



July 11, 2019

AGENDA

CITY OF CITRUS HEIGHTS CITY COUNCIL

6:30 PM SPECIAL MEETING

7:00 PM REGULAR MEETING

City Hall Council Chambers

6360 Fountain Square Drive, Citrus Heights, CA

7-11-19 Agenda Packet

Documents:

[7-11-19 AGENDA PACKET.PDF](#)

CALL SPECIAL MEETING TO ORDER

1. Roll Call: Council Members: Daniels, Middleton, Miller, Slowey, Bruins

PUBLIC COMMENT

Under Government Code Section 54954.3, members of the audience may address the Council on any item of interest to the public and within the Council's purview, or on any Agenda Item before or during the Council's consideration of the Item. If you wish to address the Council during the meeting, please fill out a Speaker Identification Sheet and give it to the City Clerk. When you are called upon to speak, step forward to the podium and state your name for the record. Normally, speakers are limited to five minutes each with 30 minutes being allowed for all comments. Any public comments beyond the initial 30 minutes may be heard at the conclusion of the agenda. The Mayor has the discretion to lengthen or shorten the allotted times.

CLOSED SESSION

2. PUBLIC EMPLOYMENT

Pursuant to Government Code Section 54957(b)
Title: City Attorney

ADJOURNMENT

CALL REGULAR MEETING TO ORDER

1. Flag Salute
2. Roll Call: Council Members: Daniels, Middleton, Miller, Slowey, Bruins
3. Video Statement

APPROVAL OF AGENDA

PRESENTATIONS

COMMENTS BY COUNCIL MEMBERS AND REGIONAL BOARD UPDATES

PUBLIC COMMENT

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Agenda Item before or during the Council's consideration of the Item. If you wish to address the Council during the meeting, please fill out a Speaker Identification Sheet and give it to the City Clerk. When you are called upon to speak, step forward to the podium and state your name for the record. Normally, speakers are limited to five minutes each with 30 minutes being allowed for all comments. Any public comments beyond the initial 30 minutes may be heard at the conclusion of the agenda. The Mayor has the discretion to lengthen or shorten the allotted times.

CONSENT CALENDAR

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

4. SUBJECT: Approval Of Minutes

RECOMMENDATION: Approve the Minutes of the Regular Meeting of Thursday, June 13, 2019

5. SUBJECT: Storm Drain Maintenance Services – Contract Clarification And Approval Of Contract Amendment No. 3

STAFF REPORT: R. Sherman / R. Cave

RECOMMENDATION: Adopt Resolution No. 2019-____; A Resolution of the City Council of the City of Citrus Heights, California, Authorizing the City Manager or his Designee to Execute Contract Amendment No. 3 with Coastline Water Resources, Inc. for Storm Drain Maintenance Services and Further Authorizing the City Manager or His Designee to Execute any Subsequent Amendments Under this Contract Consistent with the City Manager's General Signing Authority

6. SUBJECT: Contract Execution With NeighborWorks Sacramento For Administration Of The Housing Rehabilitation Program

STAFF REPORT: R. Sherman / S. Cotter

RECOMMENDATION: Adopt Resolution No. 2019-____; A Resolution of the City Council of the City of Citrus Heights, California, Authorizing the City Manager to Execute a Contract with NeighborWorks Sacramento for Administration of the City's Housing Rehabilitation Program

PUBLIC HEARINGS

7. SUBJECT: General Plan Amendment Regarding Sunrise Mall

STAFF REPORT: R. Sherman / C. McDuffee / C. Kempenaar / M. Huber

RECOMMENDATION: Adopt Resolution No. 2019- ____; A Resolution of the City Council of the City of Citrus Heights, California Adopting a General Plan Amendment Related to Development Within the Sunrise Mall Property and Determining that the Project is Exempt from CEQA Under Section 15305

8. SUBJECT: Resolution To Record Delinquent Solid Waste Service Charges On The Tax Roll

STAFF REPORT: R. Sherman / M. Poole

RECOMMENDATION: Adopt Resolution No. 2019-____; A Resolution of the City Council of the City of Citrus Heights, California to Record Delinquent Solid Waste Service Charges on the Tax Roll

REGULAR CALENDAR

9. SUBJECT: Request City Council Recommendation Regarding AB 626 Microenterprise Kitchen Operations (MHKO)

STAFF REPORT: R. Sherman / C. McDuffee / A. Bermudez

RECOMMENDATION: Staff Requests the City Council Review the Bill, and Direct Staff to Forward an "Opt-In" or "Opt-Out" Recommendation to the County Board of Supervisors

10. SUBJECT: Approval Of Contract For City Attorney Services

STAFF REPORT: Attached

RECOMMENDATION: None

DEPARTMENT REPORTS

CITY MANAGER ITEMS

ITEMS REQUESTED BY COUNCIL MEMBERS / FUTURE AGENDA ITEMS

ADJOURNMENT

**CITY OF CITRUS HEIGHTS
CITY COUNCIL
Special/Regular Meeting of Thursday, July 11, 2019
City Hall Council Chambers
6360 Fountain Square Dr., Citrus Heights, CA
Special Meeting 6:30 p.m.
Regular Meeting 7:00 p.m.**

PLEASE NOTE: The Council may take up any agenda item at any time, regardless of the order listed. Action may be taken on any item on the agenda. The City Council has established a procedure for addressing the Council. Speaker Identification Sheets are provided on the table inside the Council Chambers. If you wish to address the Council during the meeting, please complete a Speaker Identification Sheet and give it to the City Clerk. So that everyone who wishes may have an opportunity to speak, there is a five-minute maximum time limit when addressing the Council. Audio/Visual presentation material must be provided to the City Clerk's Office at least 48 hours prior to the meeting.

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 at City Hall located at 6360 Fountain Square Drive, Citrus Heights during normal business hours. Email subscriptions of the agenda are available online by signing up with the City's Notify Me service.

City Council meetings are televised live on Metro Cable 14, the government affairs channel on the Comcast, Consolidated Communications, and AT&T U-Verse cable systems and replayed on the following Monday at 9:00 a.m. Meetings are also webcast live at www.citrusheights.net.

The Agenda for this meeting of the City Council for the City of Citrus Heights was posted in the following listed sites before the close of business at 5:00 p.m. on the Friday preceding the meeting.

1. City of Citrus Heights, 6360 Fountain Square Drive, Citrus Heights, CA
2. Rusch Park Community Center, 7801 Auburn Boulevard, Citrus Heights, CA

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

July 5, 2019



Amy Van, City Clerk

Please turn off all cellular phones and pagers while the City Council meeting is in session.

SPECIAL MEETING
6:30 PM

CALL SPECIAL MEETING TO ORDER

1. Roll Call: Council Members: Daniels, Middleton, Miller, Slowey, Bruins

PUBLIC COMMENT

CLOSED SESSION

2. PUBLIC EMPLOYMENT
Pursuant to Government Code Section 54957(b)
Title: City Attorney

ADJOURMENT

REGULAR MEETING
7:00 PM

CALL REGULAR MEETING TO ORDER

1. Flag Salute
2. Roll Call: Council Members: Daniels, Middleton, Miller, Slowey, Bruins
3. Video Statement

APPROVAL OF AGENDA

PRESENTATIONS

COMMENTS BY COUNCIL MEMBERS AND REGIONAL BOARD UPDATES

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Under Government Code Section 54954.3, members of the audience may address the Council on any item of interest to the public and within the Council's purview, or on any Agenda Item before or during the Council's consideration of the Item. If you wish to address the Council during the meeting, please fill out a Speaker Identification Sheet and give it to the City Clerk. When you are called upon to speak, step forward to the podium and state your name for the record. Normally, speakers are limited to five minutes each with 30 minutes being allowed for all comments. Any public comments beyond the initial 30 minutes may be heard at the

conclusion of the agenda. The Mayor has the discretion to lengthen or shorten the allotted times.

CONSENT CALENDAR

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

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RECOMMENDATION: Approve the Minutes of the Regular Meeting of Thursday, June 13, 2019
5. **SUBJECT:** Storm Drain Maintenance Services – Contract Clarification and Approval of Contract Amendment No. 3
STAFF REPORT: R. Sherman / R. Cave
RECOMMENDATION: Adopt Resolution No. 2019-___; A Resolution of the City Council of the City of Citrus Heights, California, Authorizing the City Manager or his Designee to Execute Contract Amendment No. 3 with Coastline Water Resources, Inc. for Storm Drain Maintenance Services and Further Authorizing the City Manager or His Designee to Execute any Subsequent Amendments Under this Contract Consistent with the City Manager’s General Signing Authority
6. **SUBJECT:** Contract Execution with NeighborWorks Sacramento for Administration of the Housing Rehabilitation Program
STAFF REPORT: R. Sherman / S. Cotter
RECOMMENDATION: Adopt Resolution No. 2019-___; A Resolution of the City Council of the City of Citrus Heights, California, Authorizing the City Manager to Execute a Contract with NeighborWorks Sacramento for Administration of the City’s Housing Rehabilitation Program

PUBLIC HEARING

7. **SUBJECT:** General Plan Amendment Regarding Sunrise Mall
STAFF REPORT: R. Sherman / C. McDuffee / C. Kempenaar / M. Huber
RECOMMENDATION: Adopt Resolution No. 2019- ___; A Resolution of the City Council of the City of Citrus Heights, California Adopting a General Plan Amendment Related to Development Within the Sunrise Mall Property and Determining that the Project is Exempt from CEQA Under Section 15305
8. **SUBJECT:** Resolution to Record Delinquent Solid Waste Service Charges on the Tax Roll
STAFF REPORT: R. Sherman / M. Poole
RECOMMENDATION: Adopt Resolution No. 2019-___; A Resolution of the City Council of the City of Citrus Heights, California to Record Delinquent Solid Waste Service Charges on the Tax Roll

REGULAR CALENDAR

9. **SUBJECT**: Request City Council Recommendation Regarding AB 626
Microenterprise Kitchen Operations (MHKO)
STAFF REPORT: R. Sherman / C. McDuffee / A. Bermudez
RECOMMENDATION: Staff Requests the City Council Review the Bill, and Direct
Staff to Forward an “Opt-In” or “Opt-Out” Recommendation to the County Board of
Supervisors
10. **SUBJECT**: Approval of Contract for City Attorney Services
STAFF REPORT: Attached
RECOMMENDATION: None

DEPARTMENT REPORTS

CITY MANAGER ITEMS

ITEMS REQUESTED BY COUNCIL MEMBERS/ FUTURE AGENDA ITEMS

ADJOURNMENT

**CITY OF CITRUS HEIGHTS
CITY COUNCIL
MINUTES
Regular Meeting of Thursday, June 13, 2019
City Hall Council Chambers
6360 Fountain Square Dr., Citrus Heights, CA**

CALL REGULAR MEETING TO ORDER

The regular meeting was called to order at 7:00 p.m. by Mayor Bruins.

1. The Flag Salute was led by Mayor Bruins.
2. Roll Call: Council Members present: Daniels, Middleton, Miller, Slowey, Bruins
Council Members absent: None
Staff present: Boyd, Davis, Dunning, Cooley, Poole, Rivera, Tillery, Ziegler and department directors.
3. The video statement was read by City Clerk Tillery.

APPROVAL OF AGENDA

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

AYES: Daniels, Middleton, Miller, Slowey, Bruins
NOES: None
ABSENT: None

PRESENTATIONS

4. Proclamation Recognizing San Juan High School Student Hogan Weaver

Council Member Daniels read and presented a proclamation to Hogan Weaver in recognition of his baseball and academic achievements at San Juan High School.

5. Republic Services Annual Report and 2019 Sustainability Scholarship Awards

Annah Rulon with Republic Services announced that they are presenting three scholarships in the amount of \$1,000 to graduating seniors from the San Juan Unified School District that live in Citrus Heights and who are interested in pursuing a degree in sustainability or a degree that will benefit the environment. Council Member Miller presented the following students with scholarship awards: Bryan Pineda, Katalynna Vang, and Marisol Oviedo.

Annah also highlighted the services offered by Republic Services to Citrus Heights residents in 2018. Some of which include curbside trash and recycling, appointment based pickup of home generated sharps, curbside collection of used motor oil and oil filters, bulk waste cleanups, composting workshops, Christmas tree recycling, and Holiday lights recycling.

COMMENTS BY COUNCIL MEMBERS AND REGIONAL BOARD UPDATES

Council Member Middleton attended the Sacramento Metropolitan Cable Television Commission meeting.

Council Member Miller attended the Citrus Heights Chamber of Commerce Leadership Academy graduation, State of the City Address, and Brews in the Burbs. He also attended the Turner Court dedication, in honor of late Council Member Mel Turner. He provided a report from the Regional Transit Board meeting.

Council Member Daniels had no comments or updates.

Vice Mayor Slowey thanked the Citrus Heights Chamber of Commerce and Sunrise MarketPlace for hosting Brews in the Burbs. He attended the Sacramento Area Council of Government's meeting.

Mayor Bruins participated in the Chamber Leadership Academy tour. She highlighted Single Moms Strong, a non-profit organization that addresses the unique needs of single moms and their children.

PUBLIC COMMENT

Arthur Ketterling had questions about Dignity Health emergency room services.

David Warren expressed concerns regarding low hanging trees in his neighborhood that make it difficult for emergency vehicles to access his home.

Douglas Broomell provided an update from Neighborhood Association Sunrise Ranch – Area 6.

CONSENT CALENDAR

6. **SUBJECT:** Approval of Minutes
RECOMMENDATION: Approve the Minutes of Special Meeting of Thursday, May 23, 2019 and Regular Meeting of Thursday, May 23, 2019
7. **SUBJECT:** Sign Maintenance Services 2019 – 2025 Award of Contract
STAFF REPORT: R. Sherman / S. Hodgkins / L. Blomquist
RECOMMENDATION: Adopt Resolution No. 2019-50; A Resolution of the City Council of the City of Citrus Heights, California, Authorizing the City Manager to Execute an Agreement with MCE Corporation for the Sign Maintenance Services 2019 – 2025

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

AYES: Daniels, Middleton, Miller, Slowey, Bruins
NOES: None

ABSENT: None

PUBLIC HEARING

8. **SUBJECT:** Public Hearing # 4 Regarding the Composition of the City's Voting Districts Pursuant to Elections Code Section § 10010 (a)(1) California Voting Rights Act
STAFF REPORT: C. Boyd / K. Cooley
RECOMMENDATION: Introduce for a First Reading Ordinance No. 2019-003; and Waive the Reading of the Entire Ordinance, an Ordinance of the City of Citrus Heights Establishing a By-District Election Process in Five Council Districts Pursuant to California Elections Code Section 10010 and Adding Sections 2.34-2.37 to Article II of Chapter 2 of the City of Citrus Heights Municipal Code to Provide For City Council Election Districts

Assistant to the City Manager Cooley stated that this is the fourth of five public hearings to receive input on the composition of voting districts, draft focus maps, and potential election sequencing as presented. The goal is to select a district map and introduce the ordinance establishing district-based elections, defining district boundaries, and scheduling elections within districts.

Shalice Tilton with National Demographics Corporation reviewed all four draft maps that were drawn by either members of the community or the city's demographer.

Mayor Bruins opened the public hearing at 7:47 p.m.

Public Comment

Neighborhood Association SOAR Area 10 submitted a written statement.

Kathy Morris favored map 104.

Mayor Bruins closed the public hearing at 7:49 p.m.

Council questions and comments followed.

By consensus, the City Council selected focus map 102 to be adopted at the public hearing scheduled for June 27.

ACTION: On a motion by Vice Mayor Slowey, seconded by Council Member Daniels, the City Council introduced for a first reading Ordinance No. 2019-003; and waived the reading of the entire Ordinance, an Ordinance of the City of Citrus Heights Establishing a By-District Election Process in Five Council Districts Pursuant to California Elections Code Section 10010 and Adding Sections 2.34-2.37 to Article II of Chapter 2 of the City of Citrus Heights Municipal Code to Provide for City Council Election Districts.

AYES: Daniels, Middleton, Miller, Slowey, Bruins
NOES: None
ABSENT: None

REGULAR CALENDAR

9. **SUBJECT:** Two Year Budget Adoption Fiscal Years 2019 – 20 and 2020 - 21

STAFF REPORT: R. Rivera / T. Nossardi

RECOMMENDATION: Staff Recommend the Following:

- a. Adopt Resolution No. 2019-048; A Resolution of the City Council of the City of Citrus Heights Approving the Two Year Budget for Fiscal Years 2019-20 and 2020-21 and the Fiscal Years 2019-20 Through 2023-24 Capital Improvement Program
- b. Adopt Resolution No. 2019- 049; A Resolution of the City Council of the City of Citrus Heights, Authorizing the City Manager to Execute an Agreement Between the Greater Sacramento Area Economic Council and the City of Citrus Heights in an Amount not to Exceed \$35,092 for FY 2019-20

Assistant City Manager Rivera reported that for Fiscal Year 2019-2020, the total city budget for all funds totals about \$62.2 million. For Fiscal Year 2020-21, the total budget for all funds decreases from \$62.2 million to \$59.9 million. General Funds revenues are estimated to increase by less than one million dollars over the next two fiscal years. Because of funding limitations staff is recommending that we do no transfers to the other post employment benefit trust fund and no transfers to the replacement fund and no allocation to the capital fund in this two-year budget. Even utilizing the line of credit it is projected that the city will have to utilize General Fund reserves during each of the next two fiscal years.

ACTION: On a motion by Vice Mayor Slowey, seconded by Council Member Miller, the City Council adopted the following:

- a. Resolution No. 2019-048; A Resolution of the City Council of the City of Citrus Heights Approving the Two Year Budget for Fiscal Years 2019-20 and 2020-21 and the Fiscal Years 2019-20 Through 2023-24 Capital Improvement Program
- b. Resolution No. 2019- 049; A Resolution of the City Council of the City of Citrus Heights, Authorizing the City Manager to Execute an Agreement Between the Greater Sacramento Area Economic Council and the City of Citrus Heights in an Amount not to Exceed \$35,092 for FY 2019-20

AYES: Daniels, Middleton, Miller, Slowey, Bruins
NOES: None
ABSENT: None

10. **SUBJECT:** Appropriation Limit for Fiscal Year 2019-20

STAFF REPORT: R. Rivera / T. Nossardi

RECOMMENDATION: Adopt Resolution No. 2019-046; A Resolution of the City Council of the City of Citrus Heights, California, Establishing an Appropriation Limit for the Fiscal Year 2019-20

Assistant City Manager Rivera stated that each year the City Council must accept a resolution establishing an appropriation limit. California Government Code limits the amount of appropriations from tax sources that government entities may receive in a given year. Agencies are required to annually calculate their appropriation limits. The city's appropriation limit for FY 2019-20 is roughly \$55.5 million and the city's appropriations are \$32.1 million, well within the calculated appropriations limit.

ACTION: On a motion by Council Member Miller, seconded by Vice Mayor Slowey, the City Council adopted Resolution No. 2019-046; A Resolution of the City Council of the City of Citrus Heights, California, Establishing an Appropriation Limit for the Fiscal Year 2019-20.

AYES: Daniels, Middleton, Miller, Slowey, Bruins

NOES: None

ABSENT: None

11. **SUBJECT:** Resolution of Intention to Record Delinquent Solid Waste Service Charges on Tax Roll

STAFF REPORT: R. Sherman / M. Poole

RECOMMENDATION: Adopt Resolution No. 2019-047; A Resolution of Intention of the City Council of the City of Citrus Heights to Record Delinquent Solid Waste Service Charges to the Property Tax Roll

Operations Manager Poole stated the staff recommendation is to adopt the resolution of the City Council's intention to record delinquent solid waste charges, penalties and interest on the tax roll and to set the public hearing day for July 11, 2019. As of May 15, 2019, there were 1244 delinquent accounts, with a past due balance of \$432,059.10 and penalties of \$43,205.91. The list of delinquent accounts will be updated and recorded on the tax roll in August 2019. The County will collect one half of the amount due on December 10, 2019 and one half on April 10, 2020. The County will forward the payments to the city in January and May 2020.

ACTION: On a motion by Vice Mayor Slowey, seconded by Council Member Miller, the City Council adopted Resolution No. 2019-047; A Resolution of Intention of the City Council of the City of Citrus Heights to Record Delinquent Solid Waste Service Charges to the Property Tax Roll.

AYES: Daniels, Middleton, Miller, Slowey, Bruins

NOES: None

ABSENT: None

DEPARTMENT REPORTS

12. **SUBJECT:** Citrus Heights Police Department Youth Services Update
DEPARMENT: Police Department

Officer Davis and Officer Dunning highlighted the Citrus Heights Police Department Explorer Program and the Public Safety Pathway Program. The programs are an introduction to public safety/legal field for students expressing an interest working in the criminal justice field. Students enrolled in the courses receive knowledge, skills, and experiences to aid them in a future career in the field of law enforcement.

CITY MANAGER ITEMS

None

ITEMS REQUESTED BY COUNCIL MEMBERS/ FUTURE AGENDA ITEMS

Mayor Bruins noted that in 2018 roughly 200 people were homeless living on the streets in Citrus Heights. This year, the count was down to 143 people. She commended the Citrus Heights Navigator Program and Homeless Assistance Resource Team for their services.

City Manager Boyd reminded the public that cooling stations will be available to those in need.

ADJOURNMENT

Mayor Bruins adjourned the regular meeting at 8:22 p.m.

Respectfully submitted,

Amy Van, City Clerk



CITY OF CITRUS HEIGHTS

CITY COUNCIL STAFF REPORT MEMORANDUM

DATE: July 11, 2019

TO: Mayor and City Council Members
Christopher W. Boyd, City Manager

FROM: Rhonda Sherman, Community Services Director
Regina Cave, Operations Manager

SUBJECT: Storm Drain Maintenance Services – Contract Clarification and Approval of Contract Amendment No. 3

Summary and Recommendation

The City of Citrus Heights contracts with Coastline Water Resources, Inc. (Coastline) for citywide storm drain maintenance services. The current services are provided under a contract amendment (Amendment No. 1) approved by Council in 2012, which amended the terms of the initial three-year contract and provided for a seven-year term, effective July 17, 2012 through June 30, 2019.

Staff recommends the City Council adopt Resolution No. 2019-_____, a Resolution of the City Council of the City of Citrus Heights, California, authorizing the City Manager or his designee to execute Contract Amendment No. 3 with Coastline Water Resources for Storm Drain Maintenance Services for July 1, 2019-June 30, 2020, and further authorizes the City Manager or his designee to execute subsequent amendments under this contract consistent with the City Managers general signing authority.

Fiscal Impact

The city budgets \$450,000 annually from the Storm Water Utility fund (fund 209) to support the services provided by Coastline. This contract amendment has no impact on the General Fund.

Background and Analysis

In 2010, the city assumed responsibility of its storm water maintenance program, services previously performed by the Sacramento County Department of Water Resources, to address maintenance of the city's creeks as well as the storm drain system. Following a procurement process in May 2010, staff recommended Council authorize the award of a contract to Coastline for storm drain maintenance services. This initial contract was for a three-year term, commencing July 1, 2010 through June 30, 2013, with two, one-year extension options.

**Subject: Storm Drain Maintenance Services – Contract Clarification and Approval of
Contract Amendment No. 3**

Date: July 11, 2019

Page 2 of 2

Subsequently and following two years of responsive and effective services, staff renegotiated terms with Coastline to lock in long term rates and ensure sustainable and productive levels of service for our community. In 2012, a contract amendment (Amendment No. 1) was presented and approved by Council to change the contract terms to a seven-year contract, effective July 27, 2012 through June 30, 2019. When presented to Council in 2012, the Contract Amendment document included two additional one-year extension options beyond the June 30, 2019 expiration date. However, in error, this information was not included in the staff report and resolution. The contract terms under Amendment No. 1 have now expired and staff desire to continue services with Coastline by exercising its first of two one-year extensions as indicated in Amendment No. 1. In order to execute Amendment No. 3 to exercise year one of the extension terms, staff seeks to clarify the intent of Amendment No. 1 and designate a signing authority to execute Amendment No. 3 and subsequent amendments to this contract. This action item allows the city to continue with responsive and cost efficient levels of service related to storm drain maintenance. Coastline's unit prices remain static under these contract extension terms.

Attachments

1. Resolution No.2019-_____ a Resolution of the City Council of the City of Citrus Heights, California, authorizing the City Manager or his designee to execute Contract Amendment No. 3 with Coastline Water Resources, Inc. for Storm Drain Maintenance Services for July 1, 2019-June 30, 2020, and further authorizes the City Manager or his designee to execute any subsequent amendments under this contract consistent with the City Managers general signing authority.
2. Amendment No. 3 to the contract for Storm Drain Maintenance Services between the City of Citrus Heights and Coastline Water Resources, Inc.

RESOLUTION NO. 2019-__

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CITRUS HEIGHTS, CALIFORNIA, AUTHORIZING THE CITY MANAGER OR HIS DESIGNEE TO EXECUTE CONTRACT AMENDMENT NO. 3 WITH COASTLINE WATER RESOURCES, INC. FOR STORM DRAIN MAINTENANCE SERVICES AND FURTHER AUTHORIZING THE CITY MANAGER OR HIS DESIGNEE TO EXECUTE ANY SUBSEQUENT AMENDMENTS UNDER THIS CONTRACT CONSISTENT WITH THE CITY MANAGER'S GENERAL SIGNING AUTHORITY

WHEREAS, the City Council of the City of Citrus Heights, California, entered into a three contract with Coastline Water Resources, Inc. (Coastline) in 2010 to provide storm drain maintenance services;

WHEREAS, in 2012, the city executed Amendment No. 1 with Coastline to modify the terms of the contract, extending the contract through June 2019;

WHEREAS, Amendment No. 1 included the option of extending the contract terms for two additional one-year terms;

WHEREAS, Coastline has provided responsive storm drain maintenance services to Citrus Heights, which has resulted in an effective citywide storm water program with a focus of reducing localized flooding and improved water quality benefits for the region;

WHEREAS, the City wishes to exercise the option of executing a one-year extension (Amendment No. 3) with Coastline to provide continuous, cost effective storm drain maintenance services, effective July 1, 2019-June 30, 2020;

WHEREAS, storm drain maintenance services are budgeted for with Storm Water Utility Funds (fund 209) in the amount of \$450,000 and is reflected in the city's approved two-year budget; and

WHEREAS, said services will continue to be provided at the same unit prices negotiated in 2012.

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

- (A) The City Council authorizes the City Manager or his designee to execute Contract Amendment No. 3 with Coastline Water Resources, Inc. to provide Storm Drain Maintenance Services July 1, 2019-June 30, 2020; and
- (B) The City Manager or his designee is hereby authorized to execute any subsequent amendments under the existing Storm Drain Maintenance Contract consistent with the City Managers general signing authority and that a copy of the Agreement and all

subsequent Amendments are available and on file in the City Clerk's office and are incorporated herein by reference and made a part of this Resolution.

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 11th day of July, 2019 by the following vote, to wit:

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

Jeannie Bruins, Mayor

ATTEST:

Amy Van, City Clerk

**AMENDMENT NO. 3 TO CONTRACT FOR
STORM DRAIN MAINTENANCE SERVICES
BETWEEN THE CITY OF CITRUS HEIGHTS AND
COASTLINE WATER RESOURCES, INC.**

This Amendment (the “Amendment”) is entered into by and between the City of Citrus Heights (“City”), a municipal corporation in the State of California, and Coastline Water Resources, Inc. (Contractor), as of _____.

RECITALS

WHEREAS, the City and Contractor previously entered into that Contract for Storm Drain Maintenance Services dated May 19, 2010, as approved by Resolution 2010-040 (the “Agreement”), with the terms of the original agreement being from July 1, 2010 through June 30, 2013 with two one-year optional extensions;

WHEREAS, in July 2012, as approved by Resolution 2012-077, Amendment No. 1 to the Agreement was executed to extend the terms by an additional **seven years, with two additional one-year options for extension**, effective **July 27, 2012 through June 30, 2019**, with the following updated rate schedule:

<i>Item No.</i>	<i>Description</i>	<i>Unit</i>	<i>Unit Cost</i>
1	Vactor Truck & Operator(s) – On-call and emergency response services	HR	\$300
2	Pipe Cleaning (6”-24”) Per specifications in current agreement	LF	\$1.75
3	Pipe Video and Snapshots	HR	\$300
4	Install Inlet Markers (1-50 Qty)	EA	\$125
	Install Inlet Markers (51-100 Qty)	EA	\$100
	Install Inlet Markers (more than 101 Qty)	EA	\$75

WHEREAS, in September 2018, the City and Contractor executed Amendment No. 2 to add sanitary sewer discharge clean up response to the scope of services under the existing Agreement, and Contractor agreed to provide such services as permitted by the Sacramento Regional County Sanitation District (SRCSD).

WHEREAS, in accordance with the contract extension provisions provided for in Amendment No. 1, the City and Contractor have agreed to execute a one-year contract extension, valid July 1, 2019-June 30, 2020. This amendment shall serve as Amendment No. 3 to the original contract and shall further guarantee unit costs as indicated above for the duration of this one-year contract extension. Following this contract extension, the City and Contractor shall have one (1) remaining one-year contract extension option available under this contract, for a final contract end date of June 30, 2021.

NOW, THEREFORE, The City and Contractor agree as follows:

1. All other terms and conditions of the Agreement shall remain unchanged and in full force and effect, including but not limited to, the terms and conditions regarding timing of payment, insurance and indemnification, standard of care.

CITY OF CITRUS HEIGHTS

By: _____
City Manager

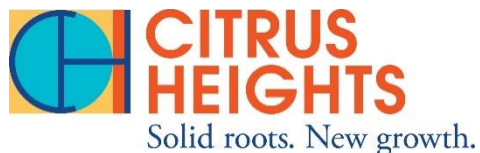
Date: _____

COASTLINE WATER RESOURCES, INC.

By: _____

Title: _____

Date: _____



CITY OF CITRUS HEIGHTS

CITY COUNCIL STAFF REPORT MEMORANDUM

DATE: July 11, 2019

TO: Mayor and City Council Members
Christopher W. Boyd, City Manager

FROM: Rhonda Sherman, Community Services Director
Stephanie Cotter, Development Specialist

SUBJECT: **Contract Execution with NeighborWorks Sacramento for Administration of the Housing Rehabilitation Program**

Summary and Recommendation

Staff issued a Request for Proposals for administration of the city's Housing Rehabilitation Program. The city received a total of two proposals. After reviewing and scoring the submitted proposals, staff recommends the City Council:

1. Adopt Resolution No. 2019-___ A Resolution of the City Council of the City of Citrus Heights, California, Authorizing the City Manager to Execute a Contract with NeighborWorks Sacramento for Administration of the City's Housing Rehabilitation Program.

Fiscal Impact

This contract will not impact the city's General Fund. Contract services will be paid from the city's federal Community Development Block Grant (CDBG) funds (Fund 234). The City Council considers allocating CDBG funding to the Housing Rehabilitation Program annually as part of the CDBG budgeting process. Loan repayments received by the city are also funneled into the existing programs to generate new loans/grants.

It is the city's intention to enter into a multi-year contract and allocate funds to the program as they are available. In November 2018, the City Council allocated a total of \$320,000 in CDBG funds (Fund 234) to the city's Housing Rehabilitation Program. The maximum contract amount will be based on a percentage of the amount of grant funds the city has available. The contractor will invoice for actual administration costs up to a maximum of 30 percent of the loan value.

Available CDBG Funding

Use Type	Amount
Housing Rehabilitation Loans	200,000
Accessibility/Safety Grants	20,000
Activity Delivery	100,000
TOTAL	\$320,000

Background and Analysis

The city has operated a Housing Rehabilitation Program since 2000. While city staff oversees the administration of the program, the city contracts with a consultant to perform the delivery of the housing services. These duties include applicant intake, income verification, underwriting, and construction oversight functions. The city most recently contracted with Michael Baker International to administer the Housing Rehabilitation Program and the city has contracted with NeighborWorks and Mercy Housing in the past.

On May 3, 2019, the city issued a Request for Proposals (RFP) for administration of the Housing Rehabilitation Program. The city received responses from two firms: Michael Baker International and NeighborWorks Sacramento. Staff scored the two proposals based on the criteria listed below.

Evaluation of Submitted Proposals

Evaluation Criteria	Michael Baker International	NeighborWorks Sacramento
Experience with Federal HOME and CDBG programs, redevelopment tax increment funds, CalHome and other relevant funding sources. (35 points)	33	35
Experience with laws that govern the construction contracting and home improvement trades in the State of California; applicable federal, state and local building codes and standards; and the relevant federal and state laws and regulations that govern environmental and historical protection, air and water quality, lead-based paint poisoning and prevention, labor standards, fair lending and fair housing. (25 points)	15	25
Experience and qualification of program manager and staff assigned to the program in providing similar services.	7	9
References and relevant work performed for those references.	15	15

Subject: Contract Execution with NeighborWorks Sacramento for Administration of the Housing Rehabilitation Program

Date: July 11, 2019

Page 3 of 3

Accessibility of key personnel to City staff and customers.	3	5
Examples of reporting templates and other written materials needed to conduct the program.	5	3
Fee structure and ability to comply with insurance requirements.	5	5
TOTAL	83/100	97/100

Staff interviewed both Michael Baker International and NeighborWorks Sacramento. After a thorough review of both proposals and extensive reference checks, staff recommends executing a contract with NeighborWorks Sacramento for administration of the city's Housing Rehabilitation Program. If approved, the contract will be effective for one year with the option to renew for a maximum of five years, pending funding availability.

Attachments

1. Resolution No. 2019- _____ A Resolution of the City Council of the City of Citrus Heights, California, Authorizing the City Manager to Execute a Contract with NeighborWorks Sacramento for Administration of the City's Housing Rehabilitation Program.
2. Draft Service Agreement with NeighborWorks for Administration of the City's Housing Rehabilitation Program

RESOLUTION NO. 2019- ____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CITRUS HEIGHTS,
CALIFORNIA, AUTHORIZING THE CITY MANAGER TO ENTER INTO A
SUBRECIPIENT AGREEMENT WITH NEIGHBORWORKS SACRAMENTO TO
ADMINISTER THE CITY'S HOUSING REHABILITATION PROGRAM**

WHEREAS, the city desires to continue to operate a Housing Rehabilitation Program, which provides deferred, low-interest loans and grants to low-income homeowners;

WHEREAS, the City Council allocated \$320,000 in Community Development Block Grant funding (Fund 234) to the Housing Rehabilitation Program as part of the city's 2019 Action Plan;

WHEREAS, the city uses a consultant to assist with administration of the program, including applicant intake, underwriting, and construction oversight program functions;

WHEREAS, the city issued a Request for Proposals (RFP) for administration of the city's Housing Rehabilitation Program on May 3, 2019;

WHEREAS, the city received two proposals, from Michael Baker International and NeighborWorks Sacramento; and

WHEREAS, after a thorough review of both proposals, interviews, and extensive reference checks, staff recommends executing a contract with NeighborWorks Sacramento for administration of the city's Housing Rehabilitation Program.

NOW THEREFORE BE IT RESOLVED AND ORDERED that the City Council of the City of Citrus Heights authorizes the City Manager to execute a contract with NeighborWorks Sacramento for administration of the city's Housing Rehabilitation Program; and

BE IT FURTHER RESOLVED AND ORDERED that the maximum contract amount will be based on a percentage of the amount of grant funds the city has available at the time of contract execution; and

BE IT FURTHER RESOLVED AND ORDERED that the contract with NeighborWorks Sacramento will be for a term of one year with an option to renew for a maximum of five years.

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 11th day of July 2019 by the following vote, to wit:

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

Jeannie Bruins, Mayor

ATTEST:

Amy Van, City Clerk

NeighborWorks®
HomeOwnership Center
SACRAMENTO REGION

Board of Trustees

Gretchen Hritz, Chair
Tri Counties Bank

Dave Coffin
Burnett & Sons

Congresswoman Doris Matsui
Gabriela Herrera

Ken Monroe
Holt of California

Lynn Matsuda
Entrepreneur

Dyke Mundy

May 29, 2019

Stephanie Cotter
Development Specialist
City of Citrus Heights
6360 Foundation Square Drive
Citrus Heights, CA 95621

RE: Request for Proposals to Implement & Administer the Housing Rehabilitation Program

Dear Stephanie,

NeighborWorks® HomeOwnership Center Sacramento Region seeks a \$100,000 activity delivery contract to implement and administer the City of Citrus Heights' Housing Rehabilitation Program.

Board of Directors

Eugene Lee, President
California Energy Commission

Lauretta Casimir-Mahoney
Board Vice President
South Pacific Lending

Chris Chaffee, Secretary
The Chaffee Group

Kevin Greene, Treasurer
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Manny Delgadillo
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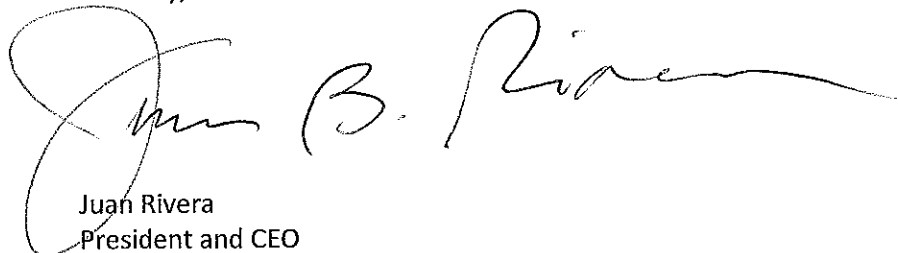
Debra Winstead
Platinum Home Mortgage
Corporation

Duane Webb
Citibank

Our organization has a strong track record administering housing programs for local jurisdictions: City of Winters, City of Davis, City of Folsom, City of Stockton, Solano County, and the Sacramento Housing and Redevelopment Agency. One important factor to consider when reviewing this proposal is that we successfully implemented and administered this Housing Rehabilitation Program for the City of Citrus Heights in 2011.

We look forward to continuing building our partnership with the City of Citrus Heights and strengthening its communities. Please feel free to contact Theresa Nantor, Director of Real Estate Development, if you have questions or need additional information about this proposal. She will be the project manager responsible for overseeing this contract.

Sincerely,



Juan Rivera
President and CEO

Company Overview

Name of Organization: Sacramento Neighborhood Housing Services, Inc., a California non-profit corporation doing business as NeighborWorks® HomeOwnership Center Sacramento Region (NeighborWorks® Sacramento)

Federal Tax Identification Number: 68-0118032

Established: 12/08/1987

Contact Person: Theresa Nantor, Director of Real Estate Development

Phone: 916-661-5637

Fax: (916) 431-3200

Email: tnantor@nwsac.org

HISTORY:

NeighborWorks® Sacramento, a 501(c)(3) non-profit organization was created in 1987 to revitalize the community. At that time, the organization provided down payment assistance programs and community outreach programs to four target neighborhoods. Today, we serve the Greater Sacramento Region, running from Chico through Stockton, with an expanded slate of programs and services. Our primary services include homebuyer education, housing counseling, down payment lending, community beautification, and affordable housing development.

In 2011 Mercy Housing California's entire community development department moved to NeighborWorks® Sacramento, bringing in-depth experience in housing rehabilitation, first time homebuyer lending, and community development expertise to the NeighborWorks® Sacramento team.

We are a Full-Cycle Lender and a chartered member of the NeighborWorks® America network. In 2000, NeighborWorks® Sacramento was certified by the U.S. Department of the Treasury as a Community Development Financial Institution (CDFI), and a housing counseling agency by the U.S. Department of Housing and Urban Development.

Mission, Goals & Communities Served

Our mission is "providing opportunities for successful homeownership and strong communities through affordable housing development, quality education, affordable lending, supportive partnerships and dedicated leadership." We build stronger communities by providing quality homebuyer education and counseling, safe lending products, affordable homes for sale, and community beautification and revitalization projects.

Our goal at NeighborWorks® Sacramento is to provide services along the spectrum of the homeownership process, starting when the client is first preparing for homeownership and extending throughout the client's tenure as an owner. This spectrum of services helps to create successful, stable homeowners by addressing the obstacles that are most likely to derail a borrower. Each of the services has been developed in response to a recognized community need, based on inquiries from customers and community leaders, as well as in response to community problems identified by staff in the course of their work.

Current Services Provided

Real Estate Development builds affordable homes in Sacramento and surrounding counties. Our Mutual Self-Help Housing program features twenty homes being built in the City of Williams and another seventeen in process in the City of Arbuckle. This program makes homeownership affordable by requiring 1600 hours of sweat equity in place of a down payment. NeighborWorks® Sacramento has also rehabilitated 183 houses and constructed 30 new homes, primarily in Oak Park, Del Paso Heights, and South Sacramento. The accumulated development value of the homes was \$29,874,502.

Neighborhood Lending provides down payment assistance to increase purchasing power for homebuyers. NeighborWorks Sacramento was selected by Wells Fargo and NeighborWorks America as the recipient of \$5 million in Neighborhood LIFT for June 2019. This funding will provide up to \$22,000 forgivable loans for approximately 250 households in Sacramento County and West Sacramento. NeighborWorks Sacramento has administered 2 LIFTs, lending approximately \$12 million.

Housing Counseling and Homebuyer Education Division provides individualized housing counseling, financial education classes, and homebuyer education classes. The division served 2,311 clients last year and helped create 114 new homeowners by helping them build credit, connecting them with down payment assistance, and providing guidance through the homebuying process.

Community Impact brings healthy food, neighborhood beautification, and resident leadership training to underinvested communities in Sacramento. We have two Farmers Markets: the Oak Park Farmers Market and the Farmers Market at U.C. Davis Health. The department organizes an annual volunteer event called Paint the Town to paint and beautify homes in a Sacramento neighborhood.

Current Client List

NeighborWorks Sacramento administers 8 programs for jurisdictions and other non profits, providing specialized skills, prompt deliverables, and constant communication.

City of Winters – Income Certification of Inclusionary Housing

City of Davis – Income Certification of Resale of Affordable Housing

City of Folsom – Income Certification of Inclusionary Housing and update of program guidelines

City of Stockton – Loan Servicing

Solano County – Owner Occupied Rehab Loan Program and update of program guidelines

Habitat for Humanity Yuba City – USDA 502 Loan Packaging

Habitat for Humanity Sonoma County – USDA 502 Loan Packaging

Sacramento Housing and Redevelopment Agency – We provide the inclusionary housing class and post purchase follow up appointments

Similar Experience (including a list of other clients and funding sources used)

Housing Rehabilitation & First Time Homebuyer Programs

NeighborWorks® Sacramento works in partnership with local governments to provide housing rehabilitation programs that will revitalize deteriorating neighborhoods, preserve the existing supply of affordable housing and eliminate health and safety problems in housing owned by low-income families. NeighborWorks® Sacramento is also very active administering first-time homebuyer loan programs for local jurisdictions, which increases the rate of homeownership in communities. NeighborWorks® Sacramento currently implements these

programs using its own sources of capital, Community Development Block Grant (CDBG), Home Investment Partnership (HOME), CalHome, and USDA-Housing Preservation Grant funding sources.

Professional References

- City of Winters
Contact: Dan Maguire, Economic Development and Housing Manager
530-794-6718
daniel.maguire@cityofwinters.org
- City of Woodland
Contact: Dan Sokolow, Senior Planner
530-661-5927
Dan.Sokolow@cityofwoodland.org
- City of West Sacramento
Contact: Raul Huerta
916-617-4555
raulh@cityofwestsacramento.org
- City of Davis
Contact: Kelly Stachowicz, Assistant City Manager
530-757-5602 ext. 5802
kstachowicz@cityofdavis.org

PROGRAM APPROACH

NeighborWorks Sacramento Capacity

The Real Estate Development team is well positioned to administer the Housing Rehabilitation Program for the City of Citrus Heights. The project manager, Theresa Nantor, will be available to the City of Citrus Heights staff, as needed during the administration and implementation of this program. The Community Lending Officer, Leonor Perez, is currently working on 502 packaging for our self-help housing project in Colusa County. These files will be complete in July 2019, leaving Leonor time starting in July to focus on the city of Citrus Heights program. Similarly, the Special Projects Specialist, Beilul Naizghi, will have adequate time in July and August to develop updated marketing materials and swiftly market the loan rehabilitation program to Citrus Heights residents with current organizational partners. Finally, Randy Underwood, our Housing Rehab Specialist will be monitoring the construction of our two self-help projects and will have adequate time in August and onward to serve as the Housing Rehab Specialist for this program. Finally, we intend to hire an additional Housing Rehab Specialist to assist with this Housing Rehabilitation Program, and other projects in the Real Estate Development Department.

Screening Methodology

NeighborWorks Sacramento has developed efficient methods of determining eligibility, that reduce the time spent on applications that do not result in a project. We prioritize checking credit scores, verifying income eligibility, as well as ensuring the owners have adequate ownership status and home equity. This will be done prior to scheduling an in person visit, to reduce the amount of time spent on a project that is not eligible for the program. Furthermore, our marketing materials detail all the applicant requirements as well as project requirements, to allow potential applicants to self select themselves.

Sample Documentation

Included in this application is the sample status sheet that will be submitted to the City on a monthly or quarterly basis, reporting the pending housing rehabilitation projects. It will include a cover letter, status report on all projects and loans, and invoices for services rendered. **Also included is a sample marketing flyer, application, invoice, reporting template and waitlist.**

NeighborWorks® Sacramento will complete the following Activity Delivery scope of work for the City's Housing Rehabilitation:

1) *Marketing:* NeighborWorks® Sacramento will work with City staff, neighborhood associations, and other nonprofits to develop and implement a fair marketing strategy that will communicate the program's income eligibility and rehabilitation project needs. Marketing strategies will include in person flyering to mobile home parks, flyering at local community centers, online outreach through social media, and targeted and continuous communication with neighborhood leaders and associations.

2) *Maintain an active waitlist:* Further, NeighborWorks Sacramento will maintain an active wait list throughout the course of the program. A same waitlist is included.

3) *Utilize Participant and Property Eligibility In-take Process:* The initial contact normally occurs over the phone. The applicant will be added to the waitlist, advised of funding availability, and will be sent the loan application and list of supporting documentation requested. This can be sent in email or by regular mail. If the applicant is eligible, the Community Lending Officer will schedule an in office visit at NeighborWorks Sacramento. If the client is of limited mobility, the officer will coordinate a trip to their home to conduct the intake. Administrative staff will secure income and property ownership verifications at this stage. Clients with low credit scores will be directed to NeighborWorks Sacramento's Homeownership Center, which offers credit counseling as part of our free housing counseling services.

4) *Present Processed Loan Package to City Loan Committee:* NeighborWorks® Sacramento staff will prepare a loan approval request for consideration by City staff. This request will summarize participant and property eligibility, including information on the property title report, assessment of property valuation, hazard insurance, zoning compliance, selected contractor with bid amount, and participant demographic and income and credit information.

5) *Ensure Loan Closing Process:* Upon review and approval by the City, NeighborWorks® Sacramento staff will prepare escrow instructions for the title insurance company to draw up the loan documents and regulatory agreements. Staff will coordinate with the City the transfer of Rehab funds into the borrowers' escrow account

for loan funding. Staff will coordinate the deposit of borrower matching funds or other leveraged sources prior to loan closing. Finally, staff will work with the escrow officer of the title company and the borrower(s) to execute the loan documents.

6) Implement Loan Funding Process: NeighborWorks® Sacramento staff will work with the City to time the loan funding process and submit project drawdown requests to HCD as necessary. These requests take approximately 3-4 weeks to be processed by HCD.

7) Provide On-Site Housing Inspections and Detailed Write-Ups: For each qualified property, NeighborWorks® Sacramento's Property Inspector completes an on-site inspection and prepares a dwelling deficiency report, consistent with Rehab funding source requirements. After completing the evaluation of the home, a preliminary work write-up is prepared. After the preliminary scope of work and estimate are defined, the Housing Rehab Specialist reviews it with the homeowner to arrive at a final scope of work.

8) Establish Contractor List: The Housing Rehab Specialist will make outreach efforts to local contractors. The Housing Rehab Specialist ensures that each contractor is licensed and that the contractor has liability and workers compensation insurance. The Specialist will contact the California Contractor Licensing Board to document that the general contractor is in good standing and check to ensure the contractor is not on the federal debarred list.

9) Prepare Bid Packages: Once a participant has approved the scope of work, a pre-bid notice will be sent to contractors on the list. An on-site pre-bid conference will be conducted by the Housing Rehab Specialist, the homeowner and all bidding contractors. A copy of the work write-up will be provided to attending contractors. Contractors who do not attend the conference will not be permitted to bid on the project.

10) Facilitate Contractor Selection: The Housing Rehab Specialist will review all bids, prepare a spreadsheet showing a line-by-line comparison, and discuss the results with the owner. The owner is encouraged to request and verify references from the contractor they wish to use. Once the owner is comfortable, they sign the contractor's bid.

11) Conduct Pre-Construction Meeting Contract Signing: After loan documents have been signed and recorded at the City Recorder's Office, NeighborWorks® Sacramento will issue a Notice to Proceed and conduct an on-site pre-construction conference with the contractor and the homeowner. This pre-construction conference has proved very helpful in clarifying expectations of both parties in regard to: quality of construction, time lines for completion of work, possible relocation issues, and self-help items to be done by the owner.

12) Conduct Progress Inspections and Payments: An on-site inspection will be performed by NeighborWorks® Sacramento personnel before approval of any progress payment. Every request for payment requires signatures of the contractor, homeowner, NeighborWorks® Sacramento Housing Rehab Specialist and Community Lending Officer. Contractors are required to schedule all necessary City inspections for permitted items.

13) Utilize Payment Tracking System: Each rehabilitation job will be monitored by financial accounting/tracking systems. NeighborWorks® Sacramento has developed a construction finance management tracking system that provides additional backup to assure absolute accountability for all Rehab funds disbursed during the course of construction.

14) Process Final 10% Payment: Upon notification by the contractor, the Housing Rehab Specialist, homeowner and contractor will make a final inspection of the project together. If all parties are in agreement that the work has been completed consistent with the contract, the homeowner will then sign a notice of completion. The contractor will take the actions necessary to have this document publicly recorded. The recorded notice of completion will then be placed in the participant's loan file and when the construction lien release period has elapsed.

15) Handle Individual Loan Escrow Close-Out: After construction, the Community Lending Officer will compare the disbursement record of all escrow transactions with the tracking report. Remaining loan funds in the participant escrow account will be remitted to the City's account and credited as a payment against the borrower's loan balance. At the completion of the job, a disbursement summary is given to the City and borrower.

16) Prepare Project Files for Monitoring: NeighborWorks® Sacramento has developed a filing system which meets all the requirements of all rehab funding sources. The system is very user-friendly and makes it easy to become familiar with each loan. The filing system provides checklists on each section of the file for easy reference and to ensure all proper documentation is available for state review at time of monitoring. As loans are processed and completed, NeighborWorks® Sacramento will close out the participant files and return them to the City for permanent storage.

PROJECT TEAM

The following NeighborWorks® Sacramento staff members will administer the City of Citrus Heights Housing Rehabilitation Program. Current staff workloads will allow adequate time to provide the quality services that the city requests. Between all the staff listed below, we expect to dedicate 20 hours per week to the City of Citrus Heights programs. Additional staff resources will be dedicated to quality control review and for second look of all lending and construction files.

Staff Responsibilities & Experience

Theresa Nantor, Director of Real Estate Development

Theresa Nantor will serve at the project manager for this contract. Estimated percentage of time to be dedicated to this contract will be 25%. Duties will include: City's first point of contact, supervision of loan servicing, construction management, and general administration of the program. Providing technical support to staff as needed, as needed meet with City staff to assess progress, providing expertise to City staff on HOME, CDBG, CalHome and other programs as needed, liaison with HCD staff as needed including contract compliance, achievement of milestones, accounting, and submittal of invoices.

Relevant Experience: Responsible for development of multiple housing initiatives for the City of Stockton with the aim of preservation of existing affordable housing, attracting new developers and stimulating housing development. Design, development and/or implementation of key programs including: Down Payment Assistance Program, Housing Rehabilitation Grant/Loan Program, Emergency Repair Program and Multifamily Housing Development Program. Served as the Administrator for HUD-funded Community Development Block Grant (CDBG), HOME Investment Partnership (HOME), and Emergency Solutions Grant (ESG) housing and community

development programs for the City of Stockton.

Work History: NeighborWorks Sacramento, Director of Real Estate Development, 05/2019-present; City of Stockton Housing Program Manager, 2017-2019; City of Columbus, Finance Department, Management Analyst II, 2017-2018; Alcohol, Drug, and Mental Health Board of Franklin County, Housing Program Manager, 2016-2017; Mid-Ohio Regional Planning Commission, Housing Program Manager, 2005-2015.

Education: Master's in Public Administration, Franklin University, Columbus, Ohio. B.A., The Ohio State University, Columbus, Ohio.; Mortgage Loan Originator Certification, Hondros College.

Leonor Perez, Community Lending Officer

Leonor Perez will be the lead staff on the loan administration and servicing portion of the contract. Estimated percentage of time to be dedicated to this contract will be 30%. Leonor's duties will include: income eligibility determination, provide technical assistance to applicants, loan underwriting, preparation of Loan Committee Reports, preparation of HCD reports for, return of complete loan files to the City.

Relevant Experience: Responsible for full implementation of HOME, CDBG, and CalHome housing rehabilitation loan programs for cities and counties in the greater Sacramento region. Drafts and prepares loan documents and works closely with escrow companies. Promotes and implements policy and procedural changes as necessary to ensure effective programs. Liaison between government funding agencies and local grantees; works cooperatively with city and county staffs to effectively manage housing loan programs.

Work History: NeighborWorks® Sacramento Region, Community Lending Officer, 5/2/2011 – Present; Mercy Housing California, Community Loan Specialist, 12/2008 – 4/2011; Mercy Housing California, Program Assistant, 7/2003 – 11/2008

Education: A.A., Business, Gavilan College, Gilroy, CA

Beilul Naizghi, Special Projects Specialist

Beilul Naizghi will coordinate the outreach, intake, and provide general administrative support for this program. Estimated percentage of time to be dedicated to this contract will be 30%. Duties will include: design and coordinate outreach and marketing (in person, online, print), first contact for participants, initial intake of interested participants, initial income eligibility screening, conducting property research.

Relevant Experience: Project assistant to the real estate development team: handling reporting to Housing Assistance Council and NeighborWorks America, administrative duties, data management, etc. Experience successfully marketing and outreach for other NeighborWorks Sacramento programs, including financial education, housing counseling and the homeownership fair.

Work History: NeighborWorks® Sacramento Region, Special Projects Specialist, 3/2019- Present; Mercy Housing California, Project Assistant in Real Estate Development, 09/2018-02/2019, Financial Education Outreach VISTA, 08/2017-08/2018

Education: B.A., Public Policy, Brown University, Providence, RI

Randy Underwood, Residential Construction Manager

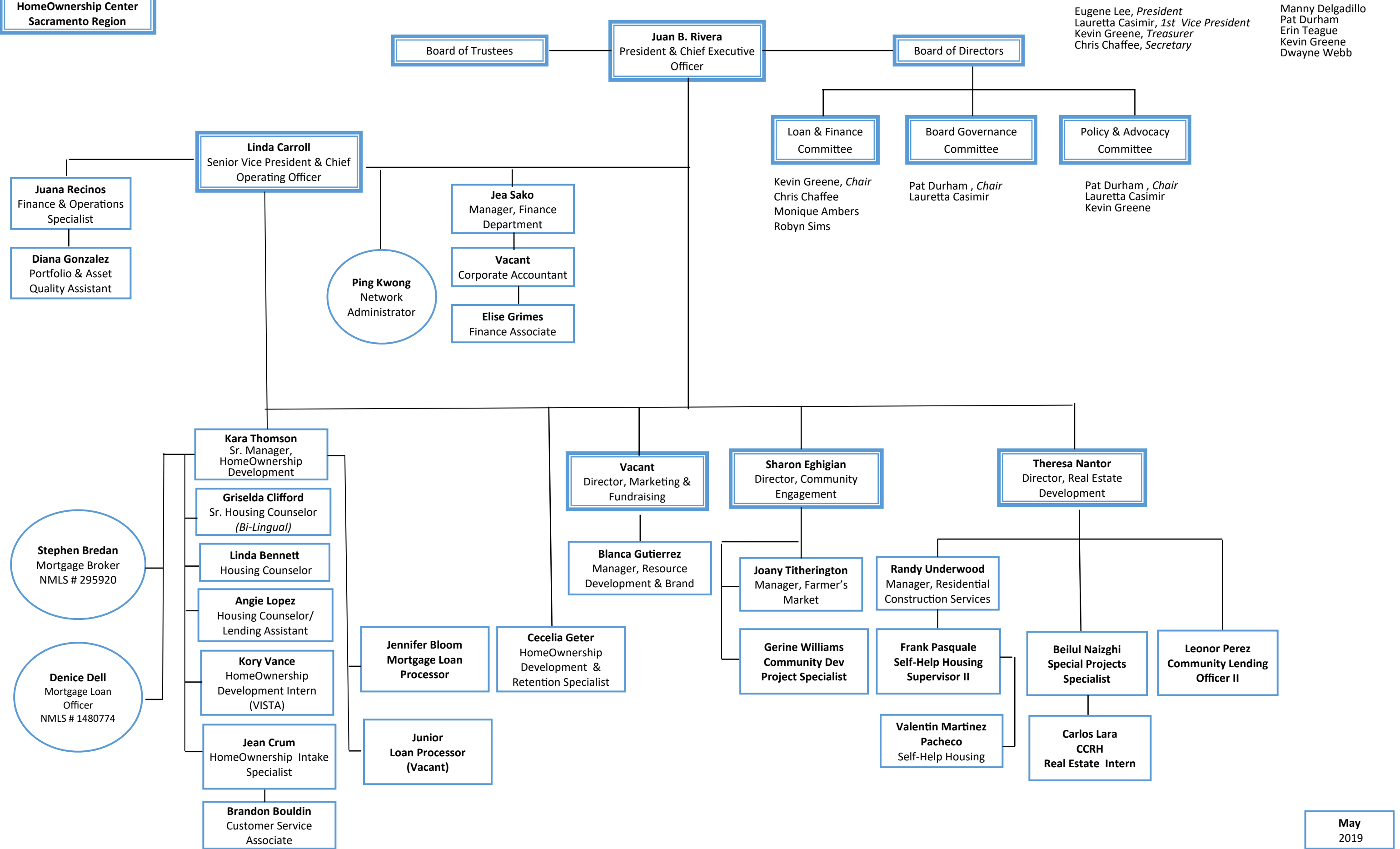
Randy Underwood will be an advocate for the homeowner and monitor quality control on behalf of the homeowner. Estimated percentage of time to be dedicated to this contract will be 30%. His work will include: Home Inspections and Work Write-ups, oversee pre-bid meeting and walk-through of project with interested contractors, and assist homeowner with contractor selection and contract execution.

Relevant Experience: Responsible for the oversight of NeighborWorks Sacramento's construction programs including Owner Occupied Rehab, Self Help Housing and Acquisition/Rehab/Resale. He is a licensed general contractor. Randy will oversee the scope of work on all Owner-Occupied Rehabs to insure compliance with

program guidelines using funding sources such as CDBG, HOME, CalHOME, HPG as well as other emergency grant type funds. He performs inspections for homes purchased using NSP funds, design the scope of work, oversee the construction bids and contracts, and oversee construction pay requests and final inspections. Inspects residential structures to identify health and safety violation. Prepares work write-ups, including estimating costs. Obtains homeowner approval and local building department approval of the items listed on the work write-up. Solicits bids from contractors and conducted pre-construction conferences.

Randy Underwood, Residential Construction Manager

Work History: NeighborWorks® Sacramento Region, 5/2/2011 – Present; Mercy Housing California, Director of Single Family Housing, 2003-2011, Multifamily Development and Rehabilitation 2000-2003; Rural California Housing Corporation, Multifamily Development and Rehabilitation 1998-2000, Rehabilitation Inspector 1994-1998; Self Employed California General Contractor, 1983 to Present.



Eugene Lee, *President*
Lauretta Casimir, *1st Vice President*
Kevin Greene, *Treasurer*
Chris Chaffee, *Secretary*

Manny Delgadillo
Pat Durham
Erin Teague
Kevin Greene
Dwayne Webb

City of Citrus Heights Status Report

Report Period July 1, 2019 - July 31, 2019

Program Overview :

Brief description of the clients in the pipeline, the work authorized, and status reports of all projects in progress.

Individual Counseling:

Loan Status:

• 0 customers closed a loan utilizing the Citrus Heights program

Demographic Data:

**for intakes received during reporting month only*

Ethnicity	Number of Customers
White	0
Black or African American	0
Asian	0
American Indian/Alaskan Native	0
American Indian/Alaskan Native and White	0
Native Hawaiian/Other Pacific Islander	0
Hispanic	0
Total	0

Income Data:

Average Income	\$53,392
Median Income	\$49,500
Income	
Very Low Income <50%	0
Low 50-80%	0
Moderate 81%-120%	0
Above Moderate >120%	0

Prepared by:

Date:



NEED TO MAKE YOUR HOME MORE ACCESSIBLE?



The City of Davis
Home Improvement Loan
Program may be able to help!

ELIGIBILITY

- You must meet certain income guidelines
- Your home must be in the City of Davis
- You must own and live in the home

PROGRAM OVERVIEW

- Low cost loans with no monthly payments
- Construction Management assistance and guidance
- Typical improvements include ramps, roll in showers or safety baths, chair lifts, enlarging doorways and hallways and others that promote safety or accessibility
- Other necessary repairs may be included
- Small grants may be available



EQUAL HOUSING
OPPORTUNITY

**Call NeighborWorks
to learn more!
916-452-5356**

NeighborWorks®
HomeOwnership Center
SACRAMENTO REGION



P.O. Box 5420
Sacramento, CA 95817
(916) 452-5356 Phone
(916) 431-3209 Fax

Invoice

Bill to: City of Citrus Heights
Attn:
6237 Fountain Square Dr
Citrus Heights, CA 95621

Date:
Invoice Number:

Description	Amount
<p>For Inquiries Contact: Elise Grimes at 916-452-5356 ext 1218</p>	
Total Amount Due	-

Citrus Heights Housing Rehabilitation Program
Waiting List

	Date of Cont	First Name	Last Name	Address	City	State	Zip Code	Phone #	Family Si	Income	Status
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Proposed Fee Structure and Payment Schedule

NeighborWorks® HomeOwnership Center has established standardized procedures and tools that will ensure accountability, efficiency and responsiveness and will we manage the program to the objectives in the contract. NeighborWorks® Sacramento proposes the following **Program Delivery costs** for the Housing Rehabilitation Program.

Program Delivery Costs		
Activity Delivery Cost		Payment
Construction Management	<p>Establish a contractor list and annually solicit contractor participation, oversee bid process; track rehabilitation payments and process change orders; manage final inspection and loan close-out at project completion;</p> <p>Provide completed file with close-out documentation and before and after photographs of the project to City staff to service.</p> <p>Oversee construction process and conduct progress inspections</p>	
	Twenty percent (20%) of the loan funded	\$44,000
Marketing and outreach	Printed materials, advertising; and staff time for inquiries and outreach activities	\$10,000
Loan Set-up	Applicant intake, eligibility loan review, and prepare loan documents, file management and wait list maintenance	
	Ten percent (10%) of loan approved by the Committee	\$22,000
General Program Administration Costs		
Program Administration	Program planning, meetings, monitoring program activities, credit reports, title search fees; preparing reports and other documents related to the program, and overhead	
	Contract Execution	\$22,000
Mileage		\$ 2,000
Total		\$100,000

All intake work completed for projects that do not materialize will be charged to general administration on a per hour rate of \$50 an hour or a flat fee of \$200 per application that was incomplete.

The total cost of project delivery and general program administration for this program will not exceed \$100,000.

**CONSULTING SERVICES AGREEMENT BETWEEN
THE CITY OF CITRUS HEIGHTS AND
NEIGHBORWORKS SACRAMENTO**
(Standard Agreement)

This Agreement (“Agreement”) for consulting services is made by and between the City of Citrus Heights (“City”) and NeighborWorks Sacramento (“Consultant”) (together referred to as the “Parties”) as of July 11, 2019 (the “Effective Date”).

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

- 1.1 **Term of Services.** The term of this Agreement shall begin on the Effective Date and shall end on July 11, 2020 or the date the Consultant completes the services specified in Exhibit A, whichever occurs first, unless the term of the Agreement is otherwise terminated or extended, as referenced herein. The City may renew this agreement up to a maximum of five years.
- 1.2 **Standard of Performance.** Consultant shall perform all services required pursuant to this Agreement according to the standards observed by a competent practitioner of the profession in which Consultant is engaged.
- 1.3 **Assignment of Personnel.** Consultant shall assign only competent personnel to perform services pursuant to this Agreement. In the event that City, in its sole discretion, at any time during the term of this Agreement, requests in writing the reassignment of any such persons to ensure Consultant performs services in accordance with the Standard of Performance, Consultant shall, immediately upon receiving City’s request, reassign such persons.
- 1.4 **Time.** Consultant shall devote such time to the performance of services pursuant to this Agreement as may be reasonably necessary to meet the standard of performance provided herein above and to satisfy Consultant’s obligations hereunder.

Section 2. COMPENSATION. City hereby agrees to pay Consultant a sum not to exceed three hundred and twenty thousand dollars \$(320,000), as set forth in Exhibit B, attached hereto and incorporated herein for services to be performed and reimbursable expenses incurred under this Agreement. This dollar amount is not a guarantee that the City will pay that full amount to the Consultant, but is merely a limit of potential City expenditures under this Agreement.

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

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

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

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

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

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

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

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

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

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

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

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

4.2 Commercial General and Automobile Liability Insurance.

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

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

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

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

4.3 Professional Liability Insurance.

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

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

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

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

4.4 All Policies Requirements.

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

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

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

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

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

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

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

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

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

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

Section 5. INDEMNIFICATION AND CONSULTANT'S RESPONSIBILITIES.

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

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

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

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

Section 6. STATUS OF CONSULTANT.

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

Section 7. LEGAL REQUIREMENTS.

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

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

Section 8. TERMINATION AND MODIFICATION.

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

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

Section 9. KEEPING AND STATUS OF RECORDS.

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

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

Section 10 MISCELLANEOUS PROVISIONS.

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

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

Consultant : NeighborWorks Sacramento
2411 Alhambra Boulevard
Sacramento, CA 95817
ATTN: Juan Rivera, President and CEO

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

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

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

Exhibit A Scope of Services
Exhibit B Compensation Schedule

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

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

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

SIGNATURES ON FOLLOWING PAGE

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

CITY OF CITRUS HEIGHTS

NEIGHBORWORKS SACRAMENTO

Christopher W. Boyd, City Manager

Juan Rivera, President and CEO

Attest:

Amy Van, City Clerk

Approved as to Form:

Ruthann G. Ziegler, City Attorney

EXHIBIT A
SCOPE OF SERVICES

EXHIBIT B
COMPENSATION SCHEDULE

CERTIFICATE OF COMPLIANCE WITH LABOR CODE § 3700

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

CONSULTANT

By: _____

Title: _____

2699908.6



CITY OF CITRUS HEIGHTS

CITY COUNCIL STAFF REPORT MEMORANDUM

DATE: July 11, 2019

TO: Mayor and City Council Members
Christopher W. Boyd, City Manager

FROM: Rhonda Sherman, Community Services Director
Colleen McDuffee, Planning Manager
Casey Kempenaar, Senior Planner
Meghan Huber, Economic Development Manager

SUBJECT: General Plan Amendment Regarding Sunrise Mall

Summary and Recommendation

On May 23, 2019, City Council directed staff to pursue a General Plan Amendment related to the Sunrise Mall property.

On June 12, 2019, the Planning Commission considered a General Plan Amendment focused on Sunrise Mall. The proposed amendment recognizes the importance of Sunrise Mall in the city and the region. The amendment would require the development of a Specific Plan to ensure the future redevelopment of Sunrise Mall is conducted in a comprehensive manner.

The Planning Commission unanimously recommended the City Council adopt the attached resolution amending the General Plan, recognizing the need for a comprehensive planning effort for the Sunrise Mall area.

Staff recommends the Council approve Resolution No. 2019-____, as shown in Attachment 1, a Resolution of the City Council of the City of Citrus Heights adopting a General Plan Amendment related to development within the Sunrise Mall property and determining that the project is exempt from CEQA under Section 15305.

Fiscal Impact

There is no fiscal impact to the 2019/2020 Fiscal Year Budget to adopt the General Plan Amendment. The development of a Specific Plan and associated Environmental Impact Report is anticipated to range between \$400,000 and \$700,000. Specific funding sources will be identified prior to approval of any consultant contract.

Background

The Sunrise Mall, which opened in 1971, has been an economic cornerstone of the City of Citrus Heights since incorporation. The Sunrise Mall is a regionally significant commercial center and has repeatedly been the highest generator of sales tax revenue in the city, serving as the anchor of the broader Sunrise MarketPlace commercial district.

The Sunrise Mall property is nearly 100-acres, of which 75-acres are underutilized parking fields. Over the last several years, there have been inquiries to subdivide Sunrise Mall into additional parcels as well as add additional out-parcel development along the periphery of the Mall property. These efforts have not been holistically planned and lack a comprehensive approach, which is key to understanding and addressing operational impacts such as traffic, onsite circulation, parking, open space, stormwater, utilities, and other infrastructure concerns.

Given the importance of Sunrise Mall in the region and the city, the lack of a vision and comprehensive approach to its ultimate redevelopment may result in the inability for the mall property to reach its full potential as the “living room” for the city and an important destination to shop, work, live, and play.

Further, while several policies in the General Plan discuss the importance of the Sunrise MarketPlace in the city, the General Plan does not do justice to the important role the Sunrise Mall property plays in the city and the region.

Proposed General Plan Amendment

The proposed amendment (Attachment 1-A) to the General Plan will ensure the future development of Sunrise Mall creates and implements a community-based vision through a comprehensive planning effort.

Proposed General Plan Language

Goal 12: Create an inviting and distinctive identity for Sunrise MarketPlace to promote its image as the City’s premier destination to shop, work, live, and play.

Policy 12.3 Transform the Sunrise Mall area into a premier regional destination and a flourishing center of community life where residents and visitors shop, work, live, and play.

Action A. Prior to issuing any discretionary approval in the Sunrise Mall area, develop a comprehensive specific plan that includes:

- *An effective concentration and complementary mix of land uses*
- *Streetscape and community gathering features that are engaging and support an active street life and a stronger sense of place*

- *Architectural and design details to transition this area from an auto-oriented suburban center to an amenity-rich, pedestrian-friendly, and experience-oriented regional destination*
- *Phasing, infrastructure, and financing approaches*

The specific plan shall reflect changing market conditions and provide sustained economic benefit to the city.

Staff believes this policy and associated actions will help highlight the importance Sunrise Mall serves in both Citrus Heights and the broader region. This amendment will require the development of a community-based vision for the future of the mall and ensure a comprehensive and holistic approach to planning the future of the mall property.

Environmental Determination

The proposed General Plan Amendment will not change any Zoning or General Plan standards. Any future comprehensive plan for the Sunrise Mall area will require California Environmental Quality Act (CEQA) review as part of the plan's consideration and future action by decision makers.

This proposed General Plan amendment is categorically exempt from CEQA (CEQA Guidelines Section 15305) as the proposed amendments to the General Plan are minor alterations to land use limitations and do not have the potential to have a significant effect on the environment.

General Public Outreach/Comments

Property owners within 500-feet of the project site were mailed a meeting notice as required and a notice of this hearing was published in the Sacramento Bee. In addition, the nearby neighborhood associations (9, 10, and 11) were notified of the project.

All six mall property owners are aware of the proposed amendment. Staff is in regular communication with the mall property owners. Staff intends to maintain regular communication with the property owners throughout the development of the Specific Plan.

Several property owners on Sawgrass Circle submitted comment letters related to the General Plan Amendment (see Exhibit B). These concerns are more relevant to, and will be considered as part of, the development of a Specific Plan.

Planning Commission Comments

The Planning Commission reviewed the proposed Amendment on June 12, 2019. The Commission was supportive of the comprehensive approach to the Sunrise Mall property.

Chair Lagomarsino requested the addition of "community" vision to the resolution adopting the General Plan Amendment. The amended resolution is included as Attachment 1.

The Planning Commission unanimously recommended that the City Council adopt the resolution as amended.

Next Steps

Following approval of the General Plan Amendment, staff will release a Request for Proposals to procure consultant services to aid the city in preparing a Specific Plan for the Sunrise Mall Area. Staff anticipates Council will consider a professional services contract for these planning services in the fall. The timeline for the completion of a Specific Plan and Environmental Impact Report is anticipated to be 18-24 months.

Broad community engagement and continued dialogue with the property owners for the mall property will continue throughout the development of a Specific Plan.

Attachments

1. Resolution No. 2019-____ a resolution of the City Council of the City of Citrus Heights, California adopting a General Plan Amendment related to development within the Sunrise Mall Property and determining that the Project is exempt from CEQA under Section 15305.
 - a. Proposed General Plan Amendment

Exhibits

- A. Planning Commission Staff Report (without attachments)
- B. Comment Letters

RESOLUTION NO. 2019 - ____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CITRUS HEIGHTS, CALIFORNIA ADOPTING A GENERAL PLAN AMENDMENT RELATED TO DEVELOPMENT WITHIN THE SUNRISE MALL PROPERTY AND DETERMINING THAT THE PROJECT IS EXEMPT FROM CEQA UNDER SECTION 15305.

WHEREAS, the city adopted an Updated General Plan in 2011, which includes numerous policies concerning the viability of commercial corridors and existing shopping centers;

WHEREAS, on May 23, 2019, the Citrus Heights City Council directed staff to prepare a General Plan Amendment that addresses future development in the Sunrise Mall area comprehensively;

WHEREAS, the proposed amendment to the General Plan recognizes and clarifies the importance of Sunrise Mall in Citrus Heights and the Sacramento region;

WHEREAS, the proposed amendment clarifies that a community vision combined with a comprehensive approach to the land development of Sunrise Mall will aid the city in achieving numerous related General Plan goals related to land use planning, housing, mobility, infrastructure, and economic development;

WHEREAS, the Sunrise Mall property represents nearly 100-acres of underutilized land that represents a significant redevelopment and economic development opportunity;

WHEREAS, the proposed amendment is Categorically Exempt from CEQA because it is considered a minor alteration to land use limitations; and

WHEREAS, the Planning Commission held a public hearing on June 12, 2019, and the City Council held a public hearing on July 11, 2019, wherein public testimony was taken.

NOW, THEREFORE, BE IT RESOLVED that the Citrus Heights City Council hereby finds as follows:

Findings for the General Plan Amendment:

1. The amendment is internally consistent with all other provisions of the General Plan
2. The amendment will not be detrimental to the public interest, health, safety, convenience or welfare of the city.
3. The affected site is physically suitable for proposed or anticipated uses and/or development.

BE IT FURTHER RESOLVED that the Citrus Heights City Council hereby adopts the General Plan Amendment related to the Sunrise Mall Property as depicted in Exhibit A.

PASSED AND ADOPTED by the City Council of the City of Citrus Heights, California,
this 11th day of July 2019, by the following roll call vote:

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

Jeannie Bruins, Mayor

ATTEST:

Amy Van, City Clerk

Exhibit:

A – General Plan Amendment

Chapter 2 - Community Development

Goal 11: Maintain and strengthen Sunrise MarketPlace as the heart of commercial activity in Citrus Heights

Policy 11.1: Actively seek to attract, retain and expand commercial activities at Sunrise MarketPlace.

- Actions*
- A. *Support the activities and programs of the Sunrise MarketPlace Property-based Business Improvement District.*
 - B. *Establish an ongoing business attraction, retention and expansion program that includes partnerships with key property owners, real estate brokers and retailers.*
 - C. *Identify opportunities to expand entertainment, restaurant, lodging and leisure activities that complement and support the retail uses in Sunrise MarketPlace.*
 - D. *Identify opportunities to expand civic and community activities that complement and promote the retail uses in Sunrise MarketPlace.*

Policy 11.2: Locate office buildings in Sunrise MarketPlace to increase the vitality of the area.

Policy 11.3: Promote new regional and community-oriented commercial development within Sunrise MarketPlace that is compatible and supportive of existing uses.

Goal 12: Create an inviting and distinctive identity for Sunrise MarketPlace to promote its image as the City's premier ~~commercial~~ destination to shop, work, live and play.

Policy 12.1: Implement the Sunrise MarketPlace Revitalization Blueprint to enhance the physical appearance of the district, create a recognizable destination, establish a sense of place, and promote private investment in the area.

- Actions*
- A. *Install street benches, sidewalk improvements, trees, public art, and entry features at strategic locations in Sunrise MarketPlace.*
 - B. *Coordinate and improve signage within the Sunrise MarketPlace district.*
 - C. *Emphasize vertical elements such as trees and streetlights within Sunrise MarketPlace, particularly in locations where they can serve to reduce the perception of street width.*

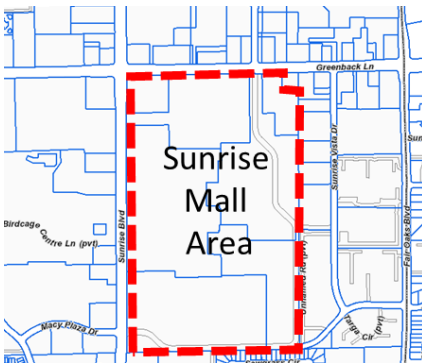
- D. Use coordinated design themes and colors to link what are now perceived as separate shopping areas.
- E. Explore options for creating a public space at the center of Sunrise MarketPlace.
- F. Identify funding mechanisms to implement the recommendations of the Sunrise MarketPlace Revitalization Blueprint.

Policy 12.2: Market and promote Sunrise MarketPlace as a unique destination and community gathering place.

- Actions
- A. Support the Sunrise MarketPlace Property-based Business Improvement District's efforts to market and advertise Sunrise MarketPlace as the City's premier business district.
 - B. Support the Sunrise MarketPlace Property-based Business Improvement District's efforts to host special events throughout the district.

Policy 12.3: Transform the Sunrise Mall area into a premier regional destination and a flourishing center of community life where residents and visitors shop, work, live, and play.

Action A. Prior to issuing any discretionary approval in the Sunrise Mall area (see inset map), develop a comprehensive specific plan that includes:



- An effective concentration and complementary mix of land uses;
- Streetscape and community gathering features that are engaging and support an active street life and a stronger sense of place;
- Architectural and design details to transition this area from an auto-oriented suburban center to an amenity-rich, pedestrian-friendly, and experience-oriented regional destination;
- Phasing, infrastructure, and financing approaches.

The specific plan shall reflect changing market conditions and provide sustained economic benefit to the City.

Prepared by: Casey Kempenaar, Senior Planner

REQUEST

The city requests approval of a General Plan Amendment related to development of the Sunrise Mall area.

Applicant: City of Citrus Heights
Planning Division
6360 Fountain Square Drive
Citrus Heights, CA 95621

Application Number: GPA 19-01

SUMMARY RECOMMENDATION

The Planning Division recommends that the Planning Commission:

- A. Recommend the City Council determine that the proposed project is exempt from CEQA under Section 15305.
- B. Recommend the City Council adopt the resolution amending the General Plan, recognizing the need for a comprehensive planning effort for the Sunrise Mall area.

BACKGROUND

On May 23, 2019 the City Council directed staff to pursue a General Plan Amendment related to the Sunrise Mall property (See Exhibit A, City Council Resolution).

Considering the city is 98-percent built out, the ability to ensure redevelopment of underutilized land is paramount for the future redevelopment and economic development in the city. The Sunrise Mall property represents the single greatest opportunity in the city to have the potential to achieve broader city goals. The Sunrise Mall property is nearly 100-acres, of which 75-acres are underutilized parking fields.

Over the last several years, there have been inquiries to subdivide Sunrise Mall into additional parcels as well as add additional out-parcel development along the periphery of the Mall property. These efforts have not been holistically planned and lack a comprehensive approach which is key to understanding and addressing operational impacts such as traffic, onsite circulation, parking, open space, stormwater, utilities and other infrastructure concerns.

Given the importance of Sunrise Mall in the region and the city, the lack of a vision and comprehensive approach to its ultimate redevelopment may result in the inability for the mall property to reach its full potential as the “living room” for the city and an important destination to shop, work, live, and play.

Further, while several policies in the General Plan discuss the importance of the Sunrise MarketPlace in the city, the General Plan does not do justice to the important role the Sunrise Mall property plays in the city and the region.

PROJECT DESCRIPTION

The city requests an amendment (Attachment 1-A) to the General Plan to ensure the future development of Sunrise Mall creates and implements a community-based vision through a comprehensive planning effort

Proposed General Plan Language

Goal 12: *Create an inviting and distinctive identity for Sunrise MarketPlace to promote its image as the City's premier destination to shop, work, live and play.*

Policy 12.3 *Transform the Sunrise Mall area (see inset map) into a premier regional destination and a flourishing center of community life where residents and visitors shop, work, live, and play.*

Action A. *Prior to issuing any discretionary approval in the Sunrise Mall area, develop a comprehensive specific plan that includes:*

- *An effective concentration and complementary mix of land uses*
- *Streetscape and community gathering features that are engaging and support an active street life and a stronger sense of place*
- *Architectural and design details to transition this area from an auto-oriented suburban center to an amenity-rich, pedestrian-friendly, and experience-oriented regional destination*
- *Phasing, infrastructure, and financing approaches*

The specific plan shall reflect changing market conditions and provide sustained economic benefit to the city.

The city believes this policy and associated actions will help highlight the importance Sunrise Mall serves in both Citrus Heights and the broader region. This amendment will require the development of a community-based vision for the future of the mall and ensure a comprehensive and holistic approach to planning the future of the mall property.

General Plan Amendment (GPA 19-01)

General Plan Amendment Description & Analysis

The city is requesting to amend the General Plan to recognize the importance of the Sunrise Mall property in the City and within the region via a text amendment as shown in Attachment 1-A and below:

Goal 12: *Create an inviting and distinctive identity for Sunrise MarketPlace to promote its image as the City's premier destination to shop, work, live and play.*

Policy 12.3 *Transform the Sunrise Mall area (see inset map) into a premier regional destination and a flourishing center of community life where residents and visitors shop, work, live, and play.*

Action A. *Prior to issuing any discretionary approval in the Sunrise Mall area, develop a comprehensive specific plan that includes:*

- *An effective concentration and complementary mix of land uses*
- *Streetscape and community gathering features that are engaging and support an active street life and a stronger sense of place*

- *Architectural and design details to transition this area from an auto-oriented suburban center to an amenity-rich, pedestrian-friendly, and experience-oriented regional destination*
- *Phasing, infrastructure, and financing approaches*

The specific plan shall reflect changing market conditions and provide sustained economic benefit to the city.

The amendment requires that the future plans for Sunrise Mall are based on a comprehensive plan for the entire mall property. The intent of this approach is to ensure the infrastructure, land use pattern, and regulation necessary to see the full potential of the mall is in place to allow for a redevelopment of the mall as a premier destination for the City of Citrus Heights.

According to city records, Sunrise Mall comprises nearly 100-acres of land. The vast majority of this land, about 75-acres, is underutilized wide parking fields and considered underdeveloped.

Recently, the city has seen increased interest to sell off portions of the mall to outside owners or long term leases. Without proper planning and design, these developments can be detrimental to the future redevelopment of the mall. The more owners involved in a redevelopment project the more challenging the redevelopment becomes.

The intent of this General Plan Policy is to limit development of the mall property unless the requisite planning and forethought into the future redevelopment potential has been considered. Staff believes this policy will help preserve the redevelopment opportunities that currently exist and ensure that any future development will be comprehensively planned to meet the community vision of the mall.

General Plan Amendment – Conclusion

Based on the above, staff recommends that the Planning Commission recommend approval to the City Council for the proposed General Plan amendment related to development within the Sunrise Mall property.

ENVIRONMENTAL DETERMINATION

The proposed General Plan Amendment will not change any Zoning or General Plan standards. Any future comprehensive plan for the Sunrise Mall area will require CEQA review as part of the plan's consideration and future action by decision makers.

This proposed General Plan amendment is categorically exempt from CEQA (CEQA Guidelines Section 15305) under proposed amendments to the General Plan are minor alterations to land use limitations do not have the potential to have a significant effect on the environment.

RECOMMENDATION

The Planning Division recommends that the Planning Commission take the following actions:

- A. Recommend the City Council determine that the proposed project is exempt from CEQA under Section 15305.
- B. Recommend the City Council adopt the resolution amending the General Plan, recognizing the need for a comprehensive planning effort for the Sunrise Mall area.

Attachment:

1. Resolution amending the General Plan related to the Sunrise Mall area
A– Proposed General Plan Amendment

Exhibit:

- A. May 23, 2019 - City Council Resolution

7933 Sawgrass Circle
Citrus Heights, CA 95610
(916) 965-7378

June 9, 2019

Mr. Casey Kempenaar
Project Planner
City Planning Department
6360 Fountain Square Drive
Citrus Heights, CA 95621

Dear Mr. Kempennar

We recently received a letter in our mail stating there will be a public hearing on June 12th 2019 at 7:00 PM to consider plans that would affect the Sunrise Mall property. Our family has lived on Sawgrass circle since 2003 and we have experienced the Sunrise Mall property at high popularity periods. We'd like to share our personal experience and kindly ask you take into consideration our requests as you and your department approve new development at the Sunrise Mall property. The Macy Plaza Drive is approximately 6 feet from our fence (please see attached photo looking over our fence), and it is a 4 lane road which vehicles and semi-trucks utilize throughout the day. You can imagine the noise these vehicles produce as they drive past our residence and the thunderous sound the semi-trucks make when they bounce over the speed bumps with their heavy trailers. In addition to the noise, our air quality is of great concern as we have 3 small children who love to play outside throughout the year. To give you a sense of what we undergo on a regular basis consists of thoroughly cleaning all of our outdoor furniture to experiencing it completely covered in soot from the vehicle traffic on the other side of the fence a few days later. The current 6 feet of landscaping between the fence and road (consisting of bushes,

trees, and brick knee walls) has allowed for increases of homeless camping throughout the years. While reviewing plans on revamping and improving the business and structures around the Sunrise Mall property provides a timely opportunity to resolve these issues now before they worsen.

We kindly request that any plans that are submitted that you consider how the noise and air pollution would affect the residents that surround the Sunrise Mall location. We request the Macy Plaza Drive be slightly moved away from the fence line to provide more distance between the Sawgrass Circle residents and the Sunrise Mall Property to reduce the noise and pollution as additional traffic and businesses are developed. A greenbelt between the fence and road would greatly benefit the property, residents, and air quality. A sound wall can also solve the issues of noise and trespassing as we have also experienced individuals that were fleeing the mall jumping over our fence onto our property. A clean design and landscaping around this area would also solve many of the homeless camping issues that have caused an increase in the garbage and drug paraphernalia in the area.

Best Regards,

Kamran Tadjeran

A handwritten signature in cursive script, reading "Kamran Tadjeran". The signature is written in dark ink and features a long, sweeping horizontal line extending from the end of the name.



June 09, 2019

To: Mr. Casey Kempenaar –Project Planner, City Planning Department

From: Citrus Heights residents: Helen Degen and Catherine Ferguson

RE: City of Citrus Heights Notice of Public Hearing (June 12, 2019 at 7:00 p.m.)

Dear Mr. Kempenaar,

After receiving this notice published June 3, 2019, we have several primary concerns:

First, we went to the mall after receiving this notice and approached both management offices about an explanation. They knew nothing about this notice. We are concerned about the City Council being totally transparent about what the actual plans the City has for the Sunrise Mall.

Recently, we had been told by Channel 13 about the city's plans for a moratorium on any new businesses. This was a shock to us. So we watched the Council's meeting on television and at the very end of that meeting, it was announced the moratorium was tabled and the mall was on solid ground.

We felt the Council was not being transparent about its plans.

Second, we live on a street that backs up to the "SEARS" portion of the mall. Therefore, we have a vested interest in the types of development that take place there. Believe us when we say that a successful Sunrise Mall is important to us. We ask that you take into account the quiet enjoyment of the existing residences.

Third, The SACRAMENTO BEE reported that the new owner of the mall has a reputation of being a slum lord. We take pride in our city and our community. This negative description is causing us some real concern. What kind of a relationship does the city have with the new owner?

Please address these issues and concerns before moving forward.

Sincerely,

Helen Degen and Catherine Ferguson

Handwritten signatures of Helen Degen and Catherine Ferguson. The signature for Helen Degen is written above the signature for Catherine Ferguson. Both signatures are in cursive and appear to be in black ink.

8024 Sawgrass Circle

Citrus Heights, CA 95610

(916) 847-9886

8001 Sawgrass Circle

Citrus Heights, CA 95610

916-965-0752

June 8, 2019

Mr. Casey Kempenaar

Project Planner

City Planning Department

6360 Fountain Square Drive

Citrus Heights, CA 95621

Dear Mr. Kempenaar:

We are writing this letter to you in regards to the Public Hearing the Planning Commission is conducting on June 12, 2019. We are concerned homeowners who live on Sawgrass Circle which borders the south side of Sunrise Mall. It is our understanding you are considering a General Plan Amendment affecting the Sunrise Mall property.

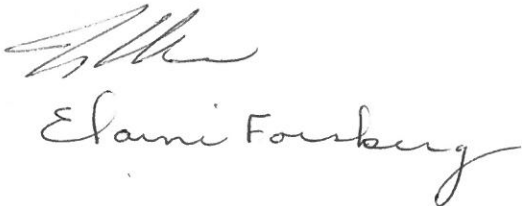
We currently experience a high volume of automobiles and large delivery trucks traveling along Macy Plaza Drive which runs less than six feet from our back fences. As you know it is a four lane road. The air quality is noticeably affected in our yards and homes if the windows are open. We are fearful any proposed business addition on the south side of the Sunrise Mall property will increase that traffic and emissions affecting our air quality. Not to mention the high level of noise pollution we already suffer daily. We do not understand why the proposed amendment to the General Plan does not require an environmental impact study, similar to the one done in 2008. We had addressed our concerns at that time. We also discussed altering Macy

Plaza Drive and placing a green belt between the four lane road and our homes. They felt it was a good idea at that time. Sadly, that project did not come to fruition.

We are writing this letter on behalf of a number of concerned homeowners on Sawgrass Circle. We sincerely hope you take our concerns into consideration and help find a solution to improve the Sunrise Mall Property in harmony with its residential neighbors. We feel now is the time for our city to address the problems we have seen and experience firsthand. Improving the esthetics of the Sunrise Mall property and the road that borders it will attract more shoppers. Macy Plaza Drive as is does not even provide a safe walkway. Just adding more businesses in the existing parking lots would not make Sunrise Mall a more desirable destination. As you have mentioned in other words Sunrise Mall is the gem of Citrus Heights. Hopefully we have helped remind you of that and there are a number of homes directly affected by any change to Sunrise Mall.

Thank you

Sincerely,

A handwritten signature in cursive script, appearing to read "Elaine Forsberg".

Jay Nelson

Elaine Forsberg

8013 Sawgrass Circle
Citrus Heights, Ca. 95610
916-729-5540

June 9, 2019

Mr. Casey Kempenaar
Project Planner
City Planning Department
6360 Fountain Square Drive
Citrus Heights, Ca. 95621

Dear Mr. Kempenaar:

We are contacting you as concerned homeowners on Sawgrass Circle which borders the south side of Sunrise Mall. This is regarding your letter sent about the Public Hearing the Planning Commission is conducting on June 12, 2019.

We currently experience a high volume of automobiles and large delivery trucks traveling along Macy Plaza Drive which runs less than six feet from our back fence. As you know it is a four lane road. The air quality is noticeably affected in our yards and homes if the windows are open or if we try to enjoy our back yard. We are fearful any proposed business addition on the south side of Sears property will increase that traffic and emissions affecting our air quality. Not to mention the high level of noise pollution we already suffer daily.

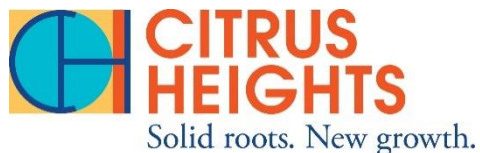
We own three homes on Sawgrass Circle that sit on the Sunrise Mall south side. Our concern is that the value of our homes don't decrease depending on your upcoming proposed plans. We would like to see Macy Plaza Drive turned into a green belt to help distance new building impact and traffic noise from our bedroom windows.

We are writing this letter on behalf of a number of concerned homeowners on Sawgrass Circle. We sincerely hope you take our concerns into consideration and help find a solution to improve the Sunrise Mall Property in harmony with its residential neighbors.

Thank you
Sincerely,

A handwritten signature in cursive script that reads "John & Linda Bain". The signature is written in dark ink and is positioned above the printed names of the signatories.

John and Linda Bain



CITY OF CITRUS HEIGHTS

CITY COUNCIL STAFF REPORT MEMORANDUM

DATE: July 11, 2019

TO: Mayor and City Council Members
Christopher W. Boyd, City Manager

FROM: Rhonda Sherman, Community Services Director
Mary Poole, Operations Manager

SUBJECT: **Resolution to Record Delinquent Solid Waste Service Charges on the Tax Roll**

Summary and Recommendation

Staff recommends the City Council:

- 1) Conduct a Public Hearing for any and all persons having objections to the proposed collection of delinquent solid waste charges, penalties, and interest through the County tax roll; and
- 2) Adopt Resolution No. 2019 - _____, A Resolution of the City Council of Citrus Heights to Record Delinquent Solid Waste Charges on the Tax Roll.

Fiscal Impact

Solid waste pickup service is mandatory throughout most of Sacramento County, including within the City of Citrus Heights. The property owner of record is responsible for payment. Recording delinquent amounts on the tax rolls ensures the city will receive payment for solid waste pickup from owners who do not pay their bi-monthly bill.

Background and Analysis

Per Government Code Section 38790.1, Government Code 25831 and the city's Municipal Code Chapter 74 Section 169, the city can record delinquent solid waste charges, penalties, and interest on the annual tax roll. The Government Code and Municipal Code also provide for a public hearing before the City Council for hearing objections to the proposed action or amount of charges, or both.

Subject: Resolution to Record Delinquent Solid Waste Charges on Tax Roll

Date: July 11, 2019

Page 2 of 2

As of May 15, 2019, there were 1244 delinquent accounts, with a past due balance of \$432,059.10 and penalties of \$43,205.91. The list of delinquent accounts will be updated and recorded on the tax roll in August 2019. The County will collect one half of the amount due on December 10, 2019 and one half on April 10, 2020. The County will forward the payments to the city in January and May 2020.

On June 13, 2019, a Resolution of Intention was adopted that stated the City Council's intention to record delinquent solid waste charges, penalties, and interest on the tax roll to be collected with the general tax levy collected by Sacramento County. Delinquent charges as of March 1 of each year that are not paid by June 30 of the same year can be recorded on the County tax rolls in August.

Also on June 13, 2019, the City Council set July 11, 2019 as the date to conduct a public hearing to hear objections as to why the proposed actions should not be carried out in accordance with the Resolution of Intention.

Attachments

- 1) Resolution No.2019-_____ Resolution of the City Council of the City of Citrus Heights to Record Delinquent Solid Waste Service Charges on the Tax Roll

RESOLUTION NO. 2019 - ____

**RESOLUTION OF THE CITY COUNCIL OF THE
CITY OF CITRUS HEIGHTS, CALIFORNIA TO RECOR DELINQUENT
SOLID WASTE SERVICE CHARGES ON THE TAX ROLL**

WHEREAS, the City Council of the City of Citrus Heights has determined that charges for solid waste collection services will be paid by the owner of record of the parcel receiving such services;

WHEREAS, Sacramento County will collect from the owner of record via the annual general tax levy any delinquent charges, penalties, and interest submitted to the County by the City of Citrus Heights;

WHEREAS, City Council conducted a public hearing on July 11, 2019 at 7:00 p.m. in the City Council Chambers, 6360 Fountain Square Drive, Citrus Heights, to hear any and all persons having objections to the proposed collection of delinquent solid waste charges, penalties, and interest as to why the proposed actions should not be carried out in accordance with the Resolution of Intention; and

WHEREAS, notice of the public hearing was sent to the owner of record of each parcel with delinquent charges, penalties and interest as required by law.

NOW THEREFORE BE IT RESOLVED that the City Council hereby gives notice that any owner of property having unpaid solid waste service charges, penalties, and interest as of March 1, 2019 that have not been paid as of June 30, 2019, will have those charges, penalties, and interest recorded on the tax roll.

PASSED AND ADOPTED by the City Council of the City of Citrus Heights, California, this 11th day of July, 2019, by the following vote, to wit:

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

Jeannie Bruins, Mayor

ATTEST:

Amy Van, City Clerk



CITY OF CITRUS HEIGHTS

CITY COUNCIL STAFF REPORT MEMORANDUM

DATE: July 11, 2019

TO: Mayor and City Council Members
Christopher W. Boyd, City Manager

FROM: Rhonda Sherman, Community Services Director
Colleen McDuffee, Planning Manager
Alison Bermudez, Associate Planner

SUBJECT: Request City Council Recommendation Regarding AB 626
Microenterprise Kitchen Operations (MHKO)

Summary and Recommendation

Assembly Bill 626 regarding Microenterprise Home Kitchen Operations (MKHO's) became effective January 1, 2019. The law amends the California Retail Code to allow food prepared in a private home to be sold directly to the public. Staff requests the City Council review the bill, and direct staff to forward an "opt-in" or "opt-out" recommendation to the County Board of Supervisors.

Fiscal Impact

There is no fiscal impact associated with this action.

Background and Analysis

In order to legally sell food to the public, health regulations require the food be stored, prepared and sold from an approved retail food facility. The approved retail food facility must be located in an area zoned for commercial use and have obtained plan review and permit approval ensuring that health and safety codes are met. In Citrus Heights, Sacramento County Environmental Management Department (EMD) oversees, manages, permits, and inspects retail food facilities for their compliance with California's Retail Code.

In an effort to ease the requirements for small food operations, AB 626 became effective in January 2019. The bill allows home cooks to prepare and sell food directly to the consumer from their homes. AB 626 is an "opt-in" or "opt-out" bill with the opting decision made by the enforcement agency. Since EMD is the enforcement agency for all of Sacramento County, the

Subject: Direction on AB 626 MHKO's

Date: July 11, 2019

Page 2 of 2

Board of Supervisors will make the determination if microenterprise kitchen operations should be allowed within Sacramento County, including incorporated cities.

City staff participated in a regional meeting with representatives from all jurisdictions in Sacramento County. The meeting was very helpful in vetting out not only the concerns with AB 626 but the benefits of opting in. Most participants agreed the opening of a traditional food service facility is complex and costly and AB 626 would provide home cooked food at affordable prices, especially in parts of Sacramento County where food deserts exist. Food deserts are areas lacking in fresh fruit, vegetables, and other healthful whole foods, and are usually found in impoverished areas. This is largely due to a lack of grocery stores, farmers' markets, and healthy food providers.

Although AB 626 has a number of benefits, the statute has many built-in protections and regulations including limited scope for the kitchen inspection (including food storage and equipment), and the ability for MHKO's to operate in any residence, regardless of zoning.

Since the decision to opt in or opt out of AB 626 is a county decision, staff wants to ensure the Board of Supervisors considers the desires of the city in their decision. Staff therefore recommends the City Council achieve a consensus on AB 626 and direct staff to prepare a resolution to submit to the Sacramento County Board of Supervisors for their consideration.

Attachment

1. FAQ's regarding MHKO's and AB 626

**Environmental Management
Department
Marie Woodin, Director**



**MEHKOs Q & A WITH CITY REPRESENTATIVES
HELD ON MAY 9, 2019**

Cities represented: City of Citrus Heights, City of Elk Grove, City of Rancho Cordova, City of Sacramento, and County of Sacramento.

1. Will there be outreach to individual residences?
A: No, however, if the Board of Supervisors (BOS) directs EMD to conduct outreach, EMD will provide outreach to CPACs, Neighborhood Associations, and Rental Housing Authority, etc.
2. Are MEHKOs required to have food safety certificates?
A: Yes, they will need to have Food Managers certification and food handler cards.
3. Can you require business license or building permits? (Directed to Attorney)
A: CA Health & Safety Code section 114367.4 prohibits the county from imposing additional fees, other than for the health permit to operate the MEHKO, or imposing restrictions for zoning purposes on the MEHKO. Thus, a business license is not required, and the MEHKO property is to be treated as residential, so any building permit would be for a residential property.
4. Can AirBnB serve breakfast now as part of their stay?
A: No. Bed and Breakfasts have a specific permit with EMD.
5. What will the economic impact be in a community?
A: It is a possibility that smaller business may be impacted which could impact jobs.
6. City of Sacramento has business operation tax certificate, would that also be prohibited?
A: Yes.
7. Social Media Component?
A: A third-party intermediary may charge a fee based on sales.
8. Can MEHKO's sell alcohol and if so, do they need to apply for an ABC permit?
A: Yes, they will need a permit for ABC to sell alcohol.
9. Can the county opt-out and create an ordinance with more requirements?
A: This is unclear, but such an ordinance could be challenged in court.
10. How will Cities track these businesses? Will we only hear about these business if they receive a complaint?
A: County can provide a list to each jurisdiction.
11. Is it self-reporting for income tax?
A: Yes.

12. Can we close a home for roaches or rodents?

A: We cannot because it is still a residence.

Issues/Concerns/Comments:

- Air Quality (smokers, BBQ)
- Food additives – marijuana
- Utensils used may cause lead contamination
- Risk of foodborne illness due to cooking in larger batches and not having proper food temperature control
- Building code issues using residence as a business: restrooms, accessibility issues, exiting, increase in noise, odor, home exhaust hoods are not manufactured for large amounts of grease and impact to sewer system
- City of Sacramento issues: parking, excessive cars and customers coming and going, music, solid waste, utilities and odor
- Restricting to Delivery only may reduce the amount of neighborhood issues.
- Fire issues: more house fires.
- Inspectors would have to enter into private homes. May need to send 2 inspectors, increase in fees.
- City representatives will need time to go to their City Council.
 - Scheduled meeting for July 30th at 2:00pm to 3:30pm
 - EMD will send PowerPoint to cities representatives

MEETING WITH CITIES HELD ON JUNE 11, 2019

Cities represented: City of Folsom, City of Galt, and City of Isleton.

1. Is there a timeline of when you have to adopt the new law?

A: No, there is not a timeline.

2. How does the building code weigh in on this such as modifications?

A: Residential building permits apply.

3. What motivates the Cook's Alliance to push this law?

A: Receives a percentage of sales and provides a marketing platform for home cooks. Cooks Alliance feels providing this service to the MEHKO's will increase food access, help with economic empowerment and provides a less expensive pathway for a food entrepreneur.

4. Are we finding all ethnic backgrounds interested in being home cooks?

A: We do not know the demographics.

5. The Cottage Food Law was not permissive enough for the Cook's Alliance group?

A: No, because there are no restrictions except raw milk (non-pasteurized) or raw shellfish.

6. Are edibles allowed?

A: No, edibles need to be processed at a State inspected manufacturing facility.

7. Are the inspectors allowed to ask the MEHKO where they prepare food and if they do not list the garage for example, are the inspectors allowed to look anyway?

A: Yes they are allowed to ask where they prepare food. The inspector can only inspect the areas where food is prepared or stored.

8. If we need to do a presentation to our council, can Kelly or Marie come to present?

A: Yes.

9. Are there limitations to how much a MEKHO can charge for their meals since it is supposed to help the disadvantaged?

A: No there are no limitations.

June 11, 2019- Issues/Concerns/Comments:

- ADA requirements
- Cooking in garages
- Odors
- Nuisance in neighborhoods
- Increased traffic in residential areas
- We can't allow a home office to operate out of a home without a permit but may now have to allow people to operate a kitchen in their home.
- Home occupation businesses change the residential character of the neighborhood.
- Delivery trucks delivering food to homes may cause more traffic (i.e. produce trucks).
- City representatives will need time to go to their City Council.
 - Scheduled meeting for July 30th at 2:00pm to 3:30pm
 - EMD will send PowerPoint and FAQ's to cities representatives

AB 626

Micro-Enterprise Home Kitchen Operations (MEHKO)



Selling Food From Your Home In California, But There's A Catch

FOODBEAST

Sell your home cooked food and make money!

"Food from anyone, for everyone"

California just passed a food law that will allow you to sell your home cooked food from your home. The new Micro-Enterprise Home Kitchen Operation (MEHKO) law will allow you to sell your home cooked food from your home.

Learn more about the new law and how to get started at www.foodbeast.com

Food from anyone, for everyone. The new Micro-Enterprise Home Kitchen Operation (MEHKO) law will allow you to sell your home cooked food from your home.

Background-Cottage Food Operations

January 2013

Cottage Food Operations Approved

- Limited to "Non-Potentially Hazardous" (ie. shelf stable foods)
- Business license required
- \$50,000 max annual gross sales
- Allows pick-up and delivery of food from the home
- Food could be sold to retail food facilities and directly to the consumer at community events and swap meets
- Inspected and permitted by Environmental Management Department (EMD)



AB 626 – MEHKOs Allowed

September 2018 – MEHKOs signed into law

Effective January 1, 2019

- AB 626 establishes a "Micro-Enterprise Home Kitchen Operation", as a new type of retail food facility operated by a resident from their private home.
- AB 377, cleanup language to AB 626, is waiting to be signed by the Governor in June.
- Regulations added to California Retail Food Code.
- MEHKOs may not be approved or permitted until the local jurisdiction with the local enforcement agency (i.e. EMD) authorizes it or "opts in" to the law.

AB 626 – “Why Did They Pass This Law?”

- **Economic Empowerment**
 - Specifically for underrepresented groups such as women, immigrants, and people of color.
- **Food Access**
 - Increases access to healthy and affordable food options, particularly in food deserts.
- **Become a Food Entrepreneur**
 - Provides a less expensive pathway for a food start up

Board of Supervisor Options

1. **OPT IN-Authorize MEHKOs countywide**
MEHKOs authorized in all incorporated and unincorporated areas.
Cities would not be able to opt out.
2. **NOT OPT IN-Affirmatively decline to authorize the permitting of MEHKOs countywide**
Cities would not have the option to opt in.
3. **NO ACTION TAKEN**

Note: EMD would be the regulatory agency in all jurisdictions within Sacramento County to permit and inspect MEHKOs.

MEHKO Requirements

- Food preparation is limited to 30 meals per day or 60 individual meals per week.
- Food must be prepared and consumed on the same day.
- Customers may dine in, pick up or have food delivered.
- Operations may not have more than one full-time equivalent food employee, not including a family member or household member.
- Operation may not exceed \$50,000 in verifiable gross annual sales.
- No Business License requirements written into the law.
- Zoning ordinances cannot prohibit MEHKOs.
- Residential zones cannot be re-zoned and must allow MEHKOs to operate if authorized by the county.
- Food Manager Certification and Food Handler Cards for food employees.

AREAS OF CONCERN

Zoning

- MEHKOs located in high density housing, subsidized housing, and home owners associations may have issues related to parking, access, and use of home as a business.

CRFC Section 114367.4 - A city, county, or city and county shall not prohibit the operation of, require a permit to operate, require a rezone of the property for, or levy any fees on, or impose any other restriction on, a microenterprise home kitchen operation in any residential dwelling for zoning purposes. A microenterprise home kitchen operation shall be a permitted use of residential property in any residential dwelling for zoning purposes if the microenterprise home kitchen operation complies with both of the following criteria:

- Abstain from posting signage or other outdoor displays advertising the microenterprise home kitchen operation.
- Be in compliance with applicable local noise ordinances.

Food Safety Concerns

- **Contamination risk for food, equipment and surfaces:** Unlike a restaurant, family, children and pets are not restricted from food prep areas. Family members who are ill cannot be excluded from kitchen.
- **Temperature control of food:** Restaurants are required to use commercial refrigerators that are designed to hold large quantities of food at 41°F or below. Domestic refrigerators are not built to the same standards.
- **Sanitation:** Home kitchens are not built to commercial standards for sanitation, cleanability, and vermin exclusion.
- **No "unannounced inspections" or placards:** Unlike restaurants, EMD would only conduct one annual inspection. This inspection would be scheduled ahead of time and inspectors are limited to inspecting areas that the operator says are used. MEHKOs are exempt from color-coded placard requirements and posting for public disclosure.

Potential Community Impacts

- Increased traffic in neighborhood/parking issues
- Increased noise
- Increase in solid waste/garbage
- Increased risk of kitchen fires
- Increased level of fats, oils, and grease disposed to sewer lines
- Water and wastewater impacts. Residential septic systems are not sized to accommodate the extra impact. Homes on private wells have no routine water testing requirements.
- Increased use of BBQs and outdoor ovens.
- Accessibility. Residential homes are not built to meet the Americans with Disabilities Act (ADA) standards and MEHKOs may not be able to fully accommodate customers with disabilities.

Next Steps

- Anticipate passage of AB 377 in June 2019.
- Statewide committee working to interpret language and achieve consistency.
- EMD seeks feedback from individual cities within Sacramento County.
- Present options and feedback from cities and County departments to the County BOS.
- Cities may participate at BOS meeting.
- EMD will implement MEHKO program if approved by the BOS and issue permit with associated fee.
- Siskiyou County voted to not opt in.
- Riverside County voted to opt in.

Questions?

Marie Woodin, Director
Kelly McCoy, Division Chief

Environmental Health Division
(916) 875-8440



MICROENTERPRISE HOME KITCHEN OPERATIONS (MEHKOS) FREQUENTLY ASKED QUESTIONS (FAQs)

The California Health and Safety Code (i.e. California Retail Food Code) was recently amended to establish a "microenterprise home kitchen operation" as a new type of retail food facility. A MEHKO if authorized by the local governing body of an enforcement agency (i.e. local environmental health jurisdiction) would allow the enforcement agency to issue a permit to an individual to operate a restaurant in their private home.

Permitting

1. **Q: What is a Microenterprise Home Kitchen Operation?**

A: It is a type of food service operated by a resident from a private home where food is prepared, cooked and served to consumers on the same day. Food is to be consumed onsite, picked up or be delivered to the consumer within a safe time period (i.e. within 30 minutes without hot holding equipment).

2. **Q: When does the MEHKO law go into effect?**

A: While the law became effective January 1, 2019, unless a local governing body such as a City or County authorize this type of food facility a permit will not be able to be issued by the local environmental health jurisdiction.

3. **Q: Do I need a permit to operate a MEHKO?**

A: Yes, a permit shall be obtained from the local environmental health jurisdiction prior to operating a MEHKO.

4. **Q: How do I obtain a permit?**

A: To obtain a permit, submit a permit application, Standard Operational Procedures (SOP) and payment to the environmental health jurisdiction where the MEHKO is located. The submitted packet will be reviewed and an inspection of the MEHKO will be scheduled. If approved, a permit will be issued. Fees will vary depending on the local ordinance and fee schedule.

5. **Q: How long does the application process take for a MEHKO?**

A: The application process is determined by the level of detail and completeness of the application package. The standard application process for MEHKOs is up to 20 calendar days if the application package is complete and the level of detail in the operational procedures is included to demonstrate compliance with the law.

6. **Q: I have a MEHKO permit for my current residence and will be moving. Is my permit still valid for my new residence?**
A: No, permits are not transferable to other people or other location. Permits that are issued by the environmental health jurisdiction are only valid for the person, location and type of food service initially approved. In the event that the food permittee moves, changes their menu or type of food service, a new permit application will need to be submitted for approval by the local environmental health jurisdiction.
7. **Q: Can two MEHKO permits be issued for two residents that would like to operate a MEHKO out of the same residence?**
A: Only one MEHKO may operate from a private residence. Permits are specific for the person, location and type of food service to be offered.
8. **Q: What information is required in an MEHKO's standard operating procedures?**
A: The MEHKO's standard operating procedures shall include:
 - All food types or products (e.g. menu items) that will be handled.
 - The proposed procedures and methods of food preparation and handling.
 - Procedures, methods, and schedules for cleaning utensils, equipment, and for the disposal of refuse.
 - How food will be maintained at the required holding temperatures, pending pickup by the consumer and during delivery.
 - Proposed days and times when the home kitchen may potentially be utilized as a MEHKO.
 - Will the food be served on site, delivered, picked up or all of the above.
9. **Q: Can a permitted Cottage Food Operator (CFO) also operate as a MEHKO?**
A: No, a CFO is restricted to nonpotentially hazardous foods and cannot serve foods from a private home.
10. **Q: What is the difference between a Cottage Food Operation (CFO) and a Microenterprise Home Kitchen Operation (MEHKO)?**
A: A CFO is restricted to preparing and selling only nonpotentially hazardous foods that have been approved by the California Department of Public Health which may be sold directly or indirectly to the consumer where as a MEHKO allows for the limited preparation of potentially hazardous foods for onsite consumption or delivery when permitted by the local environmental health jurisdiction.
<https://www.cdph.ca.gov/Programs/CEH/DFDCS/CDPH%20Document%20Library/FDB/FoodSafetyProgram/CottageFood/Approved%20Cottage%20Food%20List%20%20for%20Web%20July%201%202018.pdf>
11. **Q: Who is the "local enforcement agency" for MEHKOs?**
A: The local enforcement agency for food facilities, including MEHKOs, in (specify County/City/City or County) is the (specify Environmental Health agency).
12. **Q: How often will a MEHKO be inspected by the local environmental health jurisdiction?**
A: After the initial permitting inspection, a MEHKO may be subject to one routine inspection per fiscal year. Additional inspections may be conducted in response to a consumer complaint, or reason to suspect that adulterated or otherwise unsafe food has been produced or served.
13. **Q: What areas of the MEHKO will be permitted and inspected?**
A: The areas of a MEHKO that will be permitted and inspected include the home kitchen, onsite consumer eating area, food storage, utensils and equipment, toilet room, cleaning facilities, and refuse storage area (this includes garbage, recycling and composting areas).

14. **Q: What happens if a customer complains after eating at or purchasing food and beverages from a MEHKO?**
A: The Environmental Health Specialist may conduct an onsite inspection to investigate the alleged complaint. Fees may be assessed by the local environmental health jurisdiction for the investigation.
15. **Q: What information is available to assist a MEHKO to operate in a safe and healthy way?**
A: The local environmental health jurisdiction is a great resource to obtain information (link: [LEAwebsite](#)).
16. **Q: Is a letter grade/placard required to be posted at a MEHKO like it is at a permanent food facility or a mobile food facility?**
A: The law exempts a MEHKO from any local grading system. Inspection report data and violation information relating to any inspections conducted at a permitted MEHKO can be found at [EHwebsite](#).
17. **Q: How would the public know if a MEHKO has an approved permit?**
A: A MEHKO is required to display their permit, or a legible copy, during hours of operation. Customers can also visit [EHwebsite](#) to determine if a MEHKO has a valid permit.

Operating MEHKO

1. **Q: Who is considered a resident?**
A: A resident is an individual who lives in a private home (such as a single home, apartment, duplex, or condominium) when not elsewhere for work or temporary basis (i.e. vacation).
2. **Q: Can a MEHKO operate as a Caterer?**
A: No, a MEHKO is prohibited from operating a Catering Operation. Only permanent food facilities approved for food preparation (such as a restaurant, banquet facility or other approved commercial kitchen) can conduct catering operations.
3. **Q: Who can I sell my food to?**
A: Food must be sold directly to a consumer for onsite consumption or delivery and not to a wholesaler or retailer.
4. **Q: Can a MEHKO sell or give away food products at a temporary event or certified farmer's markets?**
A: No, a MEHKO cannot sell food products at a temporary event or certified farmer's market. A MEHKO is limited to selling food directly to a consumer for onsite consumption or delivery.
5. **Q: Can a MEHKO sell to any wholesaler or retailer?**
A: No, a MEHKO can only sell food directly to consumers, through an internet Web site, or a mobile application of an Internet food service intermediary (see FAQ further in the document for the definition of an internet food service intermediary).
6. **Q: Can a MEHKO advertise in front of the residence?**
A: No, the MEHKO is prohibited from posting signage or other outdoor displays advertising the MEHKO from a residence.
7. **Q: Can a MEHKO advertise online?**
A: Yes, a MEHKO can utilize an internet food service intermediary or other online platform that lists or promotes the MEHKO on its internet web site or mobile application.

8. **Q: Can a MEHKO advertise using print media?**
A: Yes, a MEHKO can advertise in a newspaper or other print media. The MEHKO must clearly identify the name of the local enforcement agency that issued the permit, the permit number along with the following statement "Made in a Home Kitchen" in a conspicuous font and location within the advertisement.
9. **Q: If there are complaints about odors, traffic, parking, and/or excessive noise, what agency should be notified?**
A: Any complaints involving nuisance concerns can be reported directly to the local city's Code Enforcement Department, or for MEHKOs in the unincorporated areas, to the County Code Enforcement Program.
10. **Q: Can a MEHKO utilize a third party online delivery service, such as Uber Eats or DoorDash to deliver food?**
A: No a MEHKO is not allowed to utilize any third party delivery service for food deliveries.

Food Service at MEHKO

1. **Q: What type of food service is the MEHKO permitted to do?**
A: A MEHKO can prepare and sell foods that have been approved by the local environmental health jurisdiction for same day onsite consumption or delivery.
2. **Q: What are the menu limitations on a MEHKO?**
A: An MEHKO business may not prepare food or beverages that:
➤ Involve the production, service, or sale of raw milk or raw milk products.
➤ Involve the service or sale of raw oysters.
➤ Involve food processes that require a Hazard Analysis Critical Control Point Plan (see follow-up question below for more information).
3. **Q: What types of food processing require a Hazard Analysis Critical Control Point (HACCP) plan?**
A: The following specialized food processes require a HACCP plan:
➤ Smoking food as a method of food preservation.
➤ Curing food.
➤ Using food additives or adding components such as vinegar as a method of food preservation.
➤ Operating a molluscan shellfish life support system display tank used to store and display shellfish that are offered for human consumption.
➤ Using acidification or activity to prevent the growth of *Clostridium botulinum*.
➤ Packaging potentially hazardous food using a Reduced-Oxygen Packaging (ROP) method.
➤ Preparing food by another method that is determined by the lead local agency to require a HACCP plan.
4. **Q: Can a MEHKO make and sell ice cream or other milk products?**
A: No. The California Department of Food and Agriculture requires a license and specific requirements for the manufacturing of ice cream or dairy based foods. A residential home will not be able to meet those requirements. This does not prohibit a MEHKO from utilizing dairy products such as pasteurized milk purchased from an approved source as an ingredient in a food product.

5. **Q: Can homegrown fruits and vegetables be used in a MEHKO?**
A: Yes, however care should be taken to ensure all fruit and produce is grown and handled using best management practices associated with a community food producer and all produce must be thoroughly washed prior to use.
6. **Q: Can a MEHKO add cannabis, CBD, or Kava to a food product as part of their operation?**
A: No, only approved food additives may be used as an ingredient in food preparation. At this time, cannabis, CBD and Kava have not been approved as a food additive by the Food and Drug Administration.
7. **Q: Can a MEHKO donate food?**
A: A MEHKO may donate food to a food bank or to any other nonprofit charitable organization as long as food has been handled in compliance with the California Retail Food Code (<https://www.cdph.ca.gov/Programs/CEH/DFDCS/CDPH%20Document%20Library/FDB/FoodSafetyProgram/MEHKO/CALIFORNIA%20RETAIL%20FOOD%20CODE%202019.pdf>) and is donated the same day it is prepared.
8. **Q: Can I keep leftovers to serve the next day?**
A: Leftovers can't be served the next day as part of the MEHKO operation.
9. **Q: Can a MEHKO package food or beverages?**
A: An MEHKO may portion food into containers for same-day pick up or delivery service.
10. **Q: Are commercial equipment and/or appliances required in a MEHKO?**
A: No, commercial equipment and/or appliances are not required as long as the equipment/appliances are maintained clean and are in good working order.
11. **Q: Are there any special requirements regarding a private residential water well?**
A: Yes, only potable water from a properly constructed and maintained onsite well or municipal water system can be used. Bacteriological test (quarterly), Nitrates (annually), Nitrites (every 3 years), and constituents of concern such as Fluoride and Arsenic (once) may be required by the local enforcement agency.
12. **Q: Can a MEHKO operate an open-air barbecue or an outdoor wood-burning oven?**
A: Yes, a MEHKO may operate an open-air barbecue or an outdoor wood-burning oven as long as the barbecue or oven is operated on the same premises as a MEHKO, is separated from public access, and meets the requirements of California Retail Food Code Section 114143. (<https://www.cdph.ca.gov/Programs/CEH/DFDCS/CDPH%20Document%20Library/FDB/FoodSafetyProgram/MEHKO/CALIFORNIA%20RETAIL%20FOOD%20CODE%202019.pdf>)
13. **Q: Are restrooms required to be available for MEHKO customers?**
A: Yes, clean toilet facilities, in good condition, shall be available for employees at all times and for consumers when there is onsite consumption.
14. **Q: Can alcoholic beverages be served or sold from a MEHKO?**
A: Contact Department of Alcohol Beverage at www.abc.ca.gov/districts.asp?City=EKA#Eureka.

Employees/Record Keeping

1. Q: What is the definition of a food employee?

A: A food employee is an employee who works with food, food equipment or utensils, or food contact surfaces. For more information about California Labor Laws visit: <https://www.dir.ca.gov/DLSE/dlse.html>

2. Q: Are family or household members considered food employees?

A: No, family members and household members are not considered food employees of a MEHKO.

3. Q: What are the limitations for a MEHKO to hire food employees?

A: A MEHKO may have no more than one (1) full time equivalent food employee.

4. Q: What certificates are required to operate a MEHKO?

A: The operator of the MEHKO shall successfully pass an approved and accredited food safety examination by the American National Standards Institute as meeting the requirements of the Conference for Food Protection's Standards for Accreditation of Food Protection Manager Certification Programs and any individual, other than the operator, who is involved with the preparation, storage, or service of food in a MEHKO shall obtain an approved food handler card. A food employee that has a valid food safety manager certificate is not required to obtain a food handler card.

5. Q: What are the sales limitations of a MEHKO?

A: The MEHKO shall have no more than fifty thousand (\$50,000) in verifiable (ex. invoices) gross annual sales. Records of all sales must be kept so that compliance with this limitation can be verified.

6. Q: What records are required to be maintained for review by the local environmental health jurisdiction?

A: The MEHKO shall maintain the following documents onsite for review during an inspection:

- Written standard operating procedures that include a menu, and hours of operation.
- The permit to operate, or an accurate copy, shall be displayed onsite at all times when the MEHKO is in operation.
- Valid certificate of the food safety manager certification for the operator and a valid food handler card(s) or food safety manager certification for any food employees.
- A copy of the valid driver's license of a person delivering food on behalf of the MEHKO.
- A copy of the most recent inspection report.
- Copies of the MEHKO financial records as it relates to the gross annual sales.

7. Q: What if I want to change my menu after I have obtained a permit as an MEHKO?

A: If the proposed menu change requires new equipment or additional food storage capacity, an updated SOP may be required by the local enforcement agency. Contact the local enforcement agency to determine what may be required before changing the menu.

**If you have any questions that have not been answered in these FAQ's,
or if additional clarification is needed, please visit your local enforcement agency at**

<https://www.cdph.ca.gov/Programs/CEH/DFDCS/CDPH%20Document%20Library/FDB/FoodSafetyProgram/MEHKO/EH%20Agency%20Food%20Safety%20Websites.pdf>

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CITY OF CITRUS HEIGHTS

CITY COUNCIL STAFF REPORT MEMORANDUM

DATE: July 11, 2019

TO: Mayor and City Council Members

FROM: Christopher W. Boyd, City Manager

SUBJECT: **City Attorney Contract**

Summary

The City Council has completed a recruitment process to identify candidate firms for the City Attorney position.

On July 11, the City Council will be meeting in Closed Session to further discuss this matter. If the City Council makes a final determination at that time, the contract will be available at the July 11, meeting for public review.

Fiscal Impact

To be included in the contract.