UP	UP	UP	UP	—	
Cemetery	UP	UP	UP	UP	UP	—	UP	
Child day care - Small and large family child ~~day~~ care homes	P	P	P	P	P	P	P	
Child day care center	UP	UP	UP	UP	UP	UP	—	
Lodging - Bed and breakfast inn (B&B)	UP	UP	UP	UP	UP	—	—	
Public safety facility	P	P	P	P	P	P	P	

Sec. 106.30.020. Access

Each parcel shall have access to a public street as follows. Driveways shall be developed in compliance with Section 106.36.080 (Parking Design and Development Standards).

A. Except as provided in Subsection B. or absent a state law which would preclude this from being imposed, each lot shall have frontage on, and direct access to a public street, provided that the subdivision review authority may allow one lot in a proposed subdivision to access a public street by way of a public or private easement or recorded reciprocal (mutual) access agreement, as determined by the review authority. Private streets are not allowed within the RD-1 through RD-7 zones.

B. Within nonresidential zoning districts and residential districts of higher density than RD-7, private streets may be allowed only if a continuing maintenance and funding mechanism is first approved by the City.

Sec. 106.38.070. Standards for Specific Sign Types

Each proposed sign shall comply with the standards of this Section applicable to the specific sign type. Each sign type listed in this Section shall be included in the calculation of the total sign area allowed on a parcel by Section 106.38.060 (Zoning District Sign Standards), unless this Section explicitly provides otherwise. Each sign shall also comply with the sign area, height, and other requirements of Section 106.38.060 (Zoning District Sign Standards), and all other applicable provisions of this Chapter.

A. *A-board and other portable sidewalk signs.* Each parcel may display one A-board or other similar portable sign in compliance with the following standards:

1. *Limitation on location.* An A-board sign may be approved on private property within a commercial or industrial zoning district, only on a site where:

   a. The review authority determines that a property owner has taken advantage of all permanent signs allowed by this Chapter, and site visibility remains seriously impaired; and

   b. The structure to which directions are being provided is located more than 150 feet from a predominant public street frontage, the site is developed with all other signs allowed by this Chapter, and the business entry and the other exterior signs allowed for the site by this Chapter are not visible from the predominant public street. The "predominant public street" is the major vehicular route that provides access to the site and surrounding area.

2. *Maximum number.* No more than one A-board sign per street frontage shall be permitted per parcel.

3. *Sign size.* Each sign shall not exceed a width of 30 inches. Sign height shall be limited to 48 inches. Sign height shall be measured perpendicular from the placement surface to the highest point of the A-board sign.

4. *Sign placement.* An A-board sign shall be placed only on private property within the boundaries of the applicable business' street frontage, and shall be positioned so that it will not:

   a. Obstruct required ADA sidewalk clearance;

   b. Impede any line of sight for motorists or bicyclists at public street intersections, as recommended by the City Engineer; or

   c. Interfere with people exiting and entering parked cars.

5. *Design and construction standards.* The review authority shall approve an A-board sign only if it first determines that the design and appearance of the sign, including any graphics and/or text, will reflect attractive, professional design, and that the sign will be durable and stable when in place.

6. *Stabilization.* The sign shall be stabilized to withstand wind gusts or shall be removed during windy conditions.

7. *Daily removal.* The sign shall be removed at the close of business each day.

8. *Maintenance.* The sign shall be continuously maintained in good condition with no peeling paint or other deterioration.

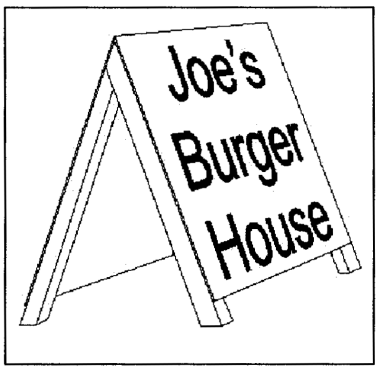


Figure 3-44 - A-board Sign

B. *Awning signs.* The following standards apply to awning signs (Figure 3-45) in all zoning districts where allowed by Section 106.38.060 (Zoning District Sign Standards):

1. Signs on awnings are limited to ground level or second story occupancies only.

2. Awnings shall not be internally illuminated. Direct exterior lighting may be allowed. Translucent awning materials are prohibited.

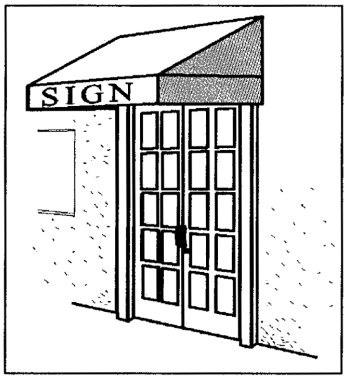


Figure 3-45 - Awning Sign

C. *Directional/directory signs on-site.* The following standards apply to directory and directional signs in all zoning districts:

1. *Maximum sign area.* A sign shall not exceed ten square feet; except the Director may authorize larger signs based upon special site/project characteristics.

2. *Maximum number.* The maximum number of freestanding directional signs shall be one per driveway and one per service entrance. The maximum number of wall mounted directory signs shall be one per building frontage. Additional signs may be permitted if a health and safety need is demonstrated to the satisfaction of the Director. Directional signs no more than 30 inches in height and 4 square feet shall not be included when calculating the total number of signs.

3. *Setback requirements.* A directional/directory shall be set back a minimum of five feet from a public right-of-way, plus one additional foot per foot of sign height over five feet, up to a maximum setback of 25 feet.

4. *Safety requirements.* A sign shall not project over public property, vehicular easements, or rights-of-way, and shall not obstruct traffic safety visibility area, as determined by the review authority.

D. *Electronic message display signs.* The following standards apply to electronic signs in all zoning districts where freestanding signs are allowed by Section 106.38.060 (Zoning District Sign Standards):

1. *Permit required.* Minor Use Permit approval is required.

2. *Exemptions.* The following types of electronic message display signage are exempt from these requirements:

   a. Window signs up to four square feet are exempt from this Chapter.

   b. Warning signs typically used at a construction site or for traffic/road diversion.

   c. Signs used for a special event in conjunction with a Temporary Use Permit.

   d. Sign displays advertising gas station pricing.

   e. Electronic message display signs that only function for time and temperature. Time and temperature displays legally installed prior to November 1, 2015 may be allowed to display messages in accordance with these regulations without the issuance of a Minor Use Permit.

3. *Where allowed.* An electronic message display sign may be approved within a commercial zoning district or within a residential zoning district. Electronic displays located within a residential zoning district must be located at least 100 feet away from a residential building. The measurement shall be from the sign face to the nearest portion of any residential structure.

4. *Maximum sign area.* The electronic portion of a monument sign shall comprise no more than 50 percent of the total sign area.

5. *Design criteria.* An electronic message display sign shall be integrated into a monument sign that contains architectural detailing that is compatible with the building including consistent use of colors and materials. The electronic message display sign shall not appear "stuck-on" to a monument sign.

6. *Maximum number.* Each site may have one electronic message display sign.

7. *Operational standards.* An electronic message display sign shall operate subject to the following:

   a. Sign shall display static messages only. The sign shall not be animated, have movement, or the appearance or optical illusion of movement in or any part of the sign structure, design, or pictorial segment of the sign. Each static message shall not include flashing or scintillating lighting, or varying light intensity.

   b. Each message on a sign within a commercial zoning district must be displayed for a minimum of 12 seconds and each message on a sign within a residential zoning district must be displayed for a minimum of one hour.

   c. Sign may only display messages related to a use that is located on the same site or within the same center.

   d. Electronic message display sign within a commercial zoning district may be full color. An electronic message display sign within a residential zoning district shall operate only in one color.

   e. The electronic message display sign shall have a light sensing device that will adjust the brightness of the sign as ambient light conditions change throughout the day.

   f. The electronic message display sign shall have a device that renders the sign to dark upon malfunction.

g. Signage should not be designed to emulate traffic safety signage.

8. *Other requirements.* An electronic message display sign shall comply with Section 106.38.050 (General Requirements for All Signs).

9. *Certification required.* The applicant shall provide written certification that the sign will operate with a maximum of 0.3-foot candle over ambient lighting. The measurement shall be taken at least 30 minutes past sunset, using a foot candle meter accurate to at least two decimals to record the ambient light reading for the area. This is done while the message center is off or displaying all back copy. All measurements shall be taken perpendicular to the face of the sign at the distance determined by the following formula:

$$D = \sqrt{a * 100}$$

D = Measurement Distance
a = Sign Area

10. *Exceptions.* The review authority shall have the right to grant an exception to these provisions pertaining to height, location, sign area, shape, and number of signs for commercial projects in compliance with Section 106.62.80 (Exceptions to Sign Regulations).

E. *Freestanding signs.* The following standards apply to freestanding signs (Figure 3-46) in all zoning districts where allowed by Section 106.38.060 (Zoning District Sign Standards):

1. *Separation.* Multiple signs shall be separated by a minimum of 75 feet to ensure adequate visibility for all signs. The review authority may waive this requirement where the locations of existing signs on adjacent properties would make the 75-foot separation impractical, or there is no other alternative.

2. *Safety requirements.* A sign shall not project over public property, vehicular easements, or rights-of-way, and shall not obstruct a traffic safety sight area, as determined by the review authority.

3. *Street address.* To assist emergency response personnel in locating the site, freestanding signs should contain an illuminated street address plate. Numbers shall be a minimum of six inches in height. Street address numbers not exceeding six inches in height shall not be included in calculations of allowed sign area.

4. *Maximum number.* The maximum number of freestanding signs allowed on a site shall be limited to one per street frontage of less than 300 feet; and one additional sign for each additional 300 feet of frontage or fraction.

5. *Setback requirements.* A freestanding sign shall be set back a minimum of five feet from a public right-of-way, plus one additional foot per foot of sign height over five feet, up to a maximum setback of 25 feet; except in the AC zoning district, where no additional setback is required for the maximum allowed height of 30 feet, and in the Sunrise Boulevard/Greenback Lane Special Sign District, in compliance with Section 106.38.060.D.

6. *Landscaping.* A freestanding sign shall be designed and constructed with accent landscaping at the base of sign to the approval of the review authority. Accent landscaping must comply with the water efficient landscape ordinance, but plants are not restricted to the approved plant list.

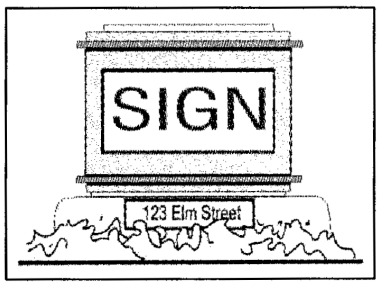


Figure 3-46 - Freestanding Sign

F. *Freeway-oriented signs.* A freeway-oriented sign may be approved in compliance with the following requirements:

1. *Permit requirement.* Use Permit approval is required for a freeway-oriented sign.

2. *Where allowed.* A freeway-oriented sign may be approved only on a parcel abutting the Interstate 80 right-of-way within a commercial zoning district.

3. *Required findings.* The approval of a Use Permit for a freeway-oriented sign shall require that the Commission first find that the use or site cannot be adequately identified by other signs permitted within the applicable zoning district, in addition to the other findings required for Use Permit approval by Section 106.62.050 (Use Permit and Minor Use Permit).

4. *Height limit.* No freeway-oriented sign shall exceed a maximum height of 30 feet, unless the Use Permit allows greater height, as follows:

   a. *Criteria for approval.* A sign with a height greater than 30 feet may be approved only if the Commission determines that the applicant has demonstrated that an overcrossing of Interstate 80, or its ramps, or trees or vegetation will significantly obstruct the visibility of the proposed sign from the eastbound or westbound lanes of Interstate 80.

   b. *Procedure for determining allowed height.* The Commission shall approve no sign height over 30 feet more than the minimum necessary for the message area of the sign to clear the identified visual obstruction. The determination of maximum height by the Commission shall be based on the following procedure, which shall occur prior to the public hearing on the Use Permit.

      (1) The applicant shall arrange for a boom truck with a sign target to be on the site at the location of the proposed sign, with a tape measure attached to the top of the target so that an accurate ground reading of height can be determined.

      (2) City staff will go to the site, pick up the applicant or applicant's representative, and drive Interstate 80 east and west of the target on the site, to visually verify that the target is set at the minimum height necessary to clear the visual obstruction. Staff will then record the height to the top of the target.

      (3) City staff will report their findings to the Commission in the staff report on the Use Permit.

G. *Murals.* A mural placed on the wall of a structure may be allowed in any commercial or industrial zoning district or on a masonary fence in any zone facing an arterial street subject to Design Review, and as follows:

1. A mural without text visible from a public right-of-way may be approved in addition to (not counted as part of) the sign area allowed by Section 106.38.060 (Zoning District Sign Standards); a mural with text shall comply with the sign area limitations applicable to the site.
2. Murals that illustrate the local setting and history as sources of inspiration are encouraged.
3. The approval of a mural shall require that the review authority first find that the size, colors, and placement of the mural are visually compatible with the structure architecture, and that the mural will serve to enhance the aesthetics of the City.
4. The mural shall be provided a graffiti-resistant coating at the time of installation.
5. The mural shall be completed within 60 days from the start of installation. The Director may grant a one-time extension of up to 30 days upon written request. Murals not completed with the allotted time may be subject to enforcement actions, including removal, fines, and penalties.

H. *Off-site signs.* New billboards are prohibited within the City in compliance with Section 106.38.040 (Prohibited Signs), except that the City may initiate the replacement or relocation of an existing billboard, provided that the replacement or relocation shall require the approval of an agreement by the Council. A governmental agency may place an off-site sign for the purpose of announcing events and transmitting community information to the general public. Allowed off-site signs are exempt from the standards listed in Section 106.38.060 (Zoning District Standards);

I. *Projecting and suspended signs.* The following standards apply to projecting signs (Figure 3-47) in all zoning districts where allowed by Section 106.38.060 (Zoning District Sign Standards):

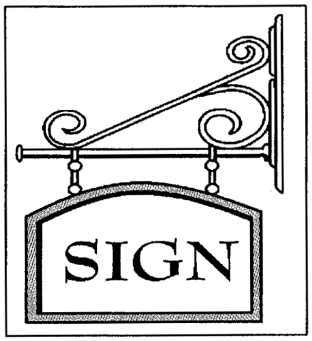


Figure 3-47 - Projecting Sign

1. The maximum projection of a sign from a structure wall over a public right-of-way shall not exceed 36 inches over a sidewalk. Larger projections from the structure wall over private property may be approved by the review authority. Any projection over a public right-of way shall require an Encroachment Permit.
2. The top of a projecting sign shall not exceed the lesser of 14 feet, eave height, parapet height, or sill height of a second floor window. No portion of the sign shall project above the eave line of a sloped roof or the top of the parapet on a flat roof.
3. A projecting sign shall maintain a minimum clearance of eight feet from the bottom of the sign to the finished grade below.
4. Icon signs using shapes or symbols uniquely suited to the business, creative shapes, and three-dimensional signs are encouraged. See Figure 3-48.

106.42.015 – Accessory Dwelling Units

A. *Purpose.* This Section is to encourage and allow accessory dwelling units (ADU) and junior accessory dwelling units (JADU) and establish standards in conformance with the State law provisions set forth in California Government Code Sections 66310 through 66342 ("State ADU law").

1. *Applicability.* The lot on which an ADU is located must have an existing or proposed primary unit, duplex or multi-unit dwelling, or such a dwelling may be constructed concurrently with the accessory dwelling unit. Both options are pursuant to the common development standards set forth in Section 106.42.015(E).

2. *Development Options.* An applicant may choose to proceed under subsection B, which sets forth the city's local development option or the applicant may choose to proceed under subsection C, which sets forth an alternative development option, consistent with California Government Code section 66323. The two options may not be combined. Nothing in this Chapter shall provide an exception to the requirements of the Building Code.

B. *City's local development option.* The following standards apply under the City's local development option.

1. *Number of units*

a. A lot developed with a single-unit dwelling may have a maximum of one ADU and one JADU pursuant to Section 106.42.015 (D). Neither the ADU nor the JADU are included when calculating the density of a parcel.

b. A lot developed with a multi-unit dwelling will follow California Government Code Section 66323 as listed in subsection C.

2. *Location.* ADUs are prohibited within the front yard, except as permitted under Section 106.42.015(E)(1)(c).

3. *Allowed floor area*

a. Attached ADU: The floor area of an attached ADU shall not exceed sixty (60) percent of the floor area of the existing primary dwelling, up to a maximum of 1,200 square feet. Notwithstanding this limit, an attached ADU shall be permitted a minimum floor area of at least:

(1) 850 square feet for an ADU with zero to one bedroom; or
(2) 1,000 square feet for an ADU with 2 or more bedrooms, whichever is less.

In no case shall local development standards (such as floor area ratio or lot coverage) be applied to prohibit at least one attached ADU of at least 800 square feet.

b. Detached ADU: The floor area of a detached ADU shall not exceed 1,200 square feet, regardless of the size of the primary dwelling.

c. Efficiency Unit: Nothing in this section shall be construed to prohibit an "efficiency unit" as defined in Section 17958.1 of the Health and Safety Code, with a minimum floor area of 150 square feet.

d. Calculation of Floor Area: The floor area is calculated pursuant to Section 106.42.015(E)(4).

C. *State of California Government Code Section 66323 ADU option***.** The following standards apply under the State of California's Government Code Section 66323 ADU option.

1. *Number of units*

a. For lots with a single-family dwelling, each of the following:

(1) One interior ADU per lot created through the conversion of space entirely with an existing structure, including accessory structure is allowed. This may include the construction of up to a 150 square foot expansion beyond the same physical dimensions as the existing accessory dwelling structure to accommodate ingress and egress only. An interior accessory dwelling unit must have exterior access and side and rear setbacks sufficient for fire safety.

(2) One JADU per lot pursuant to Section 106.42.015 (D).

(3) One new construction detached ADU with a minimum four-foot side and rear setbacks. The ADU may not exceed a floor area of up to 800 square feet and shall not exceed a maximum height of 18 feet, plus an additional two feet to accommodate roof pitch to align with roof pitch of the primary dwelling unit.

b. For lots with a multi-unit dwelling, the allowed number of allowed ADUs are listed below. For the purpose of this subsection, a structure with two or more attached dwellings on a single lot is considered a multi-unit dwelling. Multiple detached single-unit dwellings on the same lot are not considered a multi-unit lot.

(1) Existing multi-unit dwellings may create ADUs from existing areas that are not used as livable space within an existing multi-unit dwelling structure (i.e., storage rooms, boiler rooms, passageways, attics, basements, or garages), provided the spaces meet state building standards for dwellings. The number of ADUs shall not exceed one or 25% of the existing multi-unit dwellings, whichever is greater.

(2) Existing multi-unit dwellings may construct one (1) detached ADU for each existing dwelling unit on the lot, up to a maximum of eight (8) detached ADUs.

(3) Proposed multi-family units may construct up to two detached ADUs.

(4) All detached ADUs must comply with the height requirements of Section 106.42.015(B)(2)(b).

(5) No maximum floor area limitation shall apply to detached ADUs constructed on a lot with a multi-unit dwelling pursuant to Government Code Section 66323, subdivision (a)(4). Lot coverage requirements pursuant to Section 106.42.015(E)(3) are applicable.

D. *Junior accessory dwelling unit.* A JADU is allowed on any lot zoned for single-family dwellings where the primary dwelling is a single-family dwelling on the lot.

1. *Requirements.* A unit is considered a JADU provided each of the following standards are met:

a. The unit is created within the walls of the proposed or existing single-family residence, including attached garages.

b. The unit does not exceed 500 square feet of interior livable space as defined in Section 106.42.015 (E)(4)(a).

c. The unit has at least an efficiency kitchen. The efficiency kitchen shall be removed if the JADU ceases.

d. The unit has bathroom facilities that are either separate from or shared with the residence in which the unit is contained.

e. The unit has exterior access separate from the entrance to the dwelling in which it is contained.

2. *Owner-occupancy.* Owner-occupancy is not required for a JADU if the owner is a governmental agency, land trust, or housing organization or if the JADU has separate sanitation facilities from the primary dwelling. However, if the JADU shares sanitation facilities with the primary dwelling, either the JADU or the primary dwelling shall be occupied by the owner.

3. *Deed Restriction.* Prior to the issuance of the building permit, the owner shall show proof of a recorded deed restriction. The deed restriction, which shall run with the land, including the transfer of ownership, will prohibit the following:

   a. The JADU shall not be sold separately from the single dwelling.

   b. The JADU shall be restricted in size and attributes as described in Government Code § 66310-66342.

E. *Common Development Standards*

The following development standards apply to all ADUS and JADUs, whether approved under Subsection C (City's local option) or Subsection D (State law), except where State law expressly precludes application of a local standard.

1. *Setback requirements*. An ADU shall comply with the setback requirements of the applicable zoning district except that the interior side and rear yard setbacks may be four feet.

   a. Notwithstanding subsection B.1. above, no setback is required for the conversion of an existing living area or accessory structure to an ADU, including a structure reconstructed in the same location and to the same dimensions as the existing structure.

   b. An ADU may not encroach into or be constructed in any public or private easement such as a utility easement unless the easement holder has provided written permission to construct the ADU in the manner proposed. To establish a rebuttable presumption of compliance with this requirement, the applicant may provide a written declaration under penalty of perjury affirming compliance with this requirement. The declaration shall be in a form acceptable to the city attorney.

   c. Front yard setbacks shall not be applied to an attached or detached ADU if it would prohibit the construction of an ADU that does not exceed 800 square feet with four-foot side and rear yard setbacks.

2. *Height limit.* An ADU shall comply with the following height limits.

   a. An attached ADU shall comply with the height limits of the applicable zoning district except where State law allows greater height.

   b. A detached ADU shall not exceed a maximum height of 18 feet, plus an additional two feet to accommodate roof pitch to align with roof pitch of the primary dwelling unit.

   c. Where the accessory dwelling unit is above a detached residential accessory structure, it shall not exceed 25 feet in height.

3. *Lot Coverage*. An ADU shall comply with the lot coverage requirements of the applicable zoning district. Notwithstanding the foregoing, one ADU per lot that does not exceed 800 square feet in floor area shall be exempt from maximum lot coverage requirements.

   a. In no case shall the application of lot coverage requirements preclude the construction of at least one ADU of up to 800 square feet with minimum four-foot side and rear yard setbacks, in compliance with Government Code section 66323.

4. *Floor Area Calculation.* For the purposes of this Chapter, the floor area of an ADU shall be calculated based on the interior livable space of the unit.

   a. Interior livable space is defined as the enclosed area within the ADU measured from the interior surfaces of the exterior walls and includes all areas intended for living, sleeping, cooking, or sanitary purposes. Exterior walls, balconies, patios, garages, carports, and unfinished or non-habitable spaces shall not be included in the calculation of floor area.

5. *Fire sprinklers.* Fire sprinklers shall not be required for an ADU or JADU if they are not required for the primary dwelling unit. If fire sprinklers are required for the primary dwelling unit, they may be required for the ADU or JADU.

6. *Changes in occupancy.* Creation of an ADU or JADU within an existing structure shall not be considered a change of occupancy under the Building Code unless the Building Official determines that a change in occupancy is required to ensure public health and safety.

7. *Off-street parking requirements.* Additional off-street parking is not required for an ADU or JADU. When a garage, carport, covered parking structure or uncovered parking space is demolished or converted in conjunction with the construction of an ADU or JADU, no replacement parking shall be required.

8. *Separate entrance required.* An attached ADU shall have an entrance separate from the entrance to the primary dwelling.

9. *Window/balcony placement.* The following objective standards apply to the development of an ADU:

   a. An ADU that is 10 feet or less from a residential unit on an adjacent parcel shall not have second floor windows that directly face windows in the other unit.

   b. A detached ADU located closer than 10 feet to a side lot line or 20 feet from a rear lot line shall have no second-floor windows facing the side or rear except obscured glass or clerestory windows, unless the review authority determines that other types of windows will not significantly interfere with the privacy of residents on adjacent parcels.

   c. Any balconies above the ground floor shall not be located within 10 feet of a side or rear lot line.

10. *Timing of construction.* An ADU may be constructed simultaneously with or after the primary dwelling. An existing dwelling that complies with the development standards for an ADU may be designated as such to allow for the construction of a new primary dwelling on the same lot.

11. *Term of Rentals.* ADUs or JADUs shall not be rented for periods of 30 consecutive days or less. This provision shall not apply to ADUs lawfully constructed prior to January 1, 2020.

F. *Processing.* The City shall process all ADU and JADU applications ministerially within the timelines mandated by Government Code Section 66310 et seq. The Director may establish administrative policies and submittal requirements, consistent with State law, to facilitate the review and approval of these units.

G. *Legalization of Unpermitted Units (Amnesty).* Consistent with California Government Code Section 66333, the following provisions apply to the legalization of ADUs or JADUs units constructed without required permits prior to January 1, 2020:

1. *Ministerial Approval.* The City shall ministerially approve an application for a building permit to legalize an unpermitted ADU or JADU provided the unit meets the health and safety standards set forth in this subsection.

2. *Health and Safety Standards.* The City shall not deny an application for a permit under this subsection unless the Building Official makes a written finding that the unit is a "substandard building" as defined in California Health and Safety Code Section 17920.3.

   The unit shall not be required to comply with current building or zoning code requirements that were not in effect at the time of construction, or that would require the unit to be demolished or significantly altered, unless such compliance is necessary to correct a condition that makes the unit a substandard building.

3. *Application Process.* Prior to application submittal, an owner may request a confidential third-party inspection to identify potential health and safety violations. The City shall maintain a public "ADU Amnesty Checklist" outlining the specific substandard conditions that must be remedied for permit approval.

4. *Enforcement Tolling.* The City shall not initiate any enforcement action or impose fines for an unpermitted unit while a permit application is being processed in good faith under this section.

5. *Termination.* In accordance with state law, this amnesty pathway shall remain available until January 1, 2030, or as otherwise amended by Government Code Section 66333.

106.42.015- Accessory Educational Use

A. *Purpose.* The purpose of this section is to allow accessory educational and instructional activities within religious assembly facilities. These provisions are intended to support community-serving programs, encourage the shared use of institutional buildings, and ensure that such activities remain incidental and subordinate to the principal religious assembly use.

B. Applicability. The provisions of this section apply only to religious assembly uses, including churches, synagogues, mosques, temples, and similar places of worship, even where such uses are classified under the Meeting Facility land use category. The religious assembly use must be legally operating pursuant to an approved use permit or other applicable entitlement.

C. *Standards for Accessory Educational uses*. Educational uses, including private schools, tutoring, and instructional programs, may operate as an accessory use to a permitted religious assembly use, provided that:

1. The educational use is located within a building occupied by the religious assembly use.
2. The accessory educational use shall not occupy more than thirty (30) percent of the gross floor area of the buildings on the site. This calculation shall include dedicated classrooms and administrative offices, but shall exclude shared common areas such as sanctuaries, worship halls, hallways, restrooms, and multi-purpose assembly halls.
3. The educational use is clearly incidental and subordinate to the religious assembly use and shall not function as an independent principal land use.
4. The accessory educational use shall not conflict with or displace the primary religious assembly activities.
5. The accessory educational use shall fit within the existing parking capacity of the site.
6. Accessory educational uses must still comply with all applicable Building and Fire Code requirements for educational occupancy.
7. The Director has the discretion to determine if the intensity of a proposed accessory use (such as noise, hours of operation, or total enrollment) exceeds these standards and may require a Minor Use Permit or Use Permit.

Sec. 106.42.260. Two-Unit Housing Development

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

A. *Allowed locations.* A housing development in compliance with this Section shall be approved ministerially if it meets the following requirements:

1. The parcel is located within a single-family residential zone.

2. The parcel is not located in any of the following areas and does not fall within any of the following categories:

   a. A special flood hazard area subject to inundation by the 1 percent annual chance flood (100-year flood) as determined by the Federal Emergency Management Agency (FEMA) in any official maps published by FEMA. If an applicant is able to satisfy all applicable federal qualifying criteria in order to provide that the site satisfies this subparagraph and is otherwise eligible for streamlined approval under this Section, the city shall not deny the application on the basis that the applicant did not comply with any additional permit requirement, standard, or action adopted by the city that is applicable to that site. A development may be located on a site described in this subparagraph if either of the following are met:

      i. The site has been subject to a Letter of Map Revision prepared by FEMA and issued to the City; or

      ii. The site meets FEMA requirements necessary to meet minimum flood plain management criteria of the Nation Flood Insurance Program as further spelled out in Government Code Section 65913.4(a)(6)(G)(ii);

   b. A regulatory floodway as determined by FEMA in any of its official maps, published by FEMA unless the development has received a no-rise certification in accordance with Section 60.3(d)(3) of Title 44 of the Code of Federal Regulations. If an applicant is able to satisfy all applicable federal qualifying criteria in order to provide that the site satisfies this subparagraph and is otherwise eligible for streamlined approval under this Section, the City shall not deny the application on the basis that the applicant did not comply with any additional permit requirement, standard, or action adopted by the City that is applicable to that site.

   c. Lands under a conservation easement.

   d. Within a historic district or on a site that is designated as historic.

3. The proposed housing development would not require demolition or alteration of any of the following types of housing:

   a. Housing that is subject to a recorded covenant, ordinance or law that restricts rents to levels affordable to persons and families of moderate, low, or very low income;

   b. Housing that is subject to any form of rent or price control by the City;

   c. Housing on a parcel or parcels on which an owner of residential real property exercised rights under Government Code Section 7060 et seq. to withdraw accommodations from rent or lease within 15 years before the date of the application; or

d. Housing that has been occupied by a tenant in the last three years.

B. *Standards and requirements.* The following requirements shall apply in addition to all other objective standards pertaining to the underlying single-family residential zone:

1. No setback shall be required for an existing structure or a structure constructed in the same location and to the same dimensions as an existing structure.

2. Except for those circumstances described in Section 106.42.260.B.1, the setback for side and rear lot lines shall be four feet. The front setback shall be as set forth in the single-family residential zone.

3. Except for those circumstances described in Section 106.42.260.A.3, the demolition or alteration of a structure is allowed for developments proposed under this Section.

4. The applicant shall provide easements for the provision of public services and facilities as required.

5. Off-street parking shall be limited to one space per unit, except that no parking requirements shall be imposed if the parcel is located within one-half mile walking distance of either a high-quality transit corridor as defined by Public Resources Code Section 21155(b) or a major transit stop as defined in Public Resources Code Section 21064.3.

6. Any residential accessory structure proposed in conjunction with or following the development of, a two-unit development shall meet the requirements of Citrus Heights Municipal Code chapter 106.42.200.

7. The maximum number of primary units allowed under this Section is two per lot.

8. A parcel containing two primary units pursuant to the provisions of this Section may have a maximum of two accessory dwelling units created through any combination by applying the single-family accessory dwelling allowances (attached, detached, or junior accessory dwelling), for a total of four units on the parcel. This provision does not apply to lots containing two or more primary units constructed under any other authority or prior to the adoption of this Section.

C. *Objective standards.* The following objective standard shall apply to two-unit developments provided the objective standard shall not be imposed if it would have the effect of physically precluding the construction of two units of less than 800 square feet.

1. The required parking space may be covered or uncovered but shall be at least nine feet wide x 20 feet in length.

2. New units proposed adjacent to or crossed by a watercourse shown on Figure 3-1 of Section 106.30.040 shall meet the creekside setback requirements.

~~3. The applicant shall provide easements for the provision of public services and facilities as required.~~

D. *Application review.* A housing development in compliance with this Section shall be approved ministerially if it meets the requirements of this Section. An application project shall not be denied based on any of the following:

1. The imposition of any objective zoning or design review standards that would have the effect of physically precluding the construction of two units on either of the resulting parcels or that would result in a unit size of less than 800 square feet.

2. Solely because it proposes adjacent or connected structures provided that that all building code safety standards are met and they are sufficient to allow a separate conveyance.

E. *Housing development in conjunction with urban lot split.* If the project includes an urban lot split, as defined and processed in accordance with Article XXII of the Municipal Code, the applicant shall be required to sign an affidavit in a form approved by the City Attorney to be recorded against the property stating the following:

1. That the uses shall be limited to residential uses.

2. That the rental of any unit created pursuant to this Section shall be for a minimum of 31 days.

3. That the maximum number of units to be allowed on the parcels is two, including but not limited to units otherwise allowed pursuant to density bonus provisions, accessory dwelling units, junior accessory dwelling units, or units allowed pursuant to Section 106.42.015.

F. *Building official authority.* The City may deny the housing development if the building official makes a written finding, based upon a preponderance of the evidence, that the proposed housing development project would have a specific, adverse impact, as defined and determined in Government Code section 65589.5(d)(2), upon the public health and safety or the physical environment and for which there is no feasible method to satisfactorily mitigate or avoid the specific, adverse impact.

(Ord. No. 2021-007, § 2, 12-9-2021)

Sec. 106.80.020. Definitions of Specialized Terms and Phrases

As used in this Zoning Code, the following terms and phrases shall have the meaning ascribed to them in this Section, unless the context in which they are used clearly requires otherwise.

A. ***Definitions, "A."***

Abut. Having property lines, street lines, or zoning district lines in common, except two parcels separated by a street shall not be considered to abut.

Accessory Dwelling Unit (ADU). A second permanent dwelling that is accessory to a primary dwelling on the same site. An accessory dwelling unit provides complete, independent living facilities for one or more persons, including permanent provisions for living, sleeping, eating, cooking, and sanitation as described in Government Code section 65852.2. An accessory dwelling unit also includes an efficiency unit, as defined in Section 17958.1 of the Health and Safety Code, and a manufactured home, as defined in Section 18007 of the Health and Safety Code.

Accessory Dwelling Unit (ADU), Attached. An accessory dwelling unit is considered attached when it is constructed as a physical expansion (i.e., addition) to a primary dwelling unit, is created through the conversion of a garage attached to a primary dwelling unit, or is created within existing living space within a primary dwelling (e.g., master bedroom).

Accessory Dwelling Unit (ADU), Detached. An accessory dwelling unit that is a separate structure from the primary dwelling unit.

Accessory Dwelling Unit (ADU), Junior. A unit that is no more than 500 square feet in interior livable space and contained entirely within a single-family residence. A JADU may include separate sanitation facilities or may share sanitation facilities with the existing structure, as defined in Section 66313 subdivision (a).

Accessory Retail or Services. The limited retail sale of various products, or the provision of certain personal services within a health care, hotel, office, or industrial complex, to employees or customers. Examples of these uses include pharmacies, gift shops, and food service establishments within hospitals; convenience stores and food service establishments within hotel, office and industrial complexes; and barber and beauty shops within residential care facilities.

Accessory Structure. A structure that is physically detached from, secondary and incidental to, and commonly associated with a primary structure on the same site. See also "Residential Accessory Uses and Structures."

Accessory Use. A use customarily incidental to, related and clearly subordinate to a primary use on the same parcel, which does not alter the primary use nor serve property other than the parcel where the primary use is located.

Adult Day Care. See "Day Care, Adult."

Adult Oriented Business. The following terms and phrases are defined for the purposes of Chapter 106.40 (Adult Oriented Business Regulations).

1. *Adult Arcade.* Any commercial establishment to which the public is permitted or invited wherein coin-operated, slug-operated, or for any form of consideration, electronically, electrically, or mechanically controlled still or motion picture machines, projectors, video or laser disc players, or other image-producing devices are maintained to show images to five or fewer persons per machine at any one time, and where the images so displayed are distinguished or characterized by an emphasis upon the depiction or description of Specified Sexual Activities or Specified Anatomical Areas.
2. *Adult Bookstore, Adult Novelty Store or Adult Video Store.* A commercial establishment which, as a regular and substantial course of conduct, offers for sale or rental for any form of consideration any one or more of the following:

2. A party who has contracted to purchase property contingent upon that party's ability to acquire the necessary approvals required for that action in compliance with this Zoning Code, and who presents written authorization from the property owner to file an application with the City; or

3. The agent of either of the above who presents written authorization from the property owner to file an application with the City.

Approval. Includes both approval and approval with conditions.

Arborist. 1) A person currently certified by the International Society of Arboriculture (ISA) as an expert on the care of trees; 2) a consulting arborist who satisfies the requirements of the American Society of Consulting Arborists; or 3) other qualified professionals who the Director determines have gained through experience the qualifications to identify, remove, or replace trees.

Architectural Feature. An exterior building feature including roof, windows, doors, porches, etc.

Area of Lot. See "Lot Area."

Artisan/Craft Product Manufacturing. Establishments manufacturing and/or assembling small products primarily by hand, including jewelry, pottery and other ceramics, as well as small glass and metal art and craft products. May include an artisan shop as an accessory use.

Artisan Shop. A retail store selling art glass, ceramics, jewelry, paintings, sculpture, and other handcrafted items, that are small run or one-of-a-kind items, where the store includes an area for the crafting of the items being sold. Mass production of these items is defined as "Manufacturing/Processing - Light."

Assessed Value. The value of a structure as shown in the records of the County Assessor.

Attic. The area located between the uppermost plate and the roof or ridge of a structure.

Auto and Vehicle Sales and Rental. A retail or wholesale establishment selling and/or renting automobiles, trucks and vans, trailers, motorcycles, and scooters with internal combustion engines. (Non-street-legal vehicles, such as ATVs, dirt bikes and ~~B~~bicycle sales are included under "General Retail"). Vehicles for sale may be displayed outdoors or indoors, as authorized by the required Use Permit. May also include repair shops and the sales of parts and accessories, incidental to vehicle dealerships. Does not include: the sale of auto parts/accessories separate from a vehicle dealership (see "Auto Parts Sales"); mobile home, recreational vehicle, or watercraft sales (see "Mobile Home, RV and Boat Sales"); tire recapping establishments (see "Vehicle Services"); businesses dealing exclusively in used parts, (see "Recycling - Scrap and Dismantling Yards"); or "Service Stations," which are separately defined.

Auto and Vehicle Sales, Wholesale. The sale of automobiles and other vehicles at wholesale to retail dealers.

Auto Parts Sales. Stores that sell new or re-manufactured automobile parts, tires, and accessories. Does not include tire recapping establishments, which are found under "Vehicle Services" or businesses dealing exclusively in used parts, which are included under "Recycling - Scrap and Dismantling Yards." Establishments providing repair services are included under "Vehicle Services - Repair and Maintenance."

1. *No Installation Services.* Auto parts sales where product is sold but not installed on-site.

2. *With Installation Services.* Auto parts or accessories sales where the product is sold and installed on-site, generally in service bays.

Auto Repair. See "Vehicle Services."

Automated Teller Machine (ATM). Computerized, self-service machines used by banking customers for financial transactions, including deposits, withdrawals and fund transfers, without face-to-face contact with financial institution personnel. The machines may be located at or within banks, or in other locations. Does not include drive-up ATMs which are included under "Drive-Through Retail or Service."

Coop. A building where hens are kept. Inside the coops are often nest boxes for egg-laying and perches on which the birds can sleep.

Cottage Food Operations. An enterprise that prepares non-potentially hazardous foods in a private home and sold directly to consumers or restaurants and markets. To qualify as a cottage food operation the business shall be registered (Class A cottage Food Operations) or licenses (Class B Cottage Food Operations) as required by the County Environmental Health Department.

County. The County of Sacramento, State of California.

D. ***Definitions, "D."***

Day Care, Adult. A state-licensed day care facility providing care and supervision for seven or more adults for periods of less than 24 hours for any client.

Day Care, Child. Facilities that provide non-medical care and supervision of minor children for periods of less than 24 hours. These facilities include the following, all of which are required to be licensed by the California State Department of Social Services:

1. *Child Day Care Center.* Commercial or non-profit child day care facilities designed and approved to accommodate 15 or more children, or child day care facilities designed and approved to accommodate fewer than 15 children in a ~~non~~residential building. Includes infant centers, preschools, sick-child centers, and school-age day care facilities. These may be operated in conjunction with a school or church facility, or as an independent land use.
2. *Family Child ~~Day~~ Care Home.* As defined by Health and Safety Code § 1596.78, a home that regularly provides care, protection, and supervision for 14 or fewer children, in the provider's own home, for periods of less than 24 hours per day, while the parents or guardians are away, and is either a large family day care home or a small family day care home. The use of a home as a family child care home shall be considered a residential us of property and a use by right for the purpose of all local ordinances.
3. *Large Family Child ~~Day~~ Care Home.* As defined by Health and Safety Code § 1596.78, a family child care home ~~day care facility~~ in a ~~single~~ residential dwelling where an occupant of the residence provides family day care for seven to 14 children, inclusive, including children under the age of ten years who reside in the home.
4. *Small Family Child ~~Day~~ Care Home.* As defined by Health and Safety Code § 1596.78, a day care facility in a single dwelling where an occupant of the residence provides family day care for eight or fewer children, including children under the age of ten years who reside in the home.

Density. The number of housing units per acre, unless otherwise stated, for residential uses.

Density Bonus. As determined by Chapter 106.32 (Affordable Housing Incentives), and granted to the owner/developer of a housing project who agrees to construct a prescribed percentage of dwelling units affordable to households of very low and/or low income. When determining the number of dwelling units that shall be affordable, the units authorized by the density bonus shall not be included in the calculation.

Department. The City of Citrus Heights Community Development Department, referred to in this Zoning Code as the "Department."

Development. On land, in or under water, the placement or erection of any solid material or structure; discharge or disposal of any dredged material or of any gaseous, liquid, solid, or thermal waste; grading, removing, dredging, mining, or extraction of any materials; change in the density or intensity of use of land, including subdivision in compliance with the Subdivision Map Act (Government Code § 66410, et seq.), and any other division of land except where the land division is brought about in connection with the purchase of the land by a public agency for public recreational use; change in the intensity of use of water, or of access thereto;

Employee Housing. A residential structure which provides accommodation for six or fewer employees as described in HSC § 17021.5. Employee housing is different than a boarding house, rooming house, hotel, dormitory or other similar term as employee housing is not operated as a business run for profit.

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

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

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

F. ***Definitions, "F."***

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

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

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

Farmers' Market. The temporary use of a site for the outdoor sales of food and farm produce items from vehicles, tables, or booths in compliance with California Food and Agriculture Code §§ 47000 et seq.

Feasible. Capable of being accomplished in a successful manner within a reasonable period of time, taking into account economic, environmental, social and technological factors.

Floodway. The channel of a river or other watercourse and the adjacent land areas that must be reserved to discharge a 100-year flood without cumulatively increasing the water surface elevation more than one foot.

Floor Area Ratio (FAR). The Floor Area Ratio (FAR) is the ratio of floor area to total lot area. FAR restrictions are used to limit the maximum floor area allowed on a site (including all structures on the site). The maximum allowable floor area of all structures (measured from exterior wall to exterior wall) permitted on a site (including carports) shall be determined by multiplying the maximum Floor Area Ratio (FAR) established by the applicable zoning district by the total net area of the site (Maximum FAR x Net Site Area = Maximum Allowable Floor Area). See Figure 8-2.

stoves

televisions

G. ***Definitions, "G."***

Garage, or Carport. Parking space and shelter for automobiles or other vehicles, where the size of the parking space complies with the provisions of Chapter 106.36 (Parking and Loading).

1. A garage is an attached or detached accessory structure with a door, enclosed on at least three sides.

2. A carport is an attached or detached accessory structure enclosed on no more than two sides.

General Plan. The City of Citrus Heights General Plan, including all its elements and all amendments thereto, as adopted by the City Council in compliance with Government Code § 65300 et seq., and referred to in this Zoning Code as the "General Plan."

General Retail. Stores and shops selling many lines of merchandise. Examples of these stores and lines of merchandise include:

antique stores

art galleries, retail

art supplies, including picture framing services

bicycles, scooters, and non-street-legal vehicles (e.g., ATVs and dirt bikes), whether manual or electric, or gasoline-powered. (For street-legal motorized vehicles, ~~(manual or electric only~~, see "Auto and Vehicle Sales and Rental") ~~for gasoline powered)~~

books, magazines, and newspapers

cameras and photographic supplies

clothing, shoes, and accessories

collectibles (cards, coins, comics, stamps, etc.)

department stores

dry goods

fabrics and sewing supplies

florists and houseplant stores (indoor sales only—outdoor sales are "Building and Landscape Materials Sales")

hardware (not including building or landscape materials)

hobby materials

jewelry

luggage and leather goods

musical instruments, parts and accessories

orthopedic supplies

records, CDs

religious goods

small wares

specialty shops

sporting goods and equipment

stationery

toys and games

variety stores

videos, DVDs, including rental

Does not include adult oriented businesses, which are separately defined.

Golf Course. An open space area designed and with facilities for playing nine or more holes of golf.

Government Code. The California State Government Code.

Grade. The ground surface immediately adjacent to the exterior base of a structure, typically used as the basis for measurement of the height of the structure.

Groceries, Specialty Foods. A retail business where the majority of the floor area open to the public is occupied by food products packaged for preparation and consumption away from the store. Includes retail bakeries, where any on-site baking is only for on-site sales.

Gross Lot Area. See "Lot Area."

Guest House. A detached structure accessory to a single dwelling, accommodating living/sleeping quarters, generally without kitchen or cooking facilities. For the purposes of this Zoning Code, a guest house is considered to be the same as a "Residential Accessory Structure."

H. ***Definitions, "H."***

Habitable Space. Space within a dwelling unit for living, sleeping, eating, or cooking. Bathrooms, toilet rooms, closets, halls, storage or utility spaces and similar areas are not considered habitable spaces.

Half-plex. See "Duplex."

Health/Fitness Facility. A fitness center, gymnasium, or health and athletic club, which may include any of the following: sauna, spa or hot tub facilities; indoor tennis, handball, racquetball, archery and shooting ranges and other indoor sports activities. Does not include adult entertainment businesses.

Hedge. A barrier of natural plantings such as shrubs, trees and other natural plantings, generally consisting of few openings.

Height. See Section 106.30.060 (Height Limits and Exceptions).

Hen. A female chicken six months and older, whose main purpose is to produce eggs. Does not include roosters or any other fowl including pigeons, ducks, geese, turkeys, or peafowl.

Heritage Tree. A large, individual tree with unique value, which is considered irreplaceable due to age, size, rarity, aesthetic, botanical, ecological, and/or historic value.

Hobby Repair of Farm Equipment. The repair of farm equipment owned by a site resident as a leisure, non-commercial activity.

Home Occupation. The conduct of a business within a dwelling unit or residential site, employing only the occupants of the dwelling, with the business activity being subordinate to the residential use of the property.

Hotel or Motel. See "Lodging."

Household Pets. The keeping/raising of domestic birds, cats, dogs, or other common household pets, as determined by the Director, accessory to a residential use.

CITY OF CITRUS HEIGHTS

CITY COUNCIL STAFF REPORT MEMORANDUM

DATE: May 27, 2026

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: **Presentation on Housing Types: ADUs and Cottage Courts**

Recommendation

During the 2025-2026 Strategic Planning session, the City Council directed staff to evaluate new residential housing types and identify ways to increase Accessory Dwelling Units (ADU) as a source of affordable housing.

Staff will present information on existing regulations and share recent trends in ADU's and similar housing types and be available for additional questions. No action is requested.

Strategic Plan Alignment

This item is in alignment with the following City Council priority:

> **Goal:** Enhance Community Vibrancy and Engagement
> **Objective:** Evaluate opportunities for new residential developments such as cottage courts or similar housing types in the community and identify opportunities for increasing Accessory Dwelling Units (ADUs) as a source of affordable housing. Present options to City Council for consideration and direction.

Background

In response to California's evolving housing landscape, the City of Citrus Heights continues to prioritize innovative and accessible housing solutions that reflect the community's unique character. During the 2025–2026 Strategic Planning session, the City Council directed staff to evaluate new residential housing types and opportunities to increase the production of Accessory

Dwelling Units (ADUs). This report outlines a range of potential pathways to achieve these objectives.

City of Citrus Heights ADU Regulations and Programs

Accessory Dwelling Units (ADUs)
Citrus Heights is a regional leader in ADU production relative to its size and in reducing development barriers through programs such as the City's Pre-Approved ADU (PRADU) Program. Even prior to the State's 2017 ADU legislation—which established standards such as reduced setbacks, elimination of parking requirements, and other streamlining measures—the City had already implemented similar provisions. These early efforts have proven effective, with the City now averaging more than 30 ADU permits annually.

Citrus Heights was also ahead of the curve in offering no-cost Pre-Approved ADU (PRADU) plans prior to State requirements. The PRADU program serves as a direct cost-reduction tool by eliminating typical design expenses, and combined with mandated fee waivers, saves homeowners approximately $10,000 per project. Of the ADUs permitted each year, an average of five are developed using the PRADU program.

ADUs provide homeowners the opportunity to add housing without the cost of acquiring additional land. Annual surveys indicate that most ADUs in Citrus Heights are occupied by family members—supporting aging relatives or providing an affordable option for young adults and new families.

ADUs have also proven to be an effective tool in helping the City meet its Regional Housing Needs Allocation (RHNA), particularly in lower-income categories. Available data indicates many of these units are rented below-market rates and serve households with demonstrated need.

Expansion of ADU Allowances
As presented in an earlier Agenda Item, the Zoning Code requires updating to be consistent with State regulations for ADU's. The State continues to amend ADU regulations, with recent changes significantly expanding allowable unit counts.

Residential properties may now accommodate up to three ADUs per parcel (one detached ADU, one conversion ADU, and one Junior ADU, or JADU).

For multi-family properties, ADU allowances have also expanded:

- Conversion ADUs: Up to 25% of existing units may be added through conversion of non-living space (e.g., storage rooms, offices, recreation areas). A 100-unit complex, for example, could add up to 25 ADUs.

- Detached ADUs: Standalone ADUs may also be constructed, provided the number does not exceed the number of existing units. For example, a 100-unit complex could construct up to eight detached ADUs, while a duplex could construct up to two.

ADU Program Accelerator
In 2024, SB 1332 was enacted, requiring jurisdictions to establish a process for design professionals to submit plans for pre-approval. These plans must then be made publicly available.

The City has established this program and made it accessible online. While staff has received interest from design professionals, no plans have yet completed the pre-approval process. (www.citrusheights.net/1374).

ADU Programs in other Agencies

ADU Loan Program
The high upfront cost of construction remains a significant barrier to ADU development. While financing options are expanding, most homeowners continue to rely on Home Equity Lines of Credit (HELOCs) or cash-out refinancing, which require substantial equity and often carry higher interest rates.

No similar ADU programs are currently offered in the Sacramento region, to better understand potential local approaches, staff reviewed programs implemented by other jurisdictions, including the Town of Truckee and City of San José.

The Town of Truckee administers a loan program funded through a combination of Transient Occupancy Tax (TOT) revenues and Permanent Local Housing Allocation (PLHA) funds. The program initially offered loans up to $50,000 and was later expanded to approximately $200,000 through the addition of PLHA funding. Loans are provided at low simple interest rates and require the ADU to be rented to income-qualified households.

Consistent with PLHA requirements, affordability restrictions are tied to loan terms. For example, a $200,000 loan at 1% simple interest over 20 years requires a minimum seven-year deed restriction for households earning at or below 60% of Area Median Income (AMI). Truckee staff indicated that the program required multiple adjustments to balance funding levels, affordability requirements, and participation.

Similarly, the City of San José offers an ADU financing program that combines low-interest loans with technical assistance, also tied to affordability requirements.

A key takeaway from these programs is that, while they provide meaningful assistance, they are typically limited in scale due to funding constraints. Depending on the loan amount, the City's annual allotment of PLHA funding (approximately $250,000) would support only one ADU project per year at higher loan amounts unless supplemented by additional funding sources or homeowner contributions. In addition, planned housing rehab programs currently funded by PLHA would require reduction or elimination.

Additionally, administering such a program requires significant infrastructure, including underwriting, income verification, legal agreements, and ongoing compliance monitoring. This

introduces substantial administrative complexity, staffing demands, and financial risk comparable to that of a lending institution.

As an alternative, the City could consider establishing a similar low-interest loan program to support ADU construction for income-qualified households. However, based on peer jurisdiction experience, these programs require careful calibration of funding sources, loan terms, and administrative capacity to be effective. However, adequate funding and administrative burdens remain a challenge.

Separate Sale of ADUs
Historically, Accessory Dwelling Units (ADUs) in California could not be sold separately from the primary residence and were limited to rental use. However, Assembly Bill 1033 (AB 1033), which took effect on January 1, 2024, created a new pathway for the separate sale of ADUs through a condominium structure.

Under this framework, a property can be converted into a small condominium project, allowing the primary residence and the ADU to be sold as separate ownership units while remaining on a single parcel. This approach, often referred to as "ADU condoization," enables independent ownership, financing, and resale of the ADU.

Importantly, AB 1033 is not mandatory. Cities and counties must adopt a local ordinance to allow separate ADU sales. As of early 2026, only a limited number of jurisdictions—such as San José, Santa Monica, and parts of San Diego County—have implemented ordinances enabling this option.

Because the law is relatively new, implementation across California remains in the early stages, and overall production has been limited. Initial activity has been modest, with only a small number of completed transactions to date. For example, San José—one of the first jurisdictions to adopt the ordinance—recorded its first separate ADU sale in 2025.

While the separate sale of ADUs represents a promising long-term strategy to expand homeownership opportunities, it remains an emerging tool with limited track record in California. Early evidence suggests that regulatory complexity, financing barriers, condominium legal challenges, private access requirements and the need for local adoption have constrained widespread implementation.

As additional jurisdictions adopt ordinances and more transactions occur, this model may become more viable. Staff will continue to monitor its effectiveness and evaluate whether it could serve as a feasible option for Citrus Heights in the future.

Cottage Courts/Pocket Neighborhoods
As housing needs across California continue to evolve, many cities are exploring creative development models to provide diverse and affordable housing options while supporting neighborhood character and sustainability goals. One such model gaining traction is the pocket neighborhood, or cottage court, concept.

Pocket neighborhoods are clusters of smaller homes arranged around a shared open space—such as a courtyard or garden—that encourage neighbor interaction while maintaining privacy. This layout emphasizes walkability, efficient land use, and a sense of community, offering an alternative to conventional suburban subdivisions.

Rendering of a Small-Scale Community



The concept is outlined in Ross Chapin's book, *Pocket Neighborhoods: Creating Small-Scale Community in a Large-Scale World*, which highlights how thoughtful design at the neighborhood scale can foster stronger community connections and meet a range of housing needs. This housing type was more common prior to World War II, before suburban development patterns shifted toward larger lots and auto-oriented design. Today, it is experiencing a resurgence nationwide as a flexible solution for both entry-level housing and aging-in-place options.

Existing Regulatory Framework in Citrus Heights
The City of Citrus Heights currently allows small-lot developments intended to facilitate housing on irregular or constrained parcels (Attachment XX) within RD-10 and higher zoning designations, including commercially zoned properties. These provisions allow for reduced lot sizes, setbacks, and other modified standards which are intended to create innovative housing typologies such as cottage courts. One example is the eight-unit development along Auburn Boulevard, immediately east of the Stock Ranch Shopping Center.

While the City's small-lot development standards provide flexibility beyond conventional subdivisions, cottage courts place a stronger emphasis on community-oriented features such as shared open space. Front porches, in particular, are a key design element that help bridge the public and private realms. When appropriately designed, they serve as informal gathering spaces and contribute to a stronger sense of community.

One example of this approach is the Town of Cotati, which adopted zoning standards specifically allowing Cottage Court Neighborhoods. Key elements of Cotati's approach include:

- Increased Density: Cottage Court projects must exceed the base zoning density (e.g., minimum of 10 units per acre where the base zone is 5 units per acre).
- Minimum Site Size: A minimum of four units is required to qualify as a Cottage Court.
- Common Open Space: A shared central space is required for all residents.
- Flexible Unit Types: Projects may include a mix of unit sizes and housing types to reflect community needs.
- ADUs/JADUs Allowed: These are permitted and excluded from density calculations.
- Design Standards: Emphasis is placed on front porch design, pedestrian-scale amenities, and architectural features that promote neighbor interaction.

Many of these standards (not including increased density) are included within the City's Small Lot Housing Ordinance. The existing Small Lot Housing Ordinance requires private open space for each individual unit and does not prohibit common open space, however, is currently silent on community open space.

Housing Streamlining
In efforts to increase housing more rapidly, the State has enacted several legislative measures to streamline the review and approval process for housing developments. To assist the development community in navigating these evolving requirements, the City maintains a Housing Streamlining webpage that highlights key legislation applicable to Citrus Heights (www.citrusheights.net/1383).

As with many new laws, interpretation and implementation can vary as guidance is refined over time. This resource is intended to provide a clear and practical overview of applicable regulations and serves as a helpful tool for developers seeking to construct housing within the City.

Community Outreach around ADU's
In June 2021, the City produced two videos on Accessory Dwelling Units (ADUs) that have served as a valuable resource for residents. To date, these remain among the most-viewed videos on the City's YouTube channel (with over 1,000 views), demonstrating that video is an effective medium for community engagement.

Since their release, however, ADU regulations and development standards have evolved significantly. To ensure residents have access to accurate and up-to-date information, staff recommends producing a new video series. This effort would provide clear guidance on current permitting and construction requirements and further encourage ADU development.

There are a variety of approaches available for developing the video series, ranging from simple in-house productions to professionally produced videos similar to those prepared previously. Project costs may vary depending on the desired level of production quality and scope, and additional research would be needed to evaluate available options, associated costs, and staffing resources.

In addition to digital outreach, consideration of hosting an "ADU Fair" to provide direct, in-person engagement with the community is an opportunity to increase awareness Envisioned as a Saturday event to maximize accessibility, the fair would be staffed by City development departments and include participation from external partners such as lenders, contractors, and utility providers. This "one-stop-shop" approach would allow residents to better understand the ADU process and available resources.

By modernizing our digital resources and providing opportunities for face-to-face consultation, the City can demystify the development process and lower the barriers to entry for residents. Staff believes these proactive outreach efforts are essential to successfully increasing the City's ADU housing stock and meeting our long-term community housing goals.

Attachments:

1. Section 106.42.230 – Small Lot Housing Projects

106.42.225 – Small Lot Housing Product Projects

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

A. Minimum Lot Area and Minimum Lot Width. The minimum lot area and/or minimum lot width may be determined by the review authority, provided the overall development site complies with the minimum parcel size and that the total number of dwellings is in compliance with the maximum density for the applicable zone.

B. Building separation. Buildings proposed on the site shall be separated by a minimum of 8 feet. Separation for pedestrian oriented stoops, entry features and front porches less than 15 feet in height may be reduced to 5 feet.

C. Architectural standards. Each dwelling shall comply with the following architectural requirements:

1. Exterior siding material shall be high quality wood, stucco, stone or masonry, including wood/stone/masonry veneers. Siding shall extend below the top of the foundation or to the finished ground, whichever is applicable. Low grade wood siding shall be prohibited.

1. Blank walls are discouraged. All sides of each detached dwelling unit shall provide windows to allow natural lighting into each dwelling. Window placement should consider privacy of adjacent units and private outdoor space.

D. Semi-Private Outdoor Areas. Each unit shall provide a minimum of 250 square feet of semi-private outdoor area for each unit. The outdoor area shall provide a minimum usable dimension of 10 feet. The review authority may reduce these requirements where necessary to accommodate the minimum density identified for the site by the Housing Element, provided that project design has first incorporated smaller unit sizes.

E. Access drive and parking space location.

1. Each access drive shall be located at least 10 feet from any habitable space and 4 feet from any portion of a garage or porch, measured in any direction from the edge of the drive (including vertical angle measurement), and no closer than three feet from a fence, patio, trellis, etc.

2. Parking spaces shall be located at least 6 feet from any structure measured in any direction from the edge of parking space (including vertical angle measurement).

3. Garage doors shall either be a minimum of to 6 feet from the edge of the access drive or more than 20 feet from the access drive. If the driveway to the garage is 20 or more feet in depth, the driveway may be counted as a parking space.

4. A minimum of 1 guest parking space shall be provided for every dwelling unit. Guest parking may be reduced by the review authority if the review authority finds that based on a parking plan, the site will provide adequate parking for both guests and residents of the site.

5. A Homeowners Association or other continuing maintenance and funding mechanism is required to ensure maintenance of all common areas and to enforce parking requirements (including within garages), subject to City review and approval.

F. Pedestrian access. Each unit shall comply with the following requirements:

1. Provide direct, convenient, and safe pedestrian connections to common areas within the site and walkways on adjoining public streets or parks.

2. When multiple units share a common driveway that is lined with individual garages, provide distinguishable pedestrian paths to connect parking areas to articulated individual entries.

2. Decorative paving and accent landscaping should be utilized to improve pedestrian access