



Porsche Middleton, Mayor
Tim Schaefer, Vice Mayor
Jeannie Bruins, Council Member
Bret Daniels, Council Member
Steve Miller, Council Member

**CITY OF CITRUS HEIGHTS
CITY COUNCIL
Regular Meeting of Thursday, October 27, 2022
City Hall Council Chambers
6360 Fountain Square Drive, Citrus Heights, CA
Regular Meeting 6:00 p.m.**

HOW TO PARTICIPATE:

The City of Citrus Heights welcomes your interest and involvement in the City's legislative process. The City of Citrus Heights is allowing for remote and in person participation. 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 either complete a Speaker Identification Sheet and give it to the City Clerk, if participating via webcast you may use the Zoom hand raise function (or *9 if you join the webinar via telephone) and the host will unmute you when it is time to speak. Speakers will be limited to 3 minutes each. Alternatively, you may submit your comment via email to cityclerk@citrusheights.net or by completion of an online Speaker Card at <https://www.citrusheights.net/FormCenter/City-Council-Meetings-Speaker-Card-30>. Written public comments shall be limited to 250 words or less. Public Comments should be submitted to the City Clerk by 4:00 p.m. prior to the start of the City Council meeting. Each comment will be read aloud by the City Clerk.

Regular Meeting Zoom Webinar link: <https://zoom.us/j/95929434354>

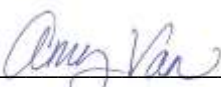
The City provides three ways to watch a City Council meeting.

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

PLEASE NOTE: In order to minimize the spread of the COVID-19 virus, this meeting is being held pursuant to Government Code Section 54953(e). Please be advised that some, or all, Council Members may attend City Council meetings telephonically or otherwise electronically.

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

October 21, 2022



Amy Van, City Clerk

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

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

APPROVAL OF AGENDA**PUBLIC COMMENT****PRESENTATION**

4. Presentation of Proclamation Honoring October as National Manufacturing Month

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

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

5. **SUBJECT:** Approval of Minutes
RECOMMENDATION: Approve the Minutes of the Regular Meeting of October 13, 2022
6. **SUBJECT:** Mariposa Avenue Safe Routes to School Phase 4 – ATPSBIL – 5475(043) Final Acceptance and Notice of Completion – City PN 20-18-001
STAFF: R. Cave/ L. Blomquist
RECOMMENDATION: Adopt Resolution No. 2022-____ A Resolution of the City Council of the City of Citrus Heights, California, Accepting the Mariposa Avenue Safe Routes to School Phase 4 Project as Complete and Authorizing the City Engineer to Record a Notice of Completion and Release the Contract Retention
7. **SUBJECT:** Amendment to Chapter 98, Utilities, of the Citrus Heights Municipal Code
STAFF: R. Cave/ L. Blomquist/ H. Young
RECOMMENDATION: Approve Ordinance No. 2022-009, and Ordinance of the City Council of the City of Citrus Heights, Amending Chapter 98 (Utilities) of the Citrus Heights Municipal Code

8. **SUBJECT:** Stock Ranch Commercial Center Reimbursement Agreement – Approval of Amendment No. 2 and Authorizing the Release of an Adjusted Reimbursement
STAFF: R. Cave
RECOMMENDATION: Adopt Resolution No. 2022-____ A Resolution of the City Council of the City of Citrus Heights, California, Authorizing the City Manager to Execute Amendment No. 2 to the Stock Ranch Reimbursement Agreement, and Authorizing the Release of an Adjusted Reimbursement of \$154,565.44 to California C&S Properties

PUBLIC HEARING

9. **SUBJECT:** Proposed Sunrise MarketPlace Zoning Overlay
STAFF: C. Kempenaar/ A. Bermudez
RECOMMENDATION: Introduce for First Reading, Read by Title Only and Waive the Full Reading of Ordinance No. 2022-____, an Ordinance of the City Council of the City of Citrus Heights Adding Section 106.28.050 of Chapter 106 of the City of Citrus Heights Municipal Code (Zoning Code Section) and Amending the Zoning Map to Include the Sunrise MarketPlace Overlay Zone
10. **SUBJECT:** Second Reading – Ordinance Amending Various Sections of Chapter 18 of the Citrus Heights Municipal Code relating to Buildings and Building Regulations
STAFF: C. Kempenaar/ G. Anderson
RECOMMENDATION: Approve Ordinance No. 2022-010, an Ordinance amending Chapter 18 of the Citrus Heights Municipal Code Relating to Buildings and Building Regulations and Adopting by Reference the 2022: California Administrative Code, California Building Code, California Residential Code, California Electrical Code, California Mechanical Code, California Plumbing Code, California Green Building Standards Code, California Energy Code and California Existing Building Code
11. **SUBJECT:** Review Final 2023 Action Plan and Funding Recommendations for the Community Development Block Grant Program
STAFF: C. Kempenaar/ N. Piva
RECOMMENDATION: Adopt Resolution No. 2022-____ A Resolution of the City Council of the City of Citrus Heights, California, Approving the Community Development Block Grant 2023 Action Plan and Authorizing the City Manager or Designee to Execute and File all Documents Required to Receive U.S. Department of Housing and Urban Development (HUD) Community Development Block Grant (CDBG) Funding
12. **SUBJECT:** Establishment of the Auburn Boulevard Underground Utility District
STAFF: R. Cave/ L. Blomquist/ H. Young
RECOMMENDATION: Adopt Resolution No. 2022-____ A Resolution of the City Council of the City of Citrus Heights, California, Establishing an Underground Utility District on Auburn Boulevard Between Sylvan Corners and the Northern City Limits
13. **SUBJECT:** Proposed Shopping Cart Ordinance
STAFF: C. Kempenaar/ R. Cave/ A. Turcotte/ A. Bermudez
RECOMMENDATION: Introduce for First Reading, Read by Title Only and Waive the Full Reading of Ordinance No. 2022-____, an Ordinance of the City Council of the City of Citrus Heights Adding Article VII to Chapter 50 of the Citrus Heights Municipal Code Relating to the Regulation of Shopping Carts

REGULAR CALENDAR

14. **SUBJECT:** Professional Services Agreement for Investment Management/ Advisory Services by Chandler Asset Management, Inc.
STAFF: S. Talwar/ T. Nossardi
RECOMMENDATION: Adopt Resolution No. 2022-____ A Resolution of the City Council of the City of Citrus Heights, California, Authorizing the City Manager to Execute a Contract with Chandler Asset Management, Inc. for Investment Management and Advisory Services
15. **SUBJECT:** Financial Update
STAFF: S. Talwar/ T. Nossardi
RECOMMENDATION: Review information presented on the preliminary General Fund operating results for Fiscal Year 2021-22, the General Fund reserves and expenditures for the first quarter of Fiscal Year 2022-23, and the updated Ten-Year Financial Forecast
16. **SUBJECT:** Requests to Utilize American Rescue Plan Act Funds to Upgrade Major, Critical Information Technology Projects and Execute a Contract with Tyler Technologies
STAFF: S. Talwar/ T. Nossardi/ B. Koski
RECOMMENDATION: The following is recommended;
- a. Adopt Resolution No. 2022-____ A Resolution of the City Council of the City of Citrus Heights, California, Authorizing the City Manager to Utilize the American Rescue Plan Act Funds for Information Technology Hardware and Software Critical Projects
 - b. Adopt Resolution No. 2022-____ A Resolution of the City Council of the City of Citrus Heights, California, Authorizing the City Manager to Execute a Contract with Tyler Technologies for an Enterprise Resource Planning System

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, October 13, 2022
City Hall Council Chambers and Virtually
6360 Fountain Square Drive
Citrus Heights, CA 95621**

CALL REGULAR MEETING TO ORDER

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

1. The Flag Salute was led by Council Member Bruins.
2. Roll Call: Council Members present: Bruins, Daniels, Miller, Schaefer, Middleton
Council Members absent: None
Staff present: Bermudez, Cave, Feeney, Jones, Kempenaar, Nossardi, Piva, Reid, Turcotte, Van, and Young.
3. The video statement was read by City Clerk Van.

APPROVAL OF AGENDA

ACTION: On a motion by Council Member Miller, seconded by Council Member Bruins, the City Council approved the agenda.

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

PUBLIC COMMENT

City Clerk Van read a comment from Alfred Sanchez, "I would like the city to come up with guidelines of our own regarding opening cooling center(s). I understand the city post this on the website but its like the day before sometimes. Can the council please take a vote to add this to future agenda and take necessary steps to do this. Its confusing now."

City Clerk Van read a comment from K.E. DeMarco, "I would like to request a consideration of a sound wall installation on Antelope Road between Sunrise – Mariposa to Auburn boulevard. Also, painting reflecting the "bike and pedestrian" areas more clearly. This is a very fast moving, dangerous stretch of road for anyone and making an appropriate bike/pedestrian path as well as sound wall/beautification of same area would be multifaceted improvement of the area. Cleaning trimming overhang is also overdue. (the new LED lights, no turn on red and yellow trim on the signals really doesn't do much but annoy the long time residents at corner of Mariposa/Antelope.) Fix the pedestrian/bike walkways on dangerous curves next please!".

PRESENTATION

4. Presentation of Proclamation Recognizing September 18-24, 2022, as “National Forensic Science Week”

Council Member Miller presented a proclamation recognizing “National Forensic Science” week to Lt. Morris and Citrus Heights Police Department staff.

5. Presentation of Proclamation Recognizing the Second Week of October as “Code Enforcement Officer Appreciation Week”

Council Member Daniels presented a proclamation recognizing the second week of October as “Code Enforcement Officer Appreciation Week” to Support Services Manager Debra Nathan and Citrus Heights Police Department staff.

COMMENTS BY COUNCIL MEMBERS AND REGIONAL BOARD UPDATES

Council Member Bruins provided an update from the Police Activities League meeting and shared information on upcoming PAL events. She shared information on the upcoming Trunk-or-Treat event taking place on October 26 in the Dignity Health and Citrus Heights Police Department parking lot. Council Member Bruins also provided an update from the Sacramento Regional County Sanitation and Sacramento Area Sewer District board meeting.

Council Member Daniels recently attended the Sacramento District Attorney appreciation luncheon. He stated he has noticed an increase in non-operating vehicles across the City and stated he would like the City to take a proactive approach to handling these vehicles. He also shared his appreciation for the Police Department and City staff responding to the corner of Van Maren and Auburn Blvd. and cleaning up the area.

Council Member Miller provided an update from the American Public Transit Association conference in Seattle. He shared an update from the Sacramento Transportation Authority board meeting.

Vice Mayor Schaefer provided an update from the Sacramento Public Library Authority board meeting.

Mayor Middleton provided an update Sacramento Area Council of Governments meeting.

CONSENT CALENDAR

6. **SUBJECT:** Approval of Minutes
RECOMMENDATION: Approve the Minutes of the Regular Meeting of September 22, 2022
7. **SUBJECT:** Approve Resolution for Continued Remote Meetings in Accordance with AB 361
STAFF: A. Van/ R. Jones
RECOMMENDATION: Adopt Resolution No. 2022-099 A Resolution of the City Council of the City of Citrus Heights, California, a Resolution Making the Legally Required Findings to Continue to Authorize the Conduct of Remote “Telephonic” Meetings During the State of Emergency

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8. **SUBJECT:** Planning Commission Rules and Regulations Handbook Update and Change the Time of Regular Planning Commission Meetings
STAFF: C. Kempenaar/ A. Bermudez
RECOMMENDATION: Adopt Resolution No. 2022-100 A Resolution of the City Council of the City of Citrus Heights, California, Adopting the Updated Planning Commission Rules and Regulations and Changing the Time for Regular Meetings of the Planning Commission
9. **SUBJECT:** Office of Traffic Safety (OTS) DUI/STEP Grant
STAFF: K. Frey/ M. Wells
RECOMMENDATION: Adopt Resolution No. 2022-101 A Resolution of the City Council of the City of Citrus Heights, California, Approving an Agreement, and Accepting Project Funding for Grant PT23021 – with the California Office of Traffic Safety (OTS) and Authorizing the City Manager (or Designee) to Execute the Agreement
10. **SUBJECT:** 2022 Prohousing Resolution Amendment
STAFF: C. Kempenaar/ E. Singer
RECOMMENDATION: Adopt Resolution No. 2022-102 A Resolution of the City Council of the City of Citrus Heights, California, Authorizing Application to and Participation in the Prohousing Designation Program

ACTION: On a motion by Vice Mayor Schaefer, seconded by Council Member Bruins, the City Council adopted Consent Calendar Items 6, 7, 8, 9, and 10.

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

PUBLIC HEARING

11. **SUBJECT:** Review 2023 Action Plan and Funding Recommendations for the Community Development Block Grant Program
STAFF: C. Kempenaar/ N. Piva
RECOMMENDATION: The following is recommended;
- a. Hear public testimony on the 2023 Draft Action Plan and Funding Recommendations for the Community Development Block Grant Program; and
 - b. Continue final action until the October 27, 2022 City Council meeting

Housing and Human Services Program Coordinator Piva addressed the council regarding the draft Community Development Block Grant (CDBG) recommendations. Piva stated that the purpose of the presentation is to review and receive comment on the draft CDBG action plan and continue final action to the October 27 City Council meeting. Citrus Heights is an entitlement community under the federal CDBG program. In 2022, Citrus Heights received \$624,851 in annual entitlement grant funds. CDBG grantees are required to submit an annual action plan to the U.S. Department of Housing & Urban Development (HUD), which outlines the City's planned activities and funding allocations for the program year. The City's 2023

Action Plan covers the period from January 1 – December 31, 2023. The estimated grant funding for 2023 is \$600,000, which does not include unexpended prior year CDBG funds of \$270,960. Applications for the 2023 Action Plan were received on August 1 and reviewed by the Quality of Life Committee on September 19. Piva stated that the CDBG program received five applications for the 2023 annual year. A breakdown of funds requested and the recommendations from the Quality of Life Committee are listed below.

Organizations	2023 CDBG Funding Requests	QOL Funding Recommendations
Campus Life Connection Youth After-School Program	\$15,000	\$10,917
Meals on Wheels Senior Meal Program	\$16,000	\$11,655
Sacramento Self-Help Housing Homeless Navigator & Supplemental Fund	\$16,000	\$16,000
Sacramento Self-Help Renters Helpline	\$25,489	\$22,524
Sunrise Christian Food Ministry Emergency Food Closet	\$39,720	\$28,904
Total	\$112,209	\$90,000

Piva stated that additional funds would be allocated to a 2023 Capital Project to address citywide accessibility improvements, and the housing preservations project.

Mayor Middleton opened the public hearing at 6:56 p.m.

PUBLIC COMMENT

Julie Habeeb with the Sayonara Center addressed the Council. She expressed her appreciation for the continued support from the City Council. The Sayonara Center is open to their students five days a week, where they offer a variety of resources and activities for the children. Julie provided information on the upcoming holiday events the Sayonara Center has planned.

Carrie Griff with Rebuilding Together addressed the Council. Rebuilding Together is a non-profit organization who assists communities with providing home repairs for low-income families. Some of the repairs include new windows, and ADA compliant steps and bathrooms. Carrie shared a highlight of projects that have been completed with CDBG funding, which has contributed to the preservation of many homes and families in the community.

April Jack and Rocky Peterson with the Sunrise Christian Food Ministry addressed the Council. They expressed their appreciation for the continued support showed by the City. The demand for food resources has only increased over the years and CDBG funding has allowed the food bank to be open five days a week to meet the demand.

Tahirh Kraft with Sacramento Self-Help Housing addressed the Council. She provided an overview of what the program addresses and stated they have seen an increase in fair housing issues. Many of the issues

they have provided assistance with relate to ADA accessibility. Tahirih expressed her gratitude for the continued support of the City Council and the Citrus Heights Police Department Code Enforcement team.

Carrie Jones with Sacramento Self-Help Housing addressed the Council. She works closely with the City's Navigator Program and stated her appreciation for the continued support. She shared that since the beginning of the year, the Navigator Program has served 272 individuals.

Robin Smith and Rachelle Bustamante with Meals on Wheels addressed the Council. They thanked the City for the continued support for the program. She stated that this calendar year, the program has served 24,000 meals to 200 Citrus Heights seniors.

Mayor Middleton closed the public hearing at 7:02 p.m.

ACTION: On a motion by Council Member Miller, seconded by Council Member Bruins, the City Council continued the Public Hearing and final action until the October 27, 2022 City Council meeting.

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

12. **SUBJECT:** 2022 Edward Byrne Memorial Justice Assistance Grant (JAG) Funding
STAFF: A. Turcotte/ K. Frey
RECOMMENDATION: Adopt Resolution No. 2022-103 A Resolution of the City Council of the City of Citrus Heights, California, Accepting 2022 Edward Byrne Memorial Justice Assistance Grant (JAG) Funds in Accordance with State Requirements

Commander Frey presented the item to Council. The Citrus Heights Police Department received \$23,593 for the 2022 JAG Grant. Federal funds received augment expenditures accrued by the Police Department. The Police Department will use these funds to purchase tablets for patrol vehicles.

Mayor Middleton opened the public hearing at 7:06 p.m., hearing no public comment, she closed the public hearing.

ACTION: On a motion by Council Member Bruins, seconded by Vice Mayor Schaefer, the City Council Adopted Resolution No. 2022-103, A Resolution of the City Council of the City of Citrus Heights, California, Accepting 2022 Edward Byrne Memorial Justice Assistance Grant (JAG) Funds in Accordance with State Requirements.

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

13. **SUBJECT:** Amendment to Chapter 98, Utilities, of the Citrus Heights Municipal Code
STAFF: R. Cave/ L. Blomquist/ H. Young
RECOMMENDATION: Introduce for First Reading, Read by Title Only and Waive the Full Reading of Ordinance No. 2022-009, An Ordinance of the City Council of the City of Citrus Heights Amending Chapter 98 (Utilities) of the Citrus Heights Municipal Code

Principal Civil Engineer Young presented the item to Council. The item is to amend the Citrus Heights Municipal Code in order to establish an underground utility district. An underground utility district is a geographic area in which overhead utility lines are installed underground and utility poles are removed. Currently Chapter 98 of the Municipal Code does not address the topic of underground utility districts. Young stated that with the Auburn Blvd. complete streets project phase 2 under way, this item would allow Council to establish an underground utility district along the Auburn Blvd. corridor. As the project progresses any improvements will include undergrounding new utilities. Amending the municipal code as proposed does not have a financial impact. Based on future Council action, the formation of an actual underground utility district would require project funding.

Council comments and discussion followed.

Mayor Middleton opened the public hearing at 7:22 p.m. Hearing no public comment, she closed the public hearing.

ACTION: On a motion by Council Member Daniels, seconded by Council Member Bruins, the City Council Introduced for First Reading, Read by Title Only and Waive the Full Reading of Ordinance No. 2022-009, An Ordinance of the City Council of the City of Citrus Heights Amending Chapter 98 (Utilities) of the Citrus Heights Municipal Code.

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

REGULAR CALENDAR

14. **SUBJECT:** Amending Various Sections of Chapter 18 of the Citrus Heights Municipal Code Relating to Buildings and Building Regulations
STAFF: C. Kempenaar/ G. Anderson
RECOMMENDATION: Introduce for First Reading, Read by Title Only and Waive the Full Reading of Ordinance No. 2022-010, An Ordinance of the City Council of the City of Citrus Heights Amending Chapter 18 of the Citrus Heights Municipal Code Relating to Buildings and Building Regulations and Adopting by Reference the 2022: California Administrative Code, California Building Code, California Residential Code, California Electrical Code, California Mechanical Code, California Plumbing Code, California Green Building Standards Code, California Energy Code and California Existing Building Code

Chief Building Official Anderson presented the item to Council. Anderson stated this is an item, which amends various sections of the Citrus Heights Municipal Code, as it related to buildings and building regulations. Amendments to the building code would come into effect on January 1, 2023. Anderson stated the amendments to the building code are reflected in the building code, residential code, electrical code, mechanical code, plumbing code, green building standards code, California energy code, and the California existing building code. There is no fiscal impact to amending the building code.

ACTION: On a motion by Council Member Miller, seconded by Council Member Daniels, the City Council Introduced for First Reading, Read by Title Only and Waive the Full Reading of Ordinance No. 2022-010,

An Ordinance of the City Council of the City of Citrus Heights Amending Chapter 18 of the Citrus Heights Municipal Code Relating to Buildings and Building Regulations and Adopting by Reference the 2022: California Administrative Code, California Building Code, California Residential Code, California Electrical Code, California Mechanical Code, California Plumbing Code, California Green Building Standards Code, California Energy Code and California Existing Building Code.

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

15. **SUBJECT:** Maintenance and Enhancement Strategy to Identify Centerline Miles of Roadways in Need of Restriping and Minor Roadway Repairs
STAFF: R. Cave/ L. Blomquist
RECOMMENDATION: Receive staff presentation and provide direction

General Services Director Cave presented the informational item to Council. At the May 10 Strategic Planning Session, the Council set a goal to present a maintenance and enhancement strategy to identify centerline miles of roadways in need of restriping and other minor roadway repairs. Cave stated the City has approximately 105.7 centerline miles and 200 miles of striped lanes. Additionally, the City has 67 signalized intersections with crosswalks and 850 stop signs. The inventory strategy would utilize available imagery collected from the Pavement Management System update to generate citywide inventory. From that information, staff would prioritize locations from inspection data, irrespective of overall pavement condition. General Services will coordinate with an outside consultant to produce inventory data and establish a report of priority locations, applications, and generate costs estimates. Following the completion of this report, staff will report to Council during budget preparation to recommend a plan and potential funding sources to increase the output of a striping maintenance program.

Council comments and discussion followed.

16. **SUBJECT:** Considerations and Options for Sound Wall Repair and Beautification
STAFF: R. Cave
RECOMMENDATION: Receive staff presentation and provide direction

General Services Director Cave presented the informational item to Council. She stated at the May 10 Strategic Planning session, Council identified evaluating options for sound wall repairs and beautification as a priority. Cave stated that there are approximately 14,000 linear feet of walls within the City. Cave stated that these sound walls are privately owned walls, as established prior to Cityhood. These sound walls are in various conditions of repair, ranging from no apparent damage to more extensive wear and tear. Cave stated the City does have an opportunity to enhance the sound walls lining major corridors. These sound walls can be pressure washed and repainted, along with applying anti-graffiti coating where possible. The total estimate to beautify these sound walls is \$145,000. Cave outlined a potential work plan consists of Council direction to proceed with developing a request for proposals to include defined locations and parameters of work. Staff will later return to council to identify and formally program funds for the beautification project.

Council comments and discussion followed.

Council directed staff to proceed with developing a request for proposals to include defined work locations, parameters of work, and funding.

CITY MANAGER ITEMS

City Manager Feeney shared information on the recent Sunday Funday event. Feeney shared the Police Traffic Unit recently graduated two officers from motor school and field training. City Manager Feeney also shared that the Sunrise Tomorrow Project received the Comprehensive Plan Award of Excellence from the American Planning Association. He shared event information for the upcoming State of the City address on October 20, and the 25th Anniversary Capitol Pops Concert on October 22nd.

ITEMS REQUESTED BY COUNCIL MEMBERS/ FUTURE AGENDA ITEMS

Vice Mayor Schaefer requested support in forming a commission to explore establishing a Citrus Heights school district. Council Member Daniels supported the request. Mayor Middleton requested the item to be discussed at the upcoming Strategic Planning Retreat on October 25. Council Members Miller and Bruins agreed with having a discussion on the topic at the Strategic Planning Retreat.

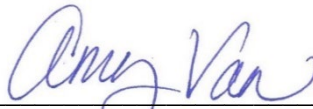
Council Member Miller stated Vice Mayor Schaefer authored a community voice article that appeared in the Citrus Heights Sentinel attacking past actions of current council members and including a current council candidate. He stated this was all in violation of the City's Code of Conduct of the City Council Handbook. He stated there was no disclaimer that his words were his personal opinion, so by inference he has made his statements that appear to be representative of the City and our official position. He requested support by Council for a review of this matter by our City Attorney's office with a report back as an agenda item on their findings. Council Member Miller urged the Council to reacquaint themselves with the City Council Handbook, and if changes need to be made, we can discuss that at our Strategic Planning meeting. Mayor Middleton agreed that Council should revisit the Handbook.

Council Member Daniels requested the City Manager bring an item to Council by the first meeting in January detailing the feasibility of placing a Citrus Heights Police Officer at every Citrus Heights school. Vice Mayor Schaefer and Mayor Middleton supported the item.

ADJOURNMENT

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

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Amy Van", is written over a horizontal line.

Amy Van, City Clerk



CITY OF CITRUS HEIGHTS

CITY COUNCIL STAFF REPORT MEMORANDUM

DATE: October 27, 2022

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

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

SUBJECT: Mariposa Avenue Safe Routes to School Phase 4 – ATPSBIL-5475(043)
Final Acceptance and Notice of Completion – City PN 20-18-001

Summary and Recommendation

On May 13, 2021, the City Council awarded a contract with Martin General Engineering, Inc. (MGE) for construction of the Mariposa Avenue Safe Routes to School Phase 4 Project (Project). The contractor has completed all work and the Project has been field accepted by staff.

Staff recommends the City Council approve Resolution No. 2022-___, a Resolution of the City Council of the City of Citrus Heights, California, accepting the Mariposa Avenue Safe Routes to School Phase 4 Project as complete and authorizing the City Engineer to record a Notice of Completion and release the contract retention.

Fiscal Impact

There is no fiscal impact associated with this action. The total construction cost of \$1,598,869.41, summarized in the table below, is within the Council approved construction budget of \$1,745,791.15. Of the \$146,921.74 in construction cost savings, \$35,169.95 of unused matching local funds will be reallocated to other eligible improvement projects. The remaining unused grant funds will be deobligated. Deobligated grants funds will be released back to the original grant program (Regional Active Transportation Program) and are not eligible for transfer to other city projects.

Table 1 – Summary of Final Construction Costs

Project Component	Actual Costs (\$)
Original Contract Amount	1,359,157.14
PG&E Utility Agreement*	46,866.44
Contract Change Orders (2)	192,845.83
Final Construction Amount	1,598,869.41

*A separate agreement was executed directly with PG&E for the relocation of three gas laterals. Due to the specialty nature of working with gas lines, PG&E requires their own forces to perform this work.

The project was funded with a SACOG Active Transportation Program (ATP) grant utilizing Measure A Bike/Ped Safety (Fund 311) funds for the required local match.

Background and Analysis

On May 13, 2021, the City Council approved a resolution authorizing the City Manager to execute an agreement with MGE for the Mariposa Avenue Safe Routes to School Project (Project). In order to obtain the best product available, on December 9, 2021 the City Council approved a resolution increasing the total authorized construction budget to \$1,745,791.15 to allow construction of additional work.

This Project is the final phase of a 1.2 mile Safe Route to School. The Project provided complete streets connections between Greenback Lane and Madison Avenue encompassing Skycrest Elementary, San Juan High School, and San Juan Park. This phase of the Project completed the bicycle and pedestrian network between Northeast Circle and Madison Avenue including installation of sidewalk, curb and gutter, bike lanes, street lighting, upgrades to the traffic signal at Madison Avenue and Mariposa Avenue, roadway asphalt repairs, microsurfacing and the City's first green conflict zone bike lane.

With all field work complete and accepted by staff, the Project is ready for Final Acceptance.

This project aligns with the City Council's three-year strategic planning goal to "Maintain Public Infrastructure and Enhance Alternative Modes of Transportation".

Attachments

1. Resolution 2022-____, a Resolution of the City Council of the City of Citrus Heights, California, accepting the Mariposa Avenue Safe Routes to School Project as complete and authorizing the City Engineer to record a Notice of Completion and release the contract retention.

RESOLUTION NO. 2022-__

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CITRUS HEIGHTS,
CALIFORNIA, ACCEPTING THE MARIPOSA AVENUE SAFE ROUTES TO SCHOOL
PROJECT AS COMPLETE AND AUTHORIZING THE CITY ENGINEER TO
RECORD A NOTICE OF COMPLETION AND RELEASE
THE CONTRACT RETENTION**

WHEREAS, on May 13, 2021, the City Council of the City of Citrus Heights, California, authorized the award of a construction contract to Martin General Engineering, Inc. (MGE) to perform the Mariposa Avenue Safe Routes to School Project;

WHEREAS, the Project was funded with SACOG Active Transportation Program (ATP) grant funds and Measure A Bike/Ped Safety funds; and

WHEREAS, Martin General Engineering, Inc. has successfully completed the work for the Project.

NOW THEREFORE BE IT RESOLVED AND ORDERED by the City Council of the City of Citrus Heights, that the Mariposa Avenue Safe Routes to School Project is hereby accepted as complete.

BE IT FURTHER RESOLVED AND ORDERED that the City Engineer is authorized to record a Notice of Completion for the Mariposa Avenue Safe Routes to School Project with the Sacramento County Recorder and to release the contract retention after the 35-day lien period.

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

PASSED AND ADOPTED by the City Council of the City of Citrus Heights, California, this 27th day of October, 2022 by the following vote, to wit:

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

Porsche Middleton, Mayor

ATTEST:

Amy Van, City Clerk



CITY OF CITRUS HEIGHTS

CITY COUNCIL STAFF REPORT

MEMORANDUM

DATE: October 27, 2022

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

FROM: Regina Cave, General Services Director
Leslie Blomquist, City Engineer
Hunter Young, Principal Civil Engineer

SUBJECT: Amendment to Chapter 98, Utilities, of the Citrus Heights Municipal Code

Summary and Recommendation

On October 13, 2022, the City Council introduced, read by title only, and waived the first full reading of an Ordinance amending Chapter 98, Utilities, of the Citrus Heights Municipal Code.

Background materials associated with this item, including the staff report for the October 13th meeting, are located [here](#).

Staff recommends the City Council approve Ordinance No. 2022-009, an Ordinance of the City Council of the City of Citrus Heights amending Chapter 98 of the Citrus Heights Municipal Code (Utilities Section) to include Article VI, Underground Utilities District.

Fiscal Impact

There is no fiscal impact associated with this action.

Attachments

- 1) Ordinance 2022-009, as shown in Attachment 1, an Ordinance of the City Council of the City of Citrus Heights amending Chapter 98 of the Citrus Heights Municipal Code (Utilities Section) to include Article VI, Underground Utilities District
Exhibit A: Amended Utilities Code

ORDINANCE NO. 2022-009

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF
CITRUS HEIGHTS, CALIFORNIA, AMENDING CHAPTER 98 (UTILITIES)
OF THE CITRUS HEIGHTS MUNICIPAL CODE**

THE CITY OF CITRUS HEIGHTS DOES ORDAIN AS FOLLOWS:

Section 1: Purpose and Authority

The purpose of this Ordinance is to amend Chapter 98, Utilities, as shown in Exhibit A to grant the City Council authority to establish underground utility districts.

Section 2: Findings

- The proposed amendment is consistent with the goals and policies of all elements of the General Plan.
- The proposed amendment will not be detrimental to the public interest, health, safety, convenience, or welfare of the city and its residents.

Section 3: Environmental Determination

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

Section 4: Action

The City Council hereby amends Chapter 98, Utilities, of the Citrus Heights Municipal Code as described in Exhibit A herein, and as discussed within the Staff Report, which is incorporated by reference.

Section 5: Severability

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

Section 6: Effective Date and Publication

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

PASSED AND ADOPTED by the City Council of the City of Citrus Heights, California, this 27th day of, 2022 by the following vote, to wit:

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

Porsche Middleton, Mayor

ATTEST:
Amy Van, City Clerk

Exhibit:
A. Amended Utilities Code

Citrus Heights Municipal Code Draft Underground Utility Districts

CHAPTER 98 UTILITIES

ARTICLE VI. UNDERGROUND UTILITY DISTRICTS

Sec. 98-300. - Definitions.

The following words and phrases, whenever used in this chapter, shall have the respective meanings assigned to them in this section:

- (a) "City" means the City of Citrus Heights, California.
- (b) "Council" means the City Council of the City.
- (c) "Commission" means the Public Utilities Commission of the State of California.
- (d) "Overhead Facilities" means any poles, towers, supports, wires, cables, lines, fiber optics, conduits, conductors, guys, stubs, platforms, crossarms, braces, transformers, capacitors, insulators, cutouts, switches, communication circuits, appliances, apparatus, appurtenances, and other equipment and structures located above ground used to supply electricity or communications services in or through the City.
- (e) "Person" means and includes individuals, partnerships, firms, utilities, corporations, and public agencies affected by an Underground Utility District.
- (f) "Underground Facilities" means any concrete pads, vaults, pull boxes, conduits, cables, fiber-optics, transformers, switches, pedestal-mounted terminal boxes, meter cabinets, or concealed ducts located on or below ground in the City used to supply electricity or communications services in or through the City.
- (g) "'Underground Utility District" or "District" means that area in the City within which Overhead Facilities are required to be removed or otherwise installed underground, as such area is described in a resolution adopted pursuant to the provisions of Section 98-305 of this Article.
- (h) "Utility" or "Utility Company" means and includes all persons or entities supplying power or communication, or associated services by means of electrical materials or any other devices, with Underground Facilities and/or Overhead Facilities in the City.

Sec. 98-301. – Purpose

To improve the reliability of electrical and communication services for the benefit of residential and commercial Utility customers, to increase property values, to enhance the aesthetic appearance of the City; to reduce the cost of tree trimming and replacement of Overhead Facilities; to reduce outages caused by winds, storms, and accidents; to reduce the risk of fires and improve public safety by removing potential obstacles in traffic accidents; and to otherwise provide for the health, safety, and welfare of the public or to protect and improve the quality of the public's urban environment, the City deems it necessary that, where feasible and within the Council's jurisdiction, all existing and future Overhead Facilities be undergrounded in or through the City.

Sec. 98-302. - UNLAWFUL ACTS.

- (a) It shall be unlawful for any Person to construct, install, or erect Overhead Facilities in the City of Citrus Heights, except as otherwise provided in this Article.
- (b) Whenever the Council, by resolution, creates an Underground Utility District, it shall be unlawful for any Person to keep, maintain, continue, or replace Overhead Facilities in the District after the date such Overhead Facilities are ordered to be removed by such resolution, except as to those Overhead Facilities minimally necessary to furnish service to an owner or occupant of property prior to and during the process of undergrounding said Overhead Facilities, and except as otherwise provided for in this Article.

Sec. 98-303. – Public Hearing to Consider Designating Underground Utility Districts; Notice.

The Council may from time to time call public hearings to ascertain whether the public necessity, health, safety or welfare requires the removal of poles, overhead wires and associated overhead structures within designated areas of the city, and the underground installation of wires and facilities for supplying electric, communication, or similar or associated service. The Council may propose any part or parts of the City as a single District or as multiple Districts. The City Clerk shall notify all affected property owners, as shown on the last equalized assessment roll, and utilities concerned, by mail, of the time and place of such hearings at least fifteen days prior to the date thereof. Each such hearing shall be open to the public and may be continued from time to time. At each such hearing all persons interested shall be given an opportunity to be heard. The decision of the Council shall be final and conclusive.

Sec. 98-304. – City Engineer; Report; Contents.

Prior to holding such public hearing, the City Engineer shall consult with all affected utilities and shall prepare a report for submission at such hearing containing, among other information, the extent of such utilities' participation and estimates of the total costs to the city and affected property owners. Such report shall also contain an estimate of the time required to complete such underground installation and removal of overhead facilities.

Sec. 98-305. – Districts; Designation by Resolution.

If, after any public hearing, the Council finds that the public necessity, health, safety or welfare requires such removal and underground installation within a designated area, the Council shall, by resolution, declare that designated area an Underground Utility District and order such removal and underground installation. Such resolution shall include a description of the area comprising such District and shall fix the time within which such removal and underground installation shall be accomplished and within which affected property owners must be ready to receive underground service. A reasonable time shall be allowed for such removal and underground installation, having due regard for the availability of labor, materials and equipment necessary for such removal and for the installation of such underground facilities as may be occasioned thereby.

Sec. 98-306. – Emergency service—Unusual circumstances— Exceptions.

Notwithstanding the provisions of this chapter, overhead facilities may be installed and maintained for a period not to exceed ten days, without authority of the City Council, in order to provide emergency service. The City Manager may grant special permission on such terms as

he may deem appropriate in cases of unusual circumstances, without discrimination as to any person or utility, to erect, construct, install, maintain, use or operate poles, overhead wires and associated overhead structures.

Sec. 98-307. – Exceptions to provisions.

This Article, and any resolution adopted pursuant to Section 98-305 shall not apply to the following types of facilities:

- (a) Any municipal facilities or equipment installed under the supervision and to the satisfaction of the City Engineer;
- (b) Poles or electroliers used exclusively for street lighting or traffic signals;
- (c) Overhead wires, exclusive of supporting structures, crossing any portion of a District within which overhead wires have been prohibited, or connecting to buildings on the perimeter of a District, when such wires originate in an area from which poles, overhead wires and associated overhead structures are not prohibited;
- (d) Poles, overhead wires and associated overhead structures used for the transmission of electric energy at nominal voltages in excess of thirty-four thousand five hundred volts;
- (e) Overhead wires attached to the exterior surface of a building by means of a bracket or other fixture and extending from one location on the building to another location on the same building, or to an adjacent building without crossing any public street;
- (f) Antennae, associated equipment and supporting structures used by a utility for furnishing communication services;
- (g) Equipment appurtenant to underground facilities, such as surface-mounted transformers, pedestal-mounted terminal boxes and meter cabinets, and concealed ducts;
- (h) Temporary poles, overhead wires and associated overhead structures used or to be used in conjunction with construction projects.

Sec. 98-308. – Notice to property owners and utility companies.

- (a) Within ten days after the effective date of a resolution adopted pursuant to Section 98-305, the City Clerk shall notify all affected utilities and all persons owning real property within the District created by said resolution of the adoption thereof. The City Clerk shall further notify such affected property owners of the necessity that, if they or any person occupying such property desire to continue to receive electric, communication, or similar or associated service, they or such occupant shall provide all necessary facility changes on their premises so as to receive such service from the lines of the supplying utility or utilities at a new location, subject to the applicable rules, regulations and tariffs of the respective utility or utilities on file with the commission.
- (b) Notification by the City Clerk shall be made by mailing a copy of the resolution adopted pursuant to Section 98-305, together with reference to applicable code sections of this chapter, to affected property owners, as such are shown on the last equalized assessment roll, and to the affected utilities.

Sec. 98-309. – Utility company responsibility.

If underground construction is necessary to provide utility service within a District created by any resolution adopted pursuant to Section 98-305, the supplying utility shall furnish that portion of the conduits, conductors and associated equipment required to be furnished by it under its applicable rules, regulations and tariffs on file with the commission.

Sec. 98-310. – Property owner responsibility; Failure to act; Notice when.

Every person owning, operating, leasing, occupying or renting a building or structure within a District shall construct and provide that portion of the service connection on his property between the facilities referred to in Section 98-303 and the termination facility on or within said building or structure being served, all in accordance with the applicable rules, regulations and tariffs of the respective utility or utilities on file with the commission. If the above is not accomplished by any person within the time provided for in the resolution enacted pursuant to Section 98-305, the City Engineer shall give notice, in writing, to the person in possession of said premises, and a notice, in writing, to the owner thereof as shown on the last equalized assessment role, to provide the required underground utilities within ten days after receipt of such notice.

Sec. 98-311. – Notice to Provide Underground Facilities; Service of Notice.

The notice to provide the required underground facilities may be given either by personal service or by mail. In case of service by mail on such person, the notice must be deposited in the United States mail, in a sealed envelope with postage prepaid, addressed to the person in possession of such premises at such premises. The notice must be addressed to the owner thereof at such owner's last known address, as the same appears on the last equalized assessment role, and when no address appears, to General Delivery, City of Citrus Heights. If notice is given by mail, such notice shall be deemed to have been received by the person to whom it has been sent within forty-eight hours after the mailing thereof. If notice is given by mail to either the owner or occupant of such premises, the City Engineer shall, within forty-eight hours after the mailing thereof, cause a copy thereof, printed on a card not less than eight inches by ten inches in size, to be posted in a conspicuous place on said premises.

Sec. 98-312. – Notice to Provide Underground Facilities; Contents of Notice.

The notice given by the City Engineer to provide the required underground facilities shall particularly specify that work is required to be done, and shall state that, if said work is not completed within thirty days after receipt of such notice, the City Engineer may authorize disconnection and removal of any and all overhead service to said property, or, in the alternative, the City Engineer will provide such underground facilities, in which case the cost and expense thereof will be assessed against the property benefited and become a lien upon such property.

Sec. 98-313.- Report from City Engineer; Contents; Hearing; Time.

Prior to the time such work is commenced by the City Engineer or prior to the authorization of disconnection and removal of overhead service wires and associated facilities supplying utility service to said property, the City Engineer shall file a written report with the City Council setting forth the fact that the required underground facilities are to be provided and the cost thereof,

together with the legal description of the property against which such cost is to be assessed. The City Council shall thereafter fix a time and place for hearing protests against the performance of such work upon such premises or for hearing protests against the authorization of disconnection and removal of said service, which time shall not be less than ten days after the expiration of the thirty-day period referred to in Section 98-312.

Sec. 98-314.- Hearing; Council action.

Upon the date and hour set for protests, the Council shall hear and consider the report and all protests, if there be any, and then proceed to affirm, modify or reject said report or the order of City Engineer authorizing disconnection and removal of any and all overhead service wires and associated facilities supplying utility service to said property.

Sec. 98-315.- Disconnection; Work by city; Assessment; Hearing.

If the City Council affirms the authorization of disconnection, the City Engineer shall terminate said service, all in accordance with the applicable rules, regulations and tariffs of the respective utility or utilities on file with the commission. If the City Council affirms the report of the City Engineer, the City Engineer shall forthwith proceed to do the work; provided, however, that if such premises are unoccupied and no electrical or communication services are being furnished thereto, the City Engineer shall, in lieu of providing the required underground facilities, have the authority to order the disconnection and removal of any and all overhead service wires and associated facilities supplying utility service to said property. Upon completion of the work by the City Engineer, the City Engineer shall file a written report with the City Council setting forth the fact that the required underground facilities have been provided and the cost thereof, together with a legal description of the property against which such cost is to be assessed. The Council shall thereupon fix a time and place for hearing protests against the assessment of the cost of such work upon such premises, which time shall not be less than ten days thereafter.

Sec. 98-316.- Assessment; Notice; Contents.

The City Engineer shall forthwith, upon the time for hearing such protests having been fixed, give a notice, in writing, to the person in possession of such premises, and a notice, in writing, to the owner thereof, in the manner provided in Section 98-311 for the giving of the notice to provide the required underground facilities, of the time and place that the Council will hear protests against such assessment. Such notice shall also set forth the amount of the proposed assessment.

Sec. 98-317.- Assessment; Hearing; Council action.

Upon the date and hour set for the hearing of protests, the Council shall hear and consider all protests, if there be any, and then proceed to affirm, modify or reject the assessment.

Sec. 98-318. - Lien on property; When; Collection.

If any assessment is not paid within five days after its confirmation by the Council, the amount of the assessment as made by the City Engineer, and the City Engineer is directed to turn over to the assessor and tax collector a notice of lien on each of said properties on which the assessment has not been paid, and said assessor and tax collector shall add the amount of the assessment to the next regular bill for taxes levied against the premises upon which the assessment was not paid. Said assessment shall be due and payable at the same time as

property taxes are due and payable, and if not paid when due and payable, shall bear interest at the rate of six percent per year.

Sec. 98-319. - City responsibility.

The city shall remove, at its own expense, all city-owned equipment from all poles required to be removed under this chapter in ample time to enable the owner or user of such poles to remove the same within the time specified in the resolution enacted pursuant to Section 98-305.

Sec. 98-320. - Extension of time.

In the event that any act required by this Article, or by a resolution adopted pursuant to Section 98-305, cannot be performed within the time provided on account of shortage of materials, war, restraint by public authorities, strikes, labor disturbances, civil disobedience, or any other circumstances beyond the control of the actor, then the time within which such act will be accomplished shall be extended for a period equivalent to the time of such limitation.



CITY OF CITRUS HEIGHTS

CITY COUNCIL STAFF REPORT MEMORANDUM

DATE: October 27, 2022

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

FROM: Regina Cave, General Services Director

SUBJECT: **Stock Ranch Commercial Center Reimbursement Agreement – Approval of Amendment No. 2 and Authorizing the Release of an Adjusted Reimbursement**

Summary and Recommendation

In March 2003, the City and California C&S Properties, owner (Applicant) of the Stock Ranch Commercial Center (also known as Stock Ranch Plaza) on Auburn Boulevard, entered into an Agreement (Agreement) for Reimbursement of Costs in an effort to incentivize development of this vital commercial commerce district. This Agreement was based on estimated costs related to public improvements conditioned as part of the overall Stock Ranch development, as well as achieving milestones of issued building permits.

Staff recommends City Council adopt Resolution No. 2022-____ A Resolution of the City Council of the City of Citrus Heights, California, Authorizing the City Manager to Execute Amendment No. 2 to the Stock Ranch Reimbursement Agreement, and Authorizing the Release of an Adjusted Reimbursement of \$154,565.44 to California C&S Properties.

Fiscal Impact

The funding source identified in the original agreement are Roadway Impact Fee funds. For more than ten years, the City has reserved the balance of \$184,666 in Roadway Impact Fee Funds representing final payment in anticipation of releasing these fund once all terms of the Agreement had been met. This action results in no fiscal impact to the General Fund. To date and through final development of the Stock Ranch Commercial Center, the Applicant remains conditioned to remit Roadway Impact Fees (now known as Multi-Modal Fees) as part of all fees collected through the City's building permit process.

Background and Analysis

In March 2003, City Council approved Resolution No. 2003-38, approving the Stock Ranch Agreement for Reimbursement of Costs (Attachment 1). This agreement was for an amount not

to exceed \$554,000 for reimbursement of public improvements associated with the overall Stock Ranch development. The agreement conditioned the Applicant to construct all public improvements identified in the Stock Ranch Development Agreement, including a signalized intersection at Auburn Boulevard and San Tomas, improvements on Van Maren Lane, a pedestrian bridge over Arcade Creek through the Stock Ranch open space, and landscape and median improvements, all included in the original Stock Ranch Development Agreement and the Stock Ranch Plaza Site Plan. Subsequent to execution of the original reimbursement agreement, a First Amendment (Attachment 2) was authorized by Council, which permitted the City to take the lead on improvements to the Auburn Boulevard and Van Maren intersection, designing and constructing the left turn lane conditioned in the Stock Ranch Plaza Site Plan (Plan). This Plan also approved a total site build out of 409,387 square feet of enclosed commercial space.

The terms of the Agreement stipulates various milestones connected to issuance of building permits, ranging from the initial “big box” retailers, to final permit issuance achieving 375,000 square feet of total enclosed commercial space (out of the 409,387 square feet approved for the site). To date, a total of 305,040 square feet of enclosed space has been constructed, which encompasses the two big box retailers, Applebee’s, and the retail strip (Lot 11). In 2017, the Applicant requested a Design Review Permit Modification to Amend the Conceptual Master Site Plan in an effort to improve circulation within the shopping center. In order to accommodate the recommended onsite modifications, the total allowable square footage of buildings was amended from 409,387 square feet to 398,741 square feet, thereby also reducing the required 375,000 square feet to 364,354 square feet.

The Applicant continues to actively pursue opportunities to attract new long-term tenants in an effort to achieve full buildout of the commercial site. However, this continues to be challenging as the demands for new business and retail space have remained static in recent years. Therefore, the Applicant has proposed the following for Council’s consideration as an Amendment to the Agreement:

- 1) Modify Reimbursement No. 3 by assigning a pro-rata value based on the total square footage of enclosed space constructed to date, which is at 305,040 square feet. The proposed modification to Reimbursement No. 3 would reduce the payment from \$184,666 to \$154,565.44, leaving a remaining balance of \$30,100.56; and
- 2) Add Reimbursement No. 4 to the terms of the Reimbursement Agreement to incorporate the remaining balance of \$30,100.56. This final reimbursement (No. 4) would be due to the Applicant upon achieving stipulations previously assigned to Reimbursement No. 3, which are cumulative issued building permits totaling 365,354 square feet. The following tables outline payments made to the Applicant to date, adjustments in approved square footage, and calculations used to factor the proposed revised remaining reimbursements:

Action	Stock Ranch Commercial District Area Trigger	Amount	Status
Reimbursement No. 1	Building permit for first box store or building permits for 142,000 square feet	\$184,666	Reimbursed
Reimbursement No. 2	Building permit for second box or building permits for 284,000 square fee	\$184,666	Reimbursed
Reimbursement No. 3	Building permits for cumulative total of 375,000 square feet of enclosed commercial space	\$184,666	Not Reimbursed

Stock Ranch Commercial District Area Total Maximum Square Footage	Square Footage
Approved square footage (2003)	409,387
Approved revised square footage (2017)	398,741
Reduction	10,646

Stock Ranch Commercial District Area Final Reimbursement Payment Milestone	Square Footage
Reimbursement No. 3 Trigger	375,000
Reduction in square footage (2017)	10,646
Adjusted Reimbursement No. 3 Trigger	364,354

Space Constructed	Square Footage
Costco (without garden)	148,663
Walmart (without garden)	141,279
Applebee's	6,630
Retail Strip - Lot 11	8,468
Total Enclosed Square Footage Constructed *Represents 83.7% of adjusted trigger for Reimbursement #3.	305,040*
Original Balance of Reimbursement #3	\$184,666
Revised Reimbursement No. 3 (at 83.7%)	\$154,565.44
Balance to Assign to Reimbursement No. 4	\$30,100.56

The Applicant is in the process of submitting a Development Agreement Extension request for the Stock Ranch Commercial Center, which will require separate actions by the Planning Commission and City Council. It is anticipated this request may come before the Planning Commission and the City Council in the coming months.

Attachments

- 1) Resolution No. 2022-____ A Resolution of the City Council of the City of Citrus Heights, California, Authorizing the City Manager to Execute Amendment No. 2 to the Stock Ranch Reimbursement Agreement, and Authorizing the Release of an Adjusted Reimbursement of \$154,565.44 to California C&S Properties.
- 2) March 1, 2003 Staff Report and City Council Approved Resolution and Stock Ranch Reimbursement Agreement
- 3) April 27, 2005 Staff Report and City Council Approved Resolution and First Amendment to Stock Ranch Reimbursement Agreement
- 4) Draft Amendment No. 2 to the Stock Ranch Agreement for Reimbursement of Costs
- 5) California C&S Properties Written Request for Release of Reimbursement No. 3

RESOLUTION NO. 2022-__

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
CITRUS HEIGHTS, CALIFORNIA, AUTHORIZING THE CITY MANAGER
TO EXECUTE AMENDMENT NO. 2 TO THE STOCK RANCH
REIMBURSEMENT AGREEMENT, AND AUTHORIZING THE RELEASE OF
AN ADJUSTED REIMBURSEMENT OF \$154,565.44 TO CALIFORNIA C&S
PROPERTIES**

WHEREAS, in March 2003, the City of Citrus Heights entered into an Agreement for Reimbursement (Agreement) with California C&S Properties for the Stock Ranch Commercial District;

WHEREAS, the Agreement stipulated completion of public improvements as outlined in the Stock Ranch Development Agreement and Stock Ranch Guide;

WHEREAS, the Agreement also conditioned the release of funds be based on milestones of issued building permits, with the final payment, Reimbursement No. 3 in the amount \$184,666, being due upon issuance of building permits totaling 375,000 square feet;

WHEREAS, modifications to the Stock Ranch Conceptual Master Site Plan has reduced the total allowable square footage of buildings in the Stock Ranch Commercial District from 409,387 square feet to 398,741 square feet;

WHEREAS, California C&S Properties has proposed a prorated distribution for Reimbursement No. 3 based upon the total square footage of building space allowed and total square footage of enclosed space constructed to date;

WHEREAS, the modification to Reimbursement No. 3 decreases the payment from \$184,666 to \$154,565.44, leaving a remaining balance of \$30,100.56 to be assigned as Reimbursement No. 4 under the terms of Amendment No. 2, and be eligible for reimbursement upon achieving a total of 364,354 square feet of onsite permitted buildings.

WHEREAS, the adjusted payment for Reimbursement No. 3 to California C&S Properties shall be released following execution of Amendment No. 2, and said payment shall be funded from the City's Roadway Impact Fee fund as stipulated in the original agreement of 2003;

NOW, THEREFORE, BE IT RESOLVED AND ORDERED that the City Council of the City of Citrus Heights authorizes the City Manager to execute Amendment No. 2 to the Stock Ranch Reimbursement Agreement, and further Authorizes the City Manager to Release an Adjusted Reimbursement in the amount of \$154,565.44 to California C&S Properties.

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

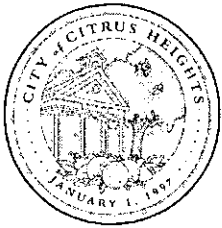
PASSED AND ADOPTED by the City Council of the City of Citrus Heights, California,
this 27th day of October, 2022 by the following vote, to wit:

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

Porsche Middleton, Mayor

ATTEST:

Amy Van, City Clerk



CITY OF CITRUS HEIGHTS

Memorandum

March 12, 2003

TO: City Council Members

FROM: Henry Tingle, City Manager
Rhonda Sherman, Economic Development Manager *RS*

SUBJECT: Approval of Stock Ranch Agreement for Reimbursement of Costs

Approved and Forwarded to the City Council	
<i>[Signature]</i>	Fin.
APPROVED	
<i>[Signature]</i>	Atty.
<i>[Signature]</i>	
Henry Tingle, City Manager	

Summary and Recommendation

C&S Properties has requested that the City reimburse a portion of the costs associated with constructing and installing specific public improvements required by the Stock Ranch Guide for Development and the Stock Ranch Development Agreement. C&S Properties has also requested that the City waive certain planning costs related to the application and processing for the Stock Ranch Guide for Development.

In consideration of the long-term fiscal benefits that the Stock Ranch project will generate for the City and as an incentive for the property owner to develop the Auburn Commerce District in a timely manner, staff recommends that the City Council:

Approve Resolution No. 2003____, A Resolution of the City Council of the City of Citrus Heights authorizing the City Manager to execute the Stock Ranch Agreement for Reimbursement of Costs in an amount not to exceed \$554,000 for reimbursement of public improvement-related costs and to waive \$170,684 in planning costs related to the drafting of the Stock Ranch Guide for Development, subject to the terms and conditions agreed upon by the City Manager, City Attorney, and C&S Properties.

Fiscal Impact

The fiscal impact of approving the Stock Ranch Agreement for Reimbursement of Costs is \$554,000 for the public improvement-related costs. The reimbursement will be funded from roadway impact fees generated by the different Stock Ranch Auburn Commerce District development projects.

The fiscal impact of waiving the planning-related costs is \$170,684. If C&S Properties meets the conditions of the Agreement, the City Council will be required to appropriate the \$170,684 from the General Fund to waive the planning-related fees.

Background/Analysis

Reimbursement for Public Improvement-Related Costs

The Stock Ranch Guide for Development requires the construction of a variety of public improvements as the property is developed over time. C&S Properties has requested that the City reimburse a portion of the costs related to some of the public improvements required as part of the development of the Auburn Commerce District. These improvements and the requested reimbursement amounts are as follows:

<i>Public Improvements</i>	<i>Reimbursement Amounts</i>
Traffic signal at San Tomas*	Up to \$200,000
Van Maren/Auburn improvements**	Up to \$70,000
One half of the pedestrian bridge*	Up to \$200,000
Landscape public improvements, north side of Auburn *	\$70,000
Landscape public improvements, Auburn median*	\$14,000
Total	\$554,000

**Phase I improvements are required when the first Auburn Commerce District building permit is issued*

*** Phase II improvements are required when the second Auburn Commerce District building permit is issued*

Due to modifications and upgrades to the traffic signal and bridge design, the reimbursement costs were increased approximately \$25,000 over the original request.

Staff is recommending that the above public improvement-related costs are reimbursed to C&S Properties based on certain terms and conditions including:

- Reimbursements shall not be made until the public improvements have been constructed pursuant to City standards as determined by the City;
- C&S Properties must prove that the costs to construct and install the public improvements are equal to or exceed the reimbursement amounts outlined;
- C&S Properties must provide a warranty bond acceptable to the City;
- C&S Properties must prove that there are no mechanics liens, stop notices, or other pending or potential claims affecting the public improvements; and
- C&S Properties must submit an offer of dedication to the City.

In addition, staff recommends that the City reimburse C&S Properties in three installments as an incentive for the property owner to develop the entire Auburn Commerce District. C&S Properties will not receive the full \$554,000 unless the shopping center is fully developed (up to 375,000 square feet). The first installment of \$184,666 will be reimbursed within ten business days of the City's issuance of a building permit for the first big box development or the issuance of building permits for at least 142,000 square feet of enclosed commercial space. The second installment of \$184,666 will be reimbursed within ten business days of the issuance of the building permit for the second big box development or the issuance of building permits for at least 284,000 square feet of enclosed commercial space. The third installment of \$184,668 will be reimbursed within ten business days of the issuance of building permits for a total of 375,000, which represents 93% of the approved square footage. C&S Properties recently requested that

the square footage amount for full reimbursement be lowered from 400,000 SF to 375,000 SF based on the center's overall reduction in square footage over the past year.

The \$554,000 reimbursement amount will be funded from roadway impact fees, which are generated from the Stock Ranch development. It is anticipated that the Auburn Commerce District when fully developed will generate over \$1.4 million in roadway impact fees. The impact fees will be generated over time as each project in the shopping center is developed.

Waiver of Planning-Related Costs

The City has an existing agreement with C&S Properties (Agreement for Reimbursement of Funds dated November 10, 1999) to reimburse the City for the costs associated with processing the Stock Ranch Guide for Development. The cost associated with processing this project was \$299,117. This cost was spread over a two-year period and included drafting the Guide for Development, Environmental Impact Report (EIR), special studies (economic, traffic, environmental), as well as staff time and public meeting-related costs. C&S Properties has already reimbursed the City \$128,433 of the \$299,117. The City paid for the planning-related and staff costs out of General Fund money.

Staff is recommending that the City waive C&S Properties' obligation to pay the City \$170,684 in planning-related costs provided the building permit is issued for the second big box or that building permits for at least 284,000 square feet of enclosed commercial space are issued before March 12, 2007. C&S recently requested that an additional year be added to the date for waiving the planning-related costs due to amount of time that may be necessary to secure 284,000 SF of development.

Conclusion

The Stock Ranch project including the Auburn Commerce District, Sylvan Commerce District, and the Residential District will provide significant fiscal benefit to the City of Citrus Heights. It is anticipated that at full development (which will take several years to achieve), the Auburn Commerce District will generate close to \$1,000,000/year in sales tax revenue. The property located in the Redevelopment Project Area (commercial and residential land) will generate approximately \$300,000/year in Redevelopment tax increment funds. The commercial and residential parcels for the entire Stock Ranch area, when fully developed will also generate over \$5,000,000 in impact fees (roadway, transit, drainage, low-income housing, park, and school) for the City and special districts.

In consideration of the long-term fiscal benefits that the Stock Ranch project will generate for the City and as an incentive for the property owner to develop the Auburn Commerce District in a timely manner, staff recommends that the City enter into the Stock Ranch Agreement for Reimbursement of Costs with C&S Properties. Certain provisions have been built into the agreement in order to ensure that the funds are not reimbursed until the Auburn Commerce District is developed and that the planning costs are not reimbursed unless the project is developed in a timely manner.

Attachment

A – Resolution No. 2003-____ (with Exhibit)

RESOLUTION NO. 2003- _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CITRUS HEIGHTS, CALIFORNIA, APPROVING THE STOCK RANCH AGREEMENT FOR REIMBURSEMENT OF COSTS IN AN AMOUNT NOT TO EXCEED \$554,000 FOR REIMBURSEMENT OF PUBLIC IMPROVEMENT-RELATED COSTS AND TO WAIVE \$170,684 IN PLANNING COSTS RELATED TO THE DRAFTING OF THE STOCK RANCH GUIDE FOR DEVELOPMENT, SUBJECT TO THE TERMS AND CONDITIONS AGREED UPON BY THE CITY MANAGER, CITY ATTORNEY, AND C&S PROPERTIES

WHEREAS, C&S owns approximately 129 acres of real property commonly known as "Stock Ranch" ("Property") which is generally bounded by Auburn Boulevard to the north, Sylvan Road to the east, Greenback Lane to the south, and Van Maren Lane to the west; and

WHEREAS, C&S and the City of Citrus Heights ("City") have entered into, or plan to enter into, a Development Agreement ("Development Agreement"), pursuant to the terms and conditions of which C&S has agreed to install and construct, and offer for dedication to the City, certain public improvements ("Public Improvements") which are a traffic signal at San Tomas, Van Maren Lane improvements, a pedestrian bridge, landscape public improvements, on the north side of Auburn Boulevard, and landscape median improvements on Auburn Boulevard, each as more particularly described in the Development Agreement and the Stock Ranch Guide; and

WHEREAS, C&S, directly or through its successor(s) in interest, plans to develop a portion of the Project, referenced in the Development Agreement as the "Auburn Commercial District Area", as a 38-acre Shopping Center ("Shopping Center"). C&S intends, but cannot guarantee, that the Shopping Center shall contain two large-format commercial retailers (sometimes referenced herein as the "First Big Box" and the "Second Big Box") and a variety of other commercial retailers of various sizes; and

WHEREAS, the City in consideration of the benefits to the City from C&S's development of some or all of the Property, City has agreed to reimburse C&S on the terms and conditions set forth in the Stock Ranch Reimbursement of Costs Agreement.

NOW, THEREFORE, BE IT RESOLVED AND ORDERED by the City Council of the City of Citrus Heights that the Stock Ranch agreement for reimbursement of costs in an amount not to exceed \$554,000 for reimbursement of public improvement-related costs and to waive \$170,684 in planning costs related to the drafting of the Stock Ranch Guide for Development, subject to the terms and conditions agreed upon by the City Manager, City Attorney, and C&S Properties is approved and accepted.

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 12th day of March, 2003 by the following vote, to wit:

AYES:

NOES:

ABSTAIN:

ABSENT:

WILLIAM C. HUGHES, Mayor

ATTEST:

LILLIAN E. HARE, City Clerk

STATE OF CALIFORNIA
COUNTY OF SACRAMENTO
CITY OF CITRUS HEIGHTS

I, Lillian E. Hare, City Clerk of the City of Citrus Heights, certify the foregoing is the full
and true Resolution 2003-_____, passed and adopted by the City Council of the City of Citrus
Heights at a regular meeting held on, March 12, 2003.

Dated: March 13, 2003

Lillian E. Hare, City Clerk

STOCK RANCH
AGREEMENT FOR REIMBURSEMENT OF COSTS

THIS AGREEMENT FOR REIMBURSEMENT OF COSTS (this "Agreement") is made and entered into as of this ___th day of March, 2003, by and between CALIFORNIA C & S PROPERTIES ("C&S"), a California limited partnership, and the CITY OF CITRUS HEIGHTS ("City"), a municipal corporation organized under the laws of the State of California.

RECITALS

A. C&S owns approximately 129 acres of real property commonly known as "Stock Ranch" ("Property") which is generally bounded by Auburn Boulevard to the north, Sylvan Road to the east, Greenback Lane to the south, and Van Maren Lane to the west.

B. C&S and City have entered into, or plan to enter into, a Development Agreement ("Development Agreement"), pursuant to the terms and conditions of which C&S has agreed to install and construct, and offer for dedication to the City, certain public improvements ("Public Improvements") which are a traffic signal at San Tomas, Van Maren Lane improvements, a pedestrian bridge, landscape public improvements, on the north side of Auburn Boulevard, and landscape median improvements on Auburn Boulevard, each as more particularly described in the Development Agreement and the Stock Ranch Guide.

C. C&S, directly or through its successor(s) in interest, plans to develop a portion of the Project, referenced in the Development Agreement as the "Auburn Commercial District Area", as a 38-acre Shopping Center ("Shopping Center"). C&S intends, but cannot guarantee, that the Shopping

Center shall contain two large-format commercial retailers (sometimes referenced herein as the "First Big Box" and the "Second Big Box") and a variety of other commercial retailers of various sizes.

D. In consideration of the benefits to the City from C&S's development of some or all of the Property, City has agreed to reimburse C&S on the terms and conditions set forth herein.

1. Recitals. The Recitals set forth above are incorporated herein by reference.

2. City Reimbursement.

(a) City agrees to reimburse C&S for all costs and expenses (the "Costs") incurred by C&S in connection with the design, construction, and installation of the Public Improvements, in an amount not to exceed \$554,000, on the terms and conditions set forth below.

(b) The City shall not be obligated to reimburse C&S for any of the Public Improvements until, for each Public Improvement for which C&S is seeking reimbursement: (i) the Public Improvements have been constructed pursuant to and consistent with City standards; (ii) evidence satisfactory to the City that the monies spent by C&S on constructing the Public Improvements equals or exceeds the amount to be reimbursed by the City to C&S; (iii) C&S has furnished to the City a warranty bond on terms and conditions and in a form satisfactory to the City; (iv) C&S gives evidence satisfactory to the City that there are no mechanic's liens, stop notices or other pending or potential claims affecting the Public Improvements, and (v) C&S has submitted an offer of dedication to the City.

(c) Subject to the foregoing, City shall reimburse C&S in three installments (i) City shall pay C&S the first installment of \$184,666 within ten (10) business days of the earlier to occur of City's issuance of a building permit for the First Box, or the City's issuance of building permits for at least 142,000 square feet of enclosed commercial space in the Shopping Center; (ii) City shall pay C&S \$184,666 within ten (10) business days of the earlier to occur of the City's issuance of a building permit for the Second Box, or the City's issuance of building permits for at least 284,000 square feet of enclosed commercial space in the Shopping Center, and (iii) City shall pay C&S \$184,668 within ten (10) business days of the City's issuance of building permits for a total of 375,000 square feet of enclosed commercial space in the Shopping Center.

(d) The maximum amounts for which C&S is eligible for reimbursement are:

Public Improvements	Reimbursement Amounts
Traffic Signal at San Tomas	Up to \$200,000
Van Maren Lane Public Improvements	Up to \$70,000
One-half of Pedestrian Bridge	Up to \$200,000
Landscape Public Improvements, north side of Auburn Boulevard	\$70,000
Landscape Public Improvements, Auburn Median	\$14,000
Total	\$554,000

3. Waiver of City Planning Costs. Upon payment by City to C&S of the second installment of the Reimbursement Amounts, City shall waive C&S's obligation to pay to City the amount of \$170,683.60 in planning costs incurred by City relating to C&S's application for development of Stock Ranch, during the entitlement provided that the date for C&S triggering such second payment occurs within 48 months of the City's approval of this Agreement.

IN WITNESS WHEREOF, the parties have executed this

Agreement as of the day and year first above written.

CITY:

CITY OF CITRUS HEIGHTS

By: _____

Name: _____

Title: _____

Attest:

By: _____

Name: _____

City Clerk

Approved as to Form:

KRONICK, MOSKOVITZ,
TIEDEMANN & GIRARD,
a professional corporation

By: _____

Name: _____

City Attorney

C&S:

***CALIFORNIA C&S PROPERTIES,
a California limited partnership***

By: _____

John Stock, General Partner

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CITY OF CITRUS HEIGHTS

Memorandum

April 27, 2005

TO: Henry Tingle, City Manager

FROM: Rhonda Sherman
Economic Development and City Information Director

SUBJECT: First Amendment to Stock Ranch Reimbursement of Costs Agreement

Approved and Forwarded to
City Council

Mahay Fin.

APPROVED Atty.

Henry Tingle
Henry Tingle, City Manager

Summary and Recommendation

The City Council approved the Stock Ranch Agreement for Reimbursement of Costs with C & S Properties in March 2003. The Agreement includes reimbursement of up to \$70,000 for the construction of the left turn lane at Van Maren Lane and Auburn Boulevard. The left turn lane improvements are required by C & S Properties, or its successor, as a condition of the Wal-Mart development.

The City desires to take the lead on the construction of the left turn lane and incorporate additional roadway improvements to address pedestrian safety and access. The First Amendment to the Stock Ranch Agreement for Reimbursement of Costs outlines the City's agreement to construct the left turn lane and C & S Properties agreement to reimburse the City for that portion of the work related to the left turn lane.

Staff recommends that the City Council:

Approve Resolution No. 2005____, A Resolution of the City Council of the City of Citrus Heights authorizing the City Manager to execute the First Amendment to the Agreement for Reimbursement of Costs subject to the terms and conditions agreed upon by the City Manager, City Attorney and C & S Properties.

Fiscal Impact

There is no fiscal impact related to approving the First Amendment to the Stock Ranch Agreement for Reimbursement of Costs. C & S Properties, or its successor, is required to pay for their portion of the intersection improvement project. C & S Properties' obligation will be offset, in whole or in part, by the City's original agreement to reimburse them for up to \$70,000 for the left turn lane improvements. Reimbursements will be made using Roadway Development Impact funds.

Background/Analysis

In consideration of the long-term fiscal benefits that the Stock Ranch project will generate for the City, and as an incentive for the property owner to develop the Auburn Commerce District in a timely manner, the City Council approved the Stock Ranch Agreement for Reimbursement of Costs in March 2003. The Agreement obligates the City to reimburse a portion of the costs related to some of the public improvements required as part of the development of the Auburn Commerce District. These reimbursement amounts are as follows:

<i>Public Improvements</i>	<i>Reimbursement Amounts</i>
Traffic signal at San Tomas*	Up to \$200,000
Van Maren/Auburn improvements**	Up to \$70,000
One half of the pedestrian bridge*	Up to \$200,000
Landscape public improvements, north side of Auburn *	\$70,000
Landscape public improvements, Auburn median*	\$14,000
Total	\$554,000

*Phase I improvements are required when the first Auburn Commerce District building permit is issued

** Phase II improvements are required when the second Auburn Commerce District building permit is issued

In February 2003, residents from Arcade Creek Manor Senior Community appeared before the City Council and raised concerns about pedestrian safety and crossing times at the Auburn Boulevard/Van Maren Lane intersection. A study was conducted on the intersection and the northwest quadrant of Auburn Boulevard and Halifax Street, from Westbrook Drive to the Arcade Creek culvert. Recommendations were made to increase pedestrian access and safety. The City contracted with Wood Rogers engineering firm to complete the design work for the intersection improvements. The design work includes the left turn lane improvements which are C & S Properties' (or their successor) responsibility as outlined in the Stock Ranch Guide for Development and the Stock Ranch Development Agreement.

The First Amendment to the Stock Ranch Agreement for Reimbursement of Costs outlines the City's desires to design and construct improvements to the intersection and C & S Properties' desire to delegate its responsibility for constructing the left turn lane to the City. The First Amendment outlines how and when C & S Properties will reimburse the City for the left lane turn and how and when the City will offset this payment with up to \$70,000 reimbursement payment due to C & S Properties once the work is completed.

Conclusion

The City desires to take the lead on the construction of the left turn lane at the Auburn Boulevard/Van Maren Lane intersection in order to incorporate improvements to pedestrian access and safety. C & S Properties is required by the Stock Ranch Guide for Development and the Stock Ranch Development Agreement to construct the left turn lane at the intersection before the certificate of occupancy can be issued for the Wal-Mart project. C & S Properties has agreed to delegate its responsibility for constructing the left turn lane to the City. The First Amendment to the Stock Ranch Reimbursement Agreement incorporates these changes into the original Agreement.

Attachment

1. Resolution No. 2005-_____

RESOLUTION NO. 2005- _____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CITRUS HEIGHTS,
CALIFORNIA, APPROVING THE FIRST AMENDMENT TO THE STOCK RANCH
AGREEMENT FOR REIMBURSEMENT OF COSTS SUBJECT TO THE TERMS
AND CONDITIONS AGREED UPON BY THE CITY MANAGER,
CITY ATTORNEY AND C & S PROPERTIES**

WHEREAS, C & S Properties (C & S) is required to install and construct a second westbound turn lane at the Auburn Boulevard/Van Maren Lane intersection ("left turn lane"), as provided by section 11(g)(i)(c) of the Stock Ranch Development Agreement previously executed by the City of Citrus Heights (City) and C & S;

WHEREAS, the left turn lane is required to be in place prior to City's issuance of a certificate of occupancy for a second building as provided by section 11(g)(i)(c) of the Stock Ranch Development Agreement;

WHEREAS, City and C & S have entered into an Agreement for Reimbursement of Costs ("Reimbursement Agreement") whereby City has agreed to reimburse C & S up to \$70,000 for the installation and construction of the left turn lane;

WHEREAS, City desires to design and construct improvements to the intersection of Auburn Boulevard and Van Maren Lane in addition to the installation and construction of the left turn lane and C & S desires to delegate its responsibility for constructing the left turn lane to City; and

WHEREAS, City's design and construction of such improvements does not alter C & S's obligations under the Development Agreement including, but not limited to, the obligation to pay for the design, right of way acquisition, construction, and construction oversight associated with the addition of the left turn lane.

NOW, THEREFORE, BE IT RESOLVED AND ORDERED by the City Council of the City of Citrus Heights that the First Amendment to the Stock Ranch Agreement for Reimbursement of Costs is approved and accepted subject to the terms and conditions agreed upon by the City Manager, City Attorney and C & S Properties.

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

PASSED AND ADOPTED by the City Council of the City of Citrus Heights, California,
this 27th day of April 2005, by the following vote, to wit:

AYES:

NOES:

ABSTAIN:

ABSENT:

Bret Daniels, Mayor
City of Citrus Heights

ATTEST:

Rhonda Sherman, City Clerk
City of Citrus Heights

The First Amendment to Agreement for Reimbursement of Costs will be provided to the City Council prior to the April 27, 2005 City Council meeting and will be on file in the City Clerk's Office

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**AMENDMENT NO. 2 TO THE STOCK RANCH AGREEMENT FOR
REIMBURSEMENT OF COSTS BETWEEN CALIFORNIA C&S PROPERTIES
AND THE CITY OF CITRUS HEIGHTS**

This Amendment No. 2 to the Stock Ranch Agreement for Reimbursement is entered into by and between the City of Citrus Heights (“City”), a municipal corporation in the State of California, and California C&S Properties (C&S), a California Limited Partnership, as of _____, 2022.

RECITALS

WHEREAS, the City and C&S entered into a Development Agreement pursuant to the terms and conditions of which C&S agreed to install, construct and offer for dedication to the City certain public improvements conditioned as part of the development of the Stock Ranch Commercial Center; and

WHEREAS, in 2003 the Stock Ranch Commercial Center was approved for a maximum of 409,387 square feet of commercial space;

WHEREAS, in consideration of the long-term fiscal benefits the Stock Ranch Commercial Center would provide to the community, in 2003 the City and C&S entered into an Agreement for Reimbursement of Costs (Agreement) in an amount not to exceed \$554,000 to help offset the costs for constructing said conditioned public improvements;

WHEREAS, the 2003 Agreement stipulated the \$554,000 be paid by City in three equal payments of \$184,666, upon C&S satisfactorily completing all conditioned improvements and upon reaching the following milestones:

Reimbursement	Auburn Commercial District Area Trigger	Amount
No. 1	Building permit for first box store or building permits for 142,000 square feet	\$184,666
No. 2	Building permit for second box or building permits for 284,000 square feet	\$184,666
No. 3	Building permits for 375,000 square feet of enclosed commercial space	\$184,666

WHEREAS, in 2005, the City and C&S executed Amendment No. 1 to the Agreement, delegating construction of a secondary westbound left turn lane at the Auburn and Van Maren Intersection, as outlined in the Agreement.

WHEREAS, the City has paid Reimbursement No. 1 (\$184,666) and Reimbursement No. 2 (\$184,666) to C&S, and Reimbursement No. 3 has not been paid by City;

WHEREAS, as a means to improve circulation and parking within the center, in 2017 the City approved a Design Review Permit Modification for the Stock Ranch Commercial Center, which modified the total allowable square footage of buildings from 409,387 square feet to 398,741

square feet, thereby also reducing the required 375,000 square feet for Reimbursement No. 3 to 364,354 square feet.

WHEREAS, to date, C&S has constructed a total of 305,040 square feet of enclosed space, including two big box retailers, one restaurant, and one retail building (lot 11).

WHEREAS, C&S continues to pursue development of the Stock Ranch Commercial Center, but does not anticipate achieving 364,354 total square feet in the foreseeable future and therefore has requested the City adjust Reimbursement No. 3 to reflect on a pro-rata basis to reflect the total square feet of enclosed commercial space constructed to date.

NOW, THEREFORE, the City and C&S agree as follows:

1. **Adjusted Reimbursement No.3** – Reimbursement No. 3 shall be amended from \$184,666 to \$154,565.44, reflecting a prorated amount based on the total square feet of enclosed space constructed to date. The amended reimbursement schedule is shown below:
2. **Addition of Reimbursement No. 4** – This Amendment No. 2 adds Reimbursement No. 4 in the amount of \$30,100.56. The sum of Reimbursement No. 3 and Reimbursement No. 4 is \$184,666.00.

Reimbursement	Auburn Commercial District Area Trigger	Amount	Status
No. 1	Building permit for first box store or building permits for 142,000 square feet	\$184,666	City paid to C&S
No. 2	Building permit for second box or building permits for 284,000 square feet	\$184,666	City paid to C&S
No. 3	Building permits for 305,040 square feet of enclosed commercial space	\$154,565.44	Pending
No 4.	Building permits for 364,354 square feet of enclosed commercial space	\$30,100.56	Pending

3. Reimbursement No. 4 shall serve as final reimbursement payment from City to C&S for the Agreement executed in 2003, with Amendment No. 1 executed in 2005, and this Amendment No. 2 executed in 2022, and shall release the City of any other payment obligations with this Agreement.
4. All other terms and conditions of the Agreement, the Stock Ranch Development Agreement, Stock Ranch Guide, and Stock Ranch Plaza Amendment shall remain unchanged and in full force and effect, including but not limited to, the terms and conditions approved by the City's Planning Commission and City Council at the time of execution of this Amendment No. 2.

CITY OF CITRUS HEIGHTS

By: _____
Ashley J. Feeney, City Manager

Date: _____

Attest

Approved as to Form

Amy Van, City Clerk

Ryan Jones, City Attorney

California C&S Properties,
a California Limited Partnership

BY Go Bears, LLC
a California Limited Liability Company
ITS: General Partner

Date: _____

BY: _____
John V. Stock
ITS: Managing Member

California C&S Properties

September 30, 2022

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

Re: Stock Ranch - Request for Reimbursement

Dear Ashley,

We are writing to request reimbursement of \$154,565.44 pursuant to the Stock Ranch Agreement for Reimbursement of Costs (2003) and First Amendment to the Agreement for Reimbursement of Costs (2008) between the City of Citrus Heights (City) and California C&S Properties (C&S) for improvements related to the Auburn Commercial District Area (Auburn Commercial) at Stock Ranch.

Section 2(c) of the 2003 Reimbursement Agreement identifies three reimbursements based on the Stock Ranch Auburn Commercial buildout with 409,387 square feet (sf). The City paid the C&S for the first two reimbursements, as shown in Exhibit A.

In 2017, the Auburn Commercial project was modified, and the maximum buildout reduced by 10,646 sf, from 409,387 to 398,741 sf. The project's square footage reduction thereby reduced the trigger for Reimbursement #3 by the same amount (10,646 sf) from 375,000 to 364,354 sf. The total enclosed square footage of the Auburn Commercial area constructed is 305,040 sf, which is 76.5% of the maximum square footage (305,040/364,354). Therefore, we request reimbursement of \$154,565, which is 76.5% of Reimbursement #3.

Please let me know if you have questions regarding our request.

Sincerely,



John V. Stock

cc: Casey Kempenaar
Regina Cave

California C&S Properties

Exhibit A
Stock Ranch Auburn Commercial District Area
Reimbursement Calculation
September 30, 2022

2003 Reimbursement Agreement includes three reimbursements:

Reimbursement	Auburn Commercial District Area Trigger	Amount	Status
1	Building permit for first box store or building permits for 142,000 sf	\$184,666	Reimbursed
2	Building permit for second box or building permits for 284,000 sf	\$184,666	Reimbursed
3	Building permits for 375,000 sf of enclosed commercial space	\$184,666	Not Reimbursed

In 2017, the total approved (maximum) square footage for the Stock Ranch Auburn Commercial District Area was reduced from 409,387 to 398,741 sf.

Approved square footage (2003)	409,387
Approved square footage (2017)	398,741
Reduction	10,646

Reimbursement #3 is reduced by 10,646 sf to reflect the reduction in maximum square footage in the project.

Reimbursement #3 Trigger	375,000
Reduction in sf (2017)	10,646
Adjusted Reimbursement #3 Trigger	364,354

Total enclosed square footage constructed on Stock Ranch as of September 12, 2022 – 305,040 sf

	Constructed	
Costco (without garden)	148,663	
Walmart (without garden)	141,279	
Applebee's	6,630	
Retail - Lot 11	8,468	
Total Enclosed Square Footage Constructed	305,040	= 83.7% of 364,354 sf Trigger for Reimbursement #3

Requested Reimbursement – 83.7 % of Reimbursement #3

\$184,666 (Reimbursement 3) x 83.7% = \$154,565.44



CITY OF CITRUS HEIGHTS
CITY COUNCIL STAFF REPORT
MEMORANDUM

DATE: October 27, 2022

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

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

SUBJECT: **Proposed Sunrise MarketPlace Zoning Overlay**

Summary and Recommendation

On September 28, 2022 the Planning Commission reviewed the proposed Sunrise MarketPlace Overlay Zoning Code Amendment. The amendment would establish a Zoning overlay within the Sunrise MarketPlace prohibiting certain uses. The Planning Commission unanimously recommended the City Council adopt the proposed Zoning Code Amendment.

Staff recommends the City Council introduce for first reading, read by title only and waive the full reading of Ordinance No. 2022- _____, an Ordinance of the City Council of the City of Citrus Heights adding Section 106.28.050 to Chapter 106 of the City of Citrus Heights Municipal Code (Zoning Code Section) and amending the Zoning Map to include the Sunrise MarketPlace Overlay District.

Fiscal Impact

There is no fiscal impact related to this action.

Background and Analysis

In 2019, the City Council adopted an amended General Plan goals and policies related to the Sunrise MarketPlace (SMP). The intent of the change was to reflect the importance of the SMP and the role SMP will play in the City's broader vision and economic development goals. This effort was spurred by the increased interest from property owners wanting to parcel off and sell portions of Sunrise Mall frontage or enter into long term leases with businesses/owners who didn't have a comprehensive development plan which supported the City's vision.

The City recognized that without proper planning and design, these developments can be detrimental to the future redevelopment of the mall, and more broadly, the future of the Sunrise MarketPlace. Also with the City being 98-percent built out, the ability to ensure high quality redevelopment of underutilized land is paramount for future redevelopment and economic development in the City. As a result, the City Council adopted Goal 12 for the General Plan.

***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.*

Shortly after the adoption of the General Plan policy, the City initiated the Sunrise Tomorrow Specific Plan (STSP or Plan). The STSP supported a community-based vision for the future of the 100-acre Sunrise Mall and supported a comprehensive and holistic approach to planning the future of the mall property. The Specific Plan was adopted in November 2021.

The Plan's vision includes new redevelopment framework and allows for a mix of uses not found elsewhere in the City. The Plan prescribes a diverse mix of retail, restaurants, and other uses distributed appropriately and strategically throughout the Plan Area to create a mixed-use destination and restricts uses not compatible with the Plan's vision. The STSP is anticipated to spur significant growth on the Sunrise Mall site and the nearby commercial properties within the boundary of the Sunrise MarketPlace.

This approach of comprehensive planning and protection of key locations for Economic Development has already yielded results as the City recently received an application for a Parcel Map within the STSP as an early step for the development of the first hotel in Citrus Heights.

Since the STSP was adopted, the City has received an increasing number of inquiries for new uses within the SMP which do not support the area's mixed-use destination vision and are incompatible with the anticipated growth within SMP. Currently, the commercial zones within the SMP allow for a variety of auto-intense uses such as service stations (gas stations), car washes, vehicle repair, and mini-storage facilities with a Use Permit approved by the Planning Commission. These uses have the potential to limit the growth anticipated by the STSP through their introduction of traffic, noise, air quality, and similar impacts that are incompatible with uses encouraged by the STSP and the overall economic strategies for the SMP.

Historically, auto-intensive uses have not been a dominant feature of the SMP. The SMP has traditionally been celebrated as a retail and restaurant district with ancillary auto-intensive uses. Staff are beginning to see interest in mid-block auto-intensive uses that have the potential to change the nature of the area they are proposed by impacting adjacent restaurant and retail uses. There is not a shortage of auto-intensive uses in the city nor in the SMP meaning it is not a significant community need but rather is likely being proposed due to serve commuter trip traffic. Furthermore, in discussions with the community, residents desire preservation and enhancement of the SMP as the community's shopping and dining district. The proposed Zoning Overlay would help address the pressures surrounding auto-intensive uses and put a focus on attracting businesses that are consistent with community needs and desires.

Project Description

In order to support the vision of the STSP and to support economic development within the SMP, the Planning Division recommends consideration of a Zoning Overlay within the SMP. An overlay zone is a zoning district which is applied over the existing commercial zoning district of those properties within the overlay boundary and establishes additional standards in addition to those of the underlying zoning district.

The existing zoning districts within the proposed overlay area include a mix of Shopping Center (SC), Limited Commercial (LC), and Business Professional (BP). Absent an overlay, these zones allow a variety of auto-intensive uses with a Use Permit approved by the Planning Commission.

Proposed Overlay Text

Exhibit A includes the proposed Sunrise MarketPlace Zoning Overlay text. The text includes four key topics:

- A. Purpose.** This section establishes the purpose of the SMP Overlay District. The language focusses on the implementation of the General Plan and supports the vision and economic development goals for the SMP.
- B. Allowed Land Uses and Permit Requirements.** This section specifies that all uses allowed within the underlying zones (SC, BP, LC) will continue to be allowed as specified within the Zoning Code. However, the following uses are prohibited:
 - a. Service Stations (Gas Stations)
 - b. Vehicle Services – Major (includes uses such as towing, collision repair, auto repair)
 - c. Vehicle Services – Minor (includes uses such as car washes, brakes, batteries)
 - d. Storage – Personal Storage Facility (mini-storage)
 - e. Ambulance, taxi, and specialized transportation facility

This section also clarifies that uses legally in existence which become prohibited with the adoption of the overlay, may continue to operate (including through transfer of ownership). Additionally, the adoption of the overlay will not prohibit these existing business from enlarging or expanding their building in accordance with Section C below.

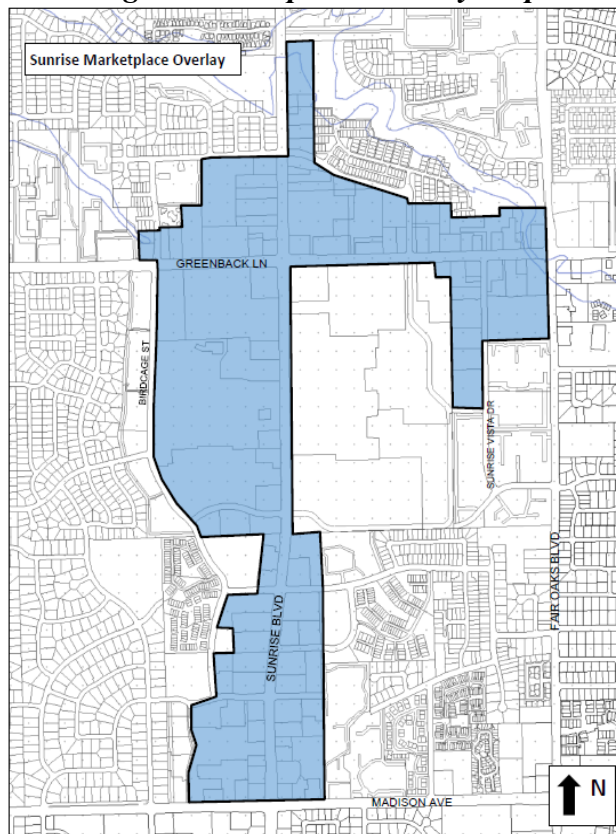
- C. Development and operating standards for prohibited use expansion.** This section provides the standards which would allow existing businesses, which are made prohibitive through the adoption of the overall zone, to expand with approval of a Use Permit and Design Review Permit. The following standards would apply:
 - a. Driveway Consolidation – This standard encourages these uses to consolidate driveways and strongly discourages the creation of new driveways for expansion of these uses.
 - b. Active Transportation – This standard prioritizes site access and circulation for active transportation users.
 - c. Health Risk Assessment – This standard requires a Health Risk Assessment as part of the application submittal for uses that generate operational air quality emissions that may be hazardous.
 - d. Design Standards – This standard requires the expansion to adhere to existing design guidelines and requires a comprehensive update of impacted sites, not just the expanded portions.

D. Required Findings for Approval. This section includes six findings necessary for the Review Authority to make prior to approving a project that is legally existing before December 1, 2022.

Proposed Overlay Map

The proposed SMP Overlay geography is largely consistent with the existing Sunrise MarketPlace Property Business Improvement District as shown in Figure 1. The proposed SMP overlay does not include the Sunrise Mall property, as this property is regulated by the Sunrise Tomorrow Specific Plan.

Figure 1 – Proposed Overlay Map



Analysis

The Citrus Heights Zoning Code (Section 106.74.060.B) states that a Zoning Ordinance Amendment may occur only if the following findings listed below in bold italics can be made:

- ***The amendment is consistent with the General Plan; and***
- ***The amendment would not be detrimental to the public interest, health safety, convenience or welfare of the City***

Given the City's built-out nature (98% built out), nearly all future development in the City involves redevelopment of existing retail centers. The most likely location for redevelopment is

along the City's existing commercial corridors, of which Greenback Lane and Sunrise Boulevard is a premier location and strong trade area. The land uses surrounding these corridors typically have an abundance of parking and are largely centered on retail, restaurant, or complementary uses.

The Sunrise MarketPlace, the City, and the state are continuing to see the retail market evolve based on the impacts of e-commerce, competition from other shopping centers, and the impacts of Covid-19. While certain uses may be feasible today, the long-term impact of a new use may not be felt for many years. Once established, most land uses are typically relatively permanent and create long lasting impacts.

For example, introduction of a gas station, even a well-designed gas station, can deter redevelopment or leasing of adjacent sites due to the odor, air quality, and traffic related impacts. Given the limited availability of land, more destination oriented uses are needed for the more future forward investment and redevelopment strategy the Sunrise MarketPlace must attract in order to achieve the broader economic development and housing related goals of the City.

As a result, dozens of General Plan goals, policies, and objectives focus on ensuring high quality redevelopment along the City's commercial corridors is supportive of the future growth anticipated to occur along these corridors. The General Plan recognizes the importance of ensuring this redevelopment is high quality and compatible with the land uses anticipated to support future growth along these corridors.

The addition of an Overlay Zone amending the Zoning Code is consistent with many goals of the General Plan. The table below lists some of the most applicable goals, with a short discussion of how the overlay relates to that goal.

Goal/Policy	Goal/Policy Language	Discussion
Goal 8	<i>Maintain the economic strength of retail centers by focusing retail activities at major intersections</i>	The intent of the overlay is to reduce the impact of land uses on existing and future land uses along two of the City's major corridors within the SMP.
Goal 9	<i>Revitalize and maintain corridors as economically viable and physically attractive</i>	The overlay will prohibit land uses that are oftentimes less attractive than alternative uses.
Policy 9.1	<i>Where appropriate, provide opportunities for a mix of low-intensity nonresidential land uses in residential sections of major corridors that will support attractive and healthy work and living environments</i>	Residential, dining, and mixed-use projects are sensitive to uses that produce noise, odors, and high volumes of traffic. The proposed ordinance limits these uses to preserve land for uses that are more compatible with sensitive uses.
Policy 9.2		

	<i>Provide opportunities for mixed-use projects within commercial corridors</i>	
Goal 10	<i>Achieve attractive, inviting, and functional corridors</i>	The proposed overlay will support attractive, inviting, and functional corridors that support land uses that are envisioned within the SMP. Restricting uses that cause noise, odors, or similar operational challenges creates more opportunity to revitalize public spaces to encourage sense of community and personal safety.
Policy 10.1	<i>Require superior architectural and functional site design features for new development projects along major corridors</i>	
Policy 10.2	<i>Design buildings to revitalize streets and public spaces and to enhance a sense of community and personal safety</i>	
Policy 10.8	<i>Discourage concentration of auto intensive facilities (such as drive through and gas station uses) and ensure that drive-through businesses are allowed only where compatible with the surrounding areas</i>	<p>Over-concentration of auto intensive uses can create an undesirable atmosphere for sensitive land uses such as residential and mixed-use development. Often these uses are catered toward pass-through traffic rather than local trips.</p> <p>The proposed overlay will help reduce the concentration of these uses to encourage uses that are supportive of local trips and trips by pedestrians, cyclists, and transit.</p>
Goal 11	<i>Maintain and strengthen Sunrise MarketPlace as the heart of commercial activity in Citrus Heights</i>	The proposed overlay is intended to restrict uses that may have a negative impact on surrounding land uses. The overlay preserves scarce land for uses that are more compatible with the SMP and surrounding neighborhoods.
Policy 11.1	<i>Actively seek to attract, retain and expand commercial activities at Sunrise MarketPlace</i>	
Policy 11.3	<i>Promote new regional and community-oriented commercial development within Sunrise MarketPlace that is compatible and supportive of existing uses</i>	
Goal 12	<i>Create an inviting and distinctive identity for Sunrise MarketPlace to promote its</i>	The SMP is the City's most likely location for residents to shop, work, live and play.

Policy 12.1	<i>image as the City's premier destination to shop, work, live, and play</i>	Restricting uses that create impacts on surrounding properties allows for introduction of uses that are not currently found within SMP that can help contribute rather than detract from the fabric which makes it an exciting location for residents and visitors to gather.
Policy 12.2	<i>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</i> <i>Market and promote Sunrise MarketPlace as a unique destination and community gathering place</i>	
Goal 13	<i>Increase activity in the Sunrise MarketPlace through transportation investments that enhance the convenience and safety of driving, riding transit, bicycling, and walking to, from, and within the district</i>	The intent of the overlay is to reduce uses that have the potential to impact nearby land uses. These uses, typically catering towards vehicles can be detrimental to pedestrians, transit users, and bicyclists. These types of uses can deter transit investment and limit redevelopment of parcels once established. These uses can limit residential and mixed use projects due to noise, traffic, and odors affiliated with operation of these users.
Policy 13.1	<i>Improve mobility in the Sunrise MarketPlace area to provide adequate access for vehicles, transit, bicycles and pedestrians</i>	
Policy 13.4	<i>Facilitate the development of new buildings in areas currently devoted to parking to shorten distances between buildings and foster better pedestrian connections between shopping centers</i>	
Policy 13.5	<i>Promote transit-oriented development through reuse and redevelopment of opportunity sites near the Greenback Lane/Sunrise Boulevard intersection, including potential mixed-use projects with a residential component. Coordinate potential development plans with transit near this intersection</i>	
Goal 15	<i>Diversify the local economy to meet the present and future employment, shopping, and service needs of Citrus Heights residents and sustain long-term fiscal health</i>	The Overlay seeks to prohibit uses that have the potential to negatively affect existing or future adjacent land uses.

Policy 15.1	<i>Pursue non-retail development and reuse (including home occupations, information services, lodging and conference uses) to provide additional job opportunities, reduce the City's long-term dependence on retail sales for jobs and revenue, and provide viable alternatives for currently underutilized retail centers</i>	<p>As a nearly built-out community, preserving land for non-retail development is a key component of the City's broader economic development goals.</p> <p>Restricting auto-intensive uses can support development of non-retail uses that aid the City in recruiting different business sectors.</p>
Goal 18	<i>Be responsive to changing economic conditions and opportunities</i>	<p>The business environment continues to evolve and change consumer and resident expectations. Preventing uses that have impacts on adjacent land uses can preserve land for new development that is more aligned with changing demands from businesses and the community.</p>
<p>Goal 25</p> <p>Policy 25.1</p> <p>Policy 25.4:</p>	<p><i>Provide adequate sites for a variety of housing opportunities to serve all residents</i></p> <p><i>Promote development of a variety of housing types in terms of location, cost, design, style, type, and tenure, while ensuring compatibility with adjacent uses of land.</i></p> <p><i>Support a variety of housing opportunities on vacant or under-utilized lands</i></p>	<p>The City is required to plan for future growth facing the region within the General Plan. Ensuring that there are adequate sites for housing is a central component of the City's Housing Element.</p> <p>Housing, in particular is very sensitive to its adjacency to land uses that create noise, odor, and high traffic/circulation challenges.</p> <p>Ensuring preservation of land to accommodate the anticipated growth on vacant and underutilized is critical; however, ensuring these development sites are not impacted by adjacent land uses that are incompatible is equally important to the likelihood of housing opportunities.</p>
Policy 25.2.C	<i>Pursue funding to incentivize and promote housing within the City's three identified "Green Zones" for the SACOG Green Means Go Pilot Project, with the goal of</i>	<p>The Sunrise MarketPlace was identified as a "Green Zone" by the City Council in 2020</p>

	<p><i>achieving 25-35% of the city's overall RHNA requirement within these zones</i></p>	<p>Green Zones are key areas that must have infill capacity, be in an area planned for infill development, and be in a center, corridor, or established community, as identified in SACOG's Sustainable Communities Strategy (SCS).</p> <p>SACOG provides growth forecasts as part of the MTP/SCS for the region. Within the Sunrise MarketPlace Green Zone, the MTP/SCS identifies the Greenback/Sunrise "center and Corridor Community" (not including Sunrise Tomorrow) as an area anticipated to see residential growth.</p> <p>Not including Sunrise Tomorrow, this corridor (Sunrise Boulevard between Madison Avenue and Sayonara Drive and Greenback Lane between Dewey Drive and Fair Oaks Boulevard) is anticipated to see between 350 and 700 new residential units by 2050.</p> <p>As a result, preservation of key redevelopment opportunity sites along this corridor is imperative. Ensuring preservation of sites are developable and compatible with surrounding uses is key to accommodating this growth.</p>
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Conclusion

The proposed Zoning Code amendment is consistent with and supportive of the General Plan and will not be detrimental to the public interest, health, safety, convenience, or welfare of the City. The proposed modifications are intended to update the Zoning Code based on changing trends and to implement the General Plan related to Sunrise MarkePlace.

Environmental Determination

The proposed amendments are exempt from CEQA Pursuant to CEQA Guidelines Section 15061(b)(3), also known as the “general rule” exemption, CEQA exempts activities that can be seen with certainty to have no possibility for causing a significant effect on the environment. Further, the amendments are exempt per CEQA Guidelines Section 15305 for Minor Alterations to Land Use Limitations.

September 22, 2022 Planning Commission Meeting

The Planning Commission reviewed the proposed Sunrise MarketPlace Zoning Overlay on September 28, 2022. The Planning Commission Staff Report is available [here](#) and a video of the Planning Commission is available [here](#).

Several speakers spoke in favor of the proposed overlay. Many of the comments provided by the speakers were related to the importance of attracting uses that are supportive of the STSP and the future of the SMP.

Two property owners (Phil and John Jarret) affiliated with the former China Buffet Site (5623 Sunrise Boulevard) expressed concerns with the impact of the proposed overlay on a potential Car Wash considered for the China Buffet Site. They also provided a packet of information about a potential car wash operator for the site (Attachment B9).

The Executive Director of SMP, Kathilynn Carpenter verbally summarized comments from the Sunrise MarketPlace Board Meeting and the lack of a consensus among the Board. She expressed a desire for the City to assist with economic development support to encourage redevelopment of key sites.

The property and business owner of El Tapatio restaurant (5637 Sunrise Boulevard) spoke in favor of the proposed overlay.

The Planning Commissioners discussed the proposed overlay and voted 4-0 (two members absent and one member recused) to recommend the City Council adopt the proposed ordinance.

Outreach

Information about the proposed Overlay has been included on the City’s website since the overlay was first considered. The FAQ’s from the website are included as Attachment A.

Significant outreach has been conducted throughout the development of the overlay. City staff presented the zoning concept to numerous neighborhood associations including CHASEN (NA #s 7, 8, & 9), SOAR (NA #10), Sunrise Ranch (NA #6), and Birdcage Heights (NA #11). Each association supported the overlay and submitted letters of support (Attachments B1-B4). In addition, staff has received emails from residents Glenda Anderson, Doug and Dixie Lent, Gurtej Gill (owner of Boston Pizza), and Jenna Moser, all in support of the overlay (Attachments B5-B8).

Staff also worked closely with the Sunrise MarketPlace PBID in efforts to outreach businesses within the SMP. Staff presented the item to the SMP Board on September 8, 2022. The Board asked questions about the proposed overlay and discussed the topic at length, but was unable to reach consensus on whether or not to support the overlay. Kathilynn Carpenter, Executive Director of the Sunrise MarketPlace, provided a recap of the comments from the Board meeting and the recap has been provided as Attachment B11.

Staff also presented the proposed overlay to the Citrus Heights Regional Chamber of Commerce Board on September 22, 2022. Staff responded to questions and discussed the City's vision for the MarketPlace and how land use decisions impact future development. As of the writing of this report, the Chamber has not provided an official letter in response to the proposed overlay.

The Property Owners of the China Buffet Site (5623 Sunrise Blvd) have provided a comment letter (Attachment B9) and packet of car wash information (Attachment B10).

Public hearing notices were mailed to property owners within 500 feet of the proposed overlay boundary and a notice was published in the general circulating newspaper, the Citrus Heights Messenger.

Exhibits

1. Ordinance 2022- _____, of the City Council of the City of Citrus Heights adding Section 106.28.050 to Chapter 106 of the City of Citrus Heights Municipal Code (Zoning Code Section) and amending the Zoning Map to include the Sunrise MarketPlace Overlay District.
 - A. Amendment to Zoning Map to include the Sunrise MarketPlace Overlay District

Attachments

- A. Overlay Frequently Asked Questions
- B. Comment Letters
 1. CHASEN
 2. Birdcage Heights
 3. Sunrise Ranch
 4. SOAR
 5. Glenda Anderson
 6. Gurtej Gill - Boston Pizza
 7. Doug and Dixie Lent
 8. Jenna Moser
 9. John Jarrett
 10. Phil Jarret Packet provided to Planning Commission
 11. SMP Board Meeting Recap

ORDINANCE 2022-_____

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CITRUS HEIGHTS ADDING
NEW SECTION 106.28.050 OF CHAPTER 106 OF THE CITRUS HEIGHTS MUNICIPAL CODE
(ZONING CODE SECTION) AND AMENDING THE ZONING MAP TO INCLUDE THE SUNRISE
MARKETPLACE OVERLAY ZONE

THE CITY OF CITRUS HEIGHTS DOES ORDAIN AS FOLLOWS:

Section 1: Purpose and Authority

The purpose of this Ordinance is to amend the Citrus Heights Zoning Code to include new Section 106.28.050 and amend the Zoning Map to include the Sunrise MarketPlace Overlay Zone.

Section 2: Findings

- The proposed amendment to create an overlay zoning district is consistent with the provisions of the purpose of overlay zoning districts as stated in Section 106.28.020 of the Zoning Code.
- The proposed overlay zoning district supports the vision of the Sunrise Tomorrow Specific Plan adopted in November 2021.
- The Sunrise MarketPlace Overlay Zone will restrict certain land uses within the overlay boundary, including auto-centric uses and storage facilities (mini-storage).
- The proposed overlay zone is consistent with the several General Plan Goals including Goals 8, 9, 10, 11, 12, 13, 15, 18 and 25.
- The proposed overlay zone is consistent with many General Plan Policies including Policies 9.1, 9.2, 10.1, 10.2, 10.8, 11.1, 11.3, 12.1, 12.2, 13.1, 13.4, 13.5, 15.1, 25.1, 25.4, and 25.2C.
- The overlay zone will support comprehensive planning efforts for the protection of key locations in support of the City's economic development efforts.
- The proposed amendments will not be detrimental to the public, interest, health, safety, convenience, or welfare of the City.
- The proposed amendments are exempt from the California Environmental Quality Act (CEQA) under Section 15061(b)(3) and 15305 of the Guidelines

Section 3: Action

The City Council hereby amends the City of Citrus Heights Municipal Code to add Section 106.28.050 as shown herein and amend the Zoning Map as shown in Exhibit 1A as discussed within the Staff Report, which is incorporated by reference.

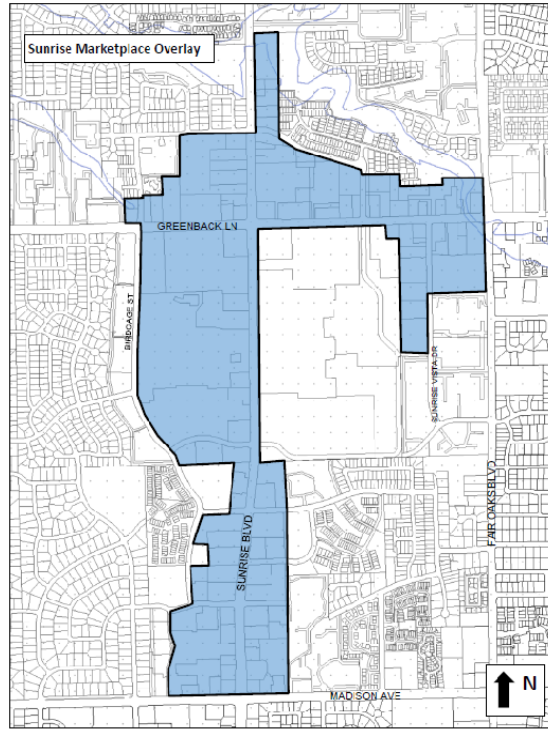
106.28.050 – Sunrise MarketPlace (SMP) Overlay Zoning District

- A. Purpose.** The Sunrise MarketPlace is home to the majority of the City's shopping, dining, and

entertainment facilities. The Sunrise Boulevard and Greenback Lane thoroughfares bisect this important district. These roadways serve significant cut-through traffic detracting from the General Plan goals to create an inviting and distinctive identity for the Sunrise MarketPlace to promote its image as the City's premier destination to shop, work, live and play.

Certain land uses support cut-through traffic, but are contrary to broader quality of life, redevelopment, circulation, air quality, and economic development objectives.

1. The SMP Overlay zone is to be applied in conjunction with existing zoning districts to restrict certain uses within the Overlay Zone. The purpose of the overlay is to allow existing uses to continue, but also to ensure redevelopment of key locations within the district are supportive of City goals related to redevelopment of the Sunrise MarketPlace, walkability/bikeability goals, and transit use.
2. The SMP Overlay zone is intended to accomplish the following:
 - a. Allow compatible use conversions that extend the economic life of the existing structures;
 - b. Allow owners to pursue redevelopment opportunities that are supportive of broader City goals;
 - c. Create an environment that discourages cut-through traffic and encourages walking, biking, and transit;
 - d. Allow for the conversion of existing structures, creating economic advantages for new users;
 - e. Control vehicular access onto major streets;
 - f. Allow properties to take advantage of visibility from major streets; and
 - g. Develop well designed and aesthetically pleasing mixed uses.



A. Allowable land uses and permit requirements.

1. **Permitted and Conditionally Permitted uses.** All uses listed by Article 2 (Zoning Districts and Allowable Land Uses) as permitted in the underlying applicable commercial zone, with the exception that the following uses are prohibited:
 - a. Service Stations
 - b. Vehicle Services- Major
 - c. Vehicle Service - Minor
 - d. Storage- Personal Storage Facility (mini-storage)
 - e. Ambulance, taxi, and specialized transportation and dispatch facility
2. **Existing Uses.** Existing uses legally in existence on or before December 1, 2022 which are prohibited by 106.28.050.B.1 may continue to operate, including transfers of ownership, provided the their continuation shall comply with the requirements of Section 106.70.020 and Section 106.28.050.C

B. Development and operating standards for prohibited use expansion. Each Prohibited Use within the SMP Overlay that seeks to expand or enlarge shall obtain a Use Permit and Design Review Permit Modification and comply with the underlying zoning requirements. Any addition any expansion or enlargement of a prohibited use shall comply with each of the following standards.

1. **Driveway consolidation.** Wherever possible, new uses shall provide for consolidation of driveway access through parcel consolidation or reciprocal easements. New driveways onto Greenback Lane or Sunrise Boulevard are strongly discouraged.

2. **Active Transportation.** Site design and layout shall prioritize circulation of active transportation modes (transit, bicycle, and pedestrian) above vehicular circulation.
3. **Health Risk Assessment.** Uses that result in the generation of operational air quality emissions shall complete an Air Quality Health Risk Assessment.
4. **Design Standards.** Any expanded use shall adhere to the applicable Design Guidelines within the Zoning Code. Any expansion shall include a comprehensive façade and site improvement for the entire impacted parcel and structure, not just the expanded area.

C. Required findings for approval. The approval of an expansion of a prohibited use allowed by Subsection B. shall require that the review authority first make all of the following findings:

1. The use is consistent with the General Plan and Zoning Code;
2. The use is compatible with adjacent land uses;
3. The proposed site layout and building designs are compatible with adjacent land uses;
4. The site is of an appropriate size and configuration for the new use, and is efficiently and aesthetically designed for the proposed operations;
5. The use complies with the development standards in Subsection C., and all applicable design guidelines; and
6. The site design emphasizes safety, minimizes traffic congestion, avoids aesthetic impacts, and does not negatively impact circulation for active transportation modes.

Section 4: Severability

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

Section 5: Effective Date and Publication

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

PASSED AND ADOPTED by the City Council of the City of Citrus Heights this ____ day of ____, 2022 by the following vote:

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

Porsche Middleton, Mayor

ATTEST:

Amy Van, City Clerk

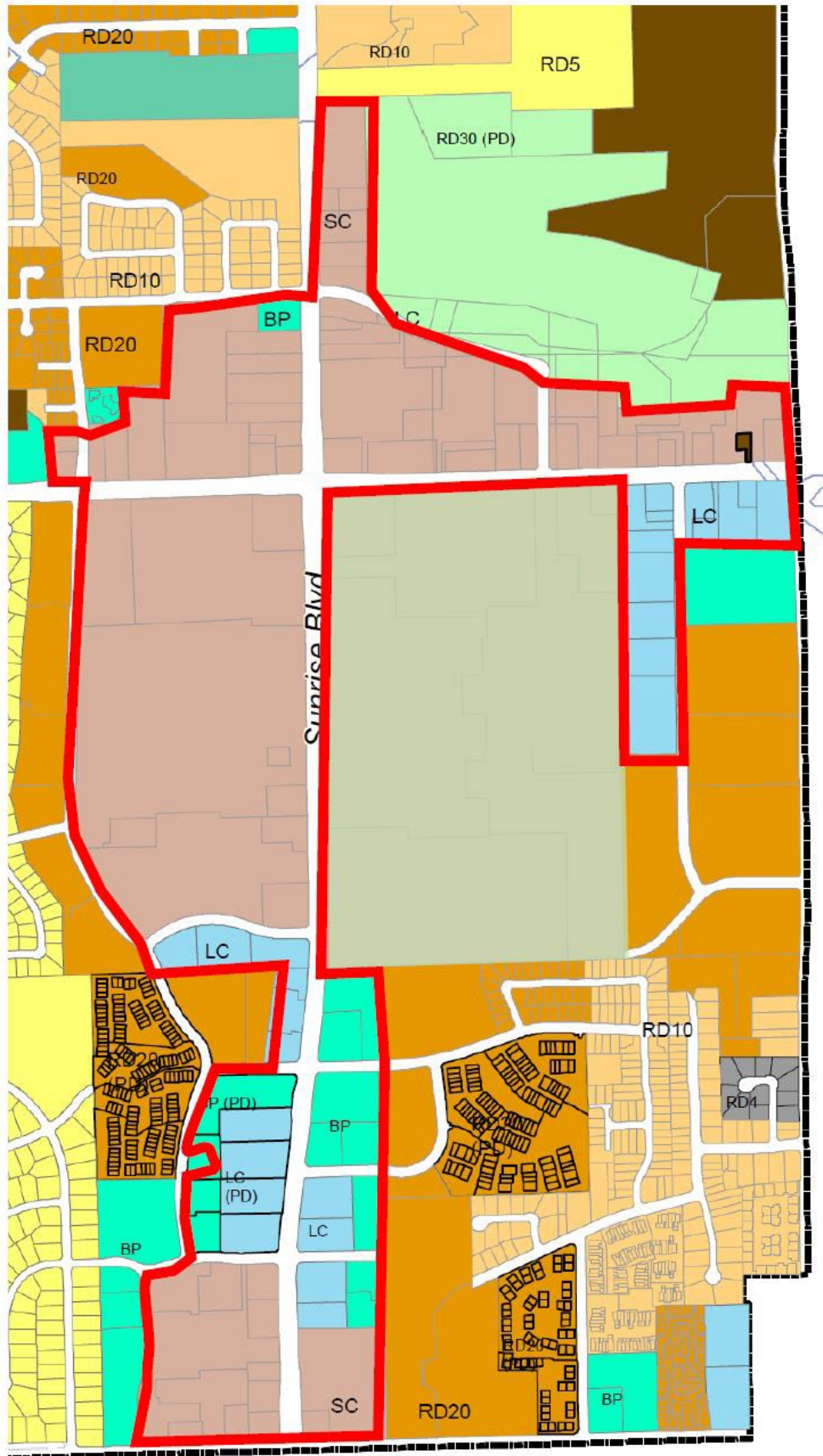
CODIFY_____

UNCODIFY_____

Exhibit:

A. Zoning Map Amendment

Exhibit 1 - A



IN THE KNOW: SUNRISE MARKETPLACE OVERLAY DISTRICT

Answers to Frequently Asked Questions



1 What is being considered?

A zoning overlay is being considered to restrict auto-oriented uses like gas stations and car washes in the Sunrise MarketPlace area.

2 What is an overlay zone?

A zoning map overlay is a land use tool that can be used to change or modify the provisions of the zoning code that are applicable to a defined area in the city, without actually rezoning any of the land. A zoning map overlay is, in essence, a second zoning map superimposed on the existing map for the land in question.

3 What is the purpose of the Sunrise Market Place Overlay Zone?

The overlay zone would further refine the allowed uses within the Sunrise MarketPlace to retain this area as the City's core area for shopping, dining and entertainment.

Over 57 percent of vehicle trips on Sunrise Boulevard are from non-Citrus Heights residents (cut through and commute traffic). The trips are typically travelers that are cutting through the City to connect to adjacent jurisdictions or Interstate 80 or Highway 50, often not stopping to shop or dine in Citrus Heights. The uses like gas stations, car washes, drive-through services/restaurants, etc. are in high demand along the Sunrise Corridor because of this traffic pattern and volume.

Conversely, the City has heard from the community that residents want more non-auto-oriented uses that create community vibrancy like sit-down restaurants, entertainment and local neighborhood services. Although a variety of factors impact the ability to attract these uses, availability of adequate sites is one factor within the City's control and of increased importance given Citrus Heights is 98% built out. Recently, demand for auto-oriented uses has hit a new high, generating significant interest to convert existing vacant restaurants or add new construction in the Sunrise MarketPlace area for gas stations and car washes. These uses are often profitable for property owners and in higher demand than alternatives. The overlay zone would restrict uses like this that encourage cut-through traffic to preserve remaining available real estate for uses that support neighborhood vibrancy.

4 What are the consequences of auto-intense uses?

Additional auto-intense uses can have adverse effect on community character, neighborhood vibrancy, and the perception of the MarketPlace and the City. These uses also have a ripple effect: rather than attracting other uses that enhance community character, these uses tend to attract other auto-centric uses. Concentrations of auto-oriented uses often deter sit-down dining and entertainment due to the atmosphere, appearance, and associated impacts (traffic, air quality, noise, etc.).

5 How would an overlay benefit the City's future?

To ensure the limited space left within the district would be available to create community vibrancy, the City would need to implement zoning that reflects the community's desired uses and shared vision and restrict undesired uses.

One of the most important aspects of the shared vision for Sunrise MarketPlace is the recently adopted Sunrise Tomorrow Specific Plan (STSP). The plan provides a path to transform Sunrise Mall into a new economic engine and place for residents to shop, work, live and play. The plan promotes development that will attract uses that contribute to neighborhood vibrancy and the City's economic growth. The vision of the Plan creates a walkable and pedestrian oriented areas and less auto-centric uses. Drive-throughs, gas stations and similar uses are prohibited on the 100-acre Sunrise Mall site to accomplish this vision.

Extending this restriction to the immediate trade area preserves the limited land available so it can benefit from the Specific Plan's uplift.

6 How can the City protect key sites?

In order to preserve remaining available sites in the Sunrise MarketPlace area and to support Sunrise Tomorrow, the City's Community Development Department is considering establishing a zoning overlay. This zoning overlay would ensure redevelopment of the SMP supportive of the City's goals by encouraging more shopping, dining and entertainment experiences without adding new land uses that encourage cut-through traffic and other auto-intense land uses i.e. gas stations, car washes, etc.

7 What if a gas station is already operating within the SMP?

All legally existing businesses could remain in operation. The overlay would not allow NEW service stations or auto-orientated uses.

8 Does the city currently have any other zoning overlay districts?

Many residential properties along Sunrise Boulevard and Antelope Road (major corridors) are within an overlay zone which allows some business activities on the residential properties.

9 What City Goals would the Overlay help deliver?

The SMP Overlay District is consistent with the City's three-year strategic plan goals in the areas of enhance alternative modes of transportations, diversify for a reliant economy, and enhance community vibrancy and engagement.

10 How do I learn more about the SMP Overlay Project?

Additional information on the SMP Overlay Project can be found on the city's website www.citrusheights.net/smpoverly or by contacting the Planning Division at (916) 727-4740.

Attachment B

Public Comments Received

1. CHASEN
2. Birdcage Heights
3. Sunrise Ranch
4. SOAR
5. Glenda Anderson
6. Gurtej Gill
7. Doug and Dixie Lent
8. Jenna Moser
9. John Jarrett
10. Phil Jarret (Packet provided to the Planning Commission)
11. SMP Board Meeting Recap

Bermudez, Alison

Subject: FW: Development Input from CHASEN

From: Kathy Morris <>

Date: September 8, 2022 at 8:51:58 AM PDT

To: "Kempenaar, Casey" <ckempenaar@citrusheights.net>

Cc: Bill Shirley <[\[redacted\]](#)>
> Subject: Development Input from CHASEN

Hi Casey –

We did get responses to our request for development in the Sunrise Marketplace area. First off – there was a substantial ‘thank you for asking’. Seems as people really like to know that the City cares about their opinions.

Now... majority of input

NO for Car Wash and Gas Stations

YES for restaurants, mix of fine and casual dining, including high end

YES for Small businesses and entertainment

Lots of comments. The majority of the comments for additions were requesting restaurants. Also, suggesting shopping or activities that keep folks within Citrus Heights. Included are just a few comments:

** There's nothing wrong with car washes and gas stations, but it seems we have enough already.

** We would like to see more high-end restaurants in Citrus Heights. Currently, if you want to go out to a nice dinner, you have to go to Fair Oaks or Roseville. Everything in Citrus Heights is either fast food or middle of the road quality.

** Would love to see at least a few more restaurants - a local coffee shop would be great! We would prefer to stay within Citrus Heights when possible.

** Small businesses or sit down restaurants would be great for the Sunrise market place. Thanks!

** Yes Stores/boutiques, Small medical offices, physical therapy, dental

** Restaurants with indoor and outdoor seating, parks with water fountains, an area for concerts,

** My vote is for entertainment venues

** No – pawn shops/ Check cashing, chain convenience stores.

** I don't want any more vape or smoke shops.

** Lodging - There are many events within the city for family gatherings, city events & business events where people travel from outside the city and yet there isn't any lodging within the city.

Thrust this is good information for you

Kathy

Kathy Morris

CHASEN - Area 7/8/9

P.O.Box 852, Citrus Heights, CA 95611

www.citrusheights.net/469/Areas-7-8-9---CHASEN

kathy@kathleenmorris.net

916.947.8461

I don't want any more vape or smoke shops.
We really don't want car washes/gas stations in the Sunrise Corridor in the Marketplace area. There are higher and better uses of that property as Sunrise Mall starts to redevelop.
I would like to see more sit down restaurants and a Chick-Fil-A.
<p>I don't think a few auto intensive businesses would be bad - we currently go to Brake Master. However, we generally go to this area for restaurants and goods so these types of businesses are preferred. Our favorite current businesses in the area are Lowe's, Target, Old Navy, Once Upon a Child, Sprouts, Dollar Tree, Panera, Red Robin, Panda Express. Would love to see at least a few more restaurants - Chick-fil-A, Jack's Urban Eats, Handles Ice Cream, Sacramento Pizza Co (or another build your own pizza place)! We also wouldn't be opposed to some small businesses - a local coffee shop would be great!</p> <p>Currently we go to Roseville for REI, Buy Buy Baby, furniture stores. We go to Fair Oaks for a soccer store and Pause Coffee. We would prefer to stay within Citrus Heights when possible.</p>
<p>Keep Macy's and JC Penney's! And bring in other high end retail stores. Don't want to have to go to Galleria or Arden Fair for shopping. Some fine dining — no more fast, Appleby's type food establishments or dollar stores. Class it up, Citrus Heights. This city is becoming the hood. Have lived here for 36 years and sick of the decline. Pave the neighborhood roads and fix the sidewalks. I could go on but I'll stop since I've gotten off the Sunrise Market input.</p>
<p>We would like to see more high-end restaurants in Citrus Heights. Currently, if you want to go out to a nice dinner, you have to go to Fair Oaks or Roseville. Everything and Citrus Heights is either fast food or middle of the road quality.</p> <p>Thanks for asking for our opinions!</p>
<p>My family and I don't want more gas stations and another carwash seems unnecessary. Small businesses or sit down restaurants would be great for the Sunrise market place. Thanks!</p>
<p>I'm so glad they are seeking our input!</p> <p>Here are our thoughts</p> <p>NO: Car washes or gas stations. We feel that there are enough of those that are easily accessible.</p> <p>YES: restaurants, juice bar (like Nekter), Entertainment (movie theaters, bowling alley, coffee/lounge etc). Things that make people want to spend time here...</p>
<p>I would like to see more fine dining, possibly a bakery as there's no where hardly to go for desserts. A Home Goods would be nice in our area. We need businesses that will draw shoppers to the Citrus Heights area. We don't need more car washes or gas stations.</p> <p>Also I was surprised to see Sears and the two adjacent buildings are for sale. I thought that area was part of the revitalization? The City has been talking and getting input for Sunrise Mall way before my husband passed away 14 years ago so it's been in discussion at least 18-20 years. All we're told is it takes time but how much more time is needed before they start. I'm becoming very discouraged at no progress. Please pass my comments on as I'm not the only one that feels this way.</p> <p>Thank you</p>

Business I do want:

- Gyms (outdoor and indoor)
- Restaurants
- Stores/boutiques
- Small business shops
- Pet hotels
- Outdoor
- Small medical offices - physical therapy, dental offices, etc.

Businesses I do not want:

- Auto intensive businesses
- pawn shops/ check in cash shops
- Chain convenience stores and liquor stores
- Banks

WANT:

- Variety of restaurants (Bakery)
- Entertainment venues (Ax throwing, arcade, Karaoke "bar")
- Beauty salon (hair, nails, skin care)

DO NOT WANT:

- Gas station
- Auto repair
- Auto supplies

Citrus Heights has enough car washes, gas stations, auto repair places, supply stores, mini marts and bland, corporate junk food emporiums. If the City wants to make the Market Place a go to destination along with transforming the moribund Sunrise Mall I would like to see some upscale restaurants like Fat's, Mikuni, Ruth's Chris, Morton's et al. We also need a good, well run venue for live music, and a performing arts theatre for both indoor and outdoor events. Transform Arcadia Drive by doing something about the long vacant and ugly building across the street from the huge new housing development, Mitchell Farms? Demolish it along with the now vacant Rite Aid and 'build back better'. Why not learn from what Folsom did with Sutter Street or what my former hometown, Livermore CA, did to transform its declining downtown district into a vibrant, exciting place to be. There is really not much to do here in Citrus Heights. I could go on and on.

Oh, while I am at it, what about fleshing out Stock Ranch, starting with maybe a Raley's which might do something about the dirt and weed patch that fronts the complex?

Just my 2 cents, FWIW.

I want no more gas stations or car washes. I like having Penneys there and other stores currently in the Sunrise Mall. I was sad to see Wards leave. A sit-down restaurant would be nice.

Hi! Thanks for asking for input.

There's nothing wrong with car washes and gas stations, but it seems we have enough already.

Some ideas-

A movie theater. Maybe even a small live theater.

How about some space for a trade school?

Mini-golf and/or batting cages,

Restaurants that are locally owned. (Not exclusively owned by Citrus Heights residents, but a Buckhorn over a Sizzler.)

A butcher shop.

A bread store.

A flower store.

Maybe something like the Crafter's Mall that used to be in the Trader Joe's center on Sunrise. I loved that place. Informal, but a little upscale, outdoor dining/drinks in a beautiful courtyard (yes, as I type it's 115 degrees, but not usually!)

If just more of the same franchises are put in, well, I can go to Roseville for that, and they will probably be bigger.

Give me local business I feel good about supporting and I'll spend my money here.

Gas stations and car washes are everywhere.

Covid really highlighted the fundamental human need for connection. I'd love to buy bread from the person who makes it!

I would like to see Restaurants with indoor and outdoor seating, parks with water fountains, an area for concerts, outdoor dancing, Par Course, Dog Walking, bicycling, picnicking, family fun, basketball court, tennis courts, swimming pool. Adequate Night lighting for safety. Let the Neighborhood, the Citizens of Citrus Heights, know they are valued, will increase property value, people will want to live here. Community Police presence. Safe fun area for families and singles. Perhaps also a movie theatre. Indoor climbing, indoor trampoline. Please feel free to call. Thank you for asking.

Long Time Resident

I would love there to be a central place that I can bring friends to or go out on a date night that stays open past 8pm. Currently, I go more often to Fair Oaks, Folsom or Roseville to shop or meet up with people at a non-Starbucks cafe, pub, or fancy restaurant, but I would prefer to spend my money to help my local community.

My vote is for entertainment venues (experiences, movies, etc), a mix of fine and casual dining, cafe (plus gelato!?), and fun places to buy unique gifts. It would also be great to have an open community space for a weekly farmer's market and summer concerts.

We have a community center which is probably the only facility in Citrus Heights that can hold major events such as business symposiums (think SACPAC that hosted over 700 attendees, SCORE & SBA, Homeland Security), medical seminars, training events, wedding receptions, anniversary celebrations, funeral receptions, banquets etc.

There are many events within the city whether family gatherings, city events & business events where people travel from outside the city and yet there isn't any lodging within the city. The closest lodging is Ranch Cordova and Roseville, granted not far however those that travel also purchase fuel, meals, shopping etc. that support local businesses, along with employment and taxes. Also as Sacramento has become unattractive for businesses and lodging alike, we could be another source of choice for those traveling to Reno/Tahoe.

Possible pieces of property on Sunrise (Marie Calendars & restaurant nextdoor) instead of a car wash & service station, Antelope west of 80 and the property on Stock Ranch come to mind for some kind of lodging. Any other 3+ acre property? 2 - 3 story? Underground parking? We need to start thinking outside the "box" to be more hospitable and bring in more upscale \$\$, I'm not talking Motel 6 here!

That's all I can think of at the moment.

Hello,

Thank you for sending this email and it is a great idea asking for input from the residents of this area. I am not totally against a car wash but the location to have it, I don't think it's the right place. As for another gas station, not in favor.

The type of business I want to see in the Sunrise Marketplace area listed below:

A restaurant that has soups and salads. I miss Fresh Choice and Sizzler. They had such a variety of choices.

1. **La Bou** – used to be in the Sunrise Mall. I was so excited to have this bakery/restaurant close by. I have to travel to Roseville (Douglas Blvd) for their Chinese chicken salad.
2. **Chick-fil-A** - they have such a variety of chicken with sandwiches and salads. I know we have two chicken places, Canes & Popeyes, but we do have two hamburger places across the street from each other on Sunrise Blvd. The old Marie Calendars restaurant location would be ideal and room for the long drive-thru lines at peak times.
3. **Long John Silvers** – besides Red Lobster (great place), I do not know any close places to get seafood and drive thru. Recently, found out the one place closed on Auburn Blvd & Madison Ave. Love their shrimp platters combo.
4. **Movie theatre** – used to be one in the Sunrise Mall. Reasonable prizes but getting very old and needed upgrades. We can use a place for entertainment.
5. **Office Dept** – even though we have Staples but I think we can always use another office supply store. Madison Ave store closed last year and it's a bit far to go Roseville location. The only other office supply store is crossing the river into Rancho Cordova.

I have been a long time resident of 30 years plus and seen some businesses come and go. Look forward to see other residents what they wish for in Sunrise Marketplace area.

Kind Regards,



August 17, 2022

Casey Kempenaar, MPA, AICP
Community Development Director

Dear Casey,

On behalf of Area 11 Neighborhood Association, we are opposed to the idea of another gas station/car wash coming to the Sunrise and Greenback corridor. There are already three gas stations and two car washes at the corner of Madison and Sunrise, as well another gas station and two car washes at the corner of Greenback Lane and Sunrise.

Additional car washes will provide further unnecessary competition to the existing car washes. Also another gas station will be unsightly, smelly, a hang out for the homeless and a potential source of groundwater contamination.

We feel consideration should be given to use this area to draw and keep residents in the Sunrise Market Place with a friendly and inviting manner.

Please consider this idea and/or recommendation for planning future projects. Thank you.

Yours truly,

A handwritten signature in blue ink, appearing to read "Jodi Ash", with a long horizontal flourish extending to the right.

Jodi Ash, President
Area 11 Neighborhood Association



**Sunrise Ranch Neighborhood Association
Area 6**

7806 Cottingham Court
Citrus Heights, CA 95610

September 21, 2022

Dear City Planners,

Area 6 residents and board of directors would like to voice their support of the Sunrise Market Place Overlay District. We believe it is important that our city continue the efforts to build a family friendly core market place that supports sit-down dining, entertainment, shopping and other non automotive related opportunities. The Overlay designated area is of vital importance to the economic growth of Citrus Heights, but it should not be driven by gas station, car wash, mini mart and drive through food establishments. We feel the city's residents have strongly voiced their approval of the initial Sunrise Tomorrow development concept that did not include an intensive automotive vision that would have a negative impact on our community. Prior Planning Commission commissioners have also expressed this view in their reviews of the Sunrise Tomorrow and the Mitchell Farms community development.

Please express our support to the Market Place Overlay District to the city council.

Sincerely

Ruth A. Fox, President, Area 6
Sunrise Ranch Neighborhood Association
916.798-0998
rafox1comcast.net



Sylvan Old Auburn Road Neighborhood Assn
 6929 Larkspur Avenue
 Citrus Heights, CA 95610
 (916) 599-3647
 e-mail: info@SOAR10.com.

September 21, 2022

TO: Planning Department
 Planning Commission
 City Council

RE:

On June 27, Casey Kempanauer presented the Sunrise Marketplace Overlay Zone proposal to the members of SOAR. About 17 members were present and we unanimously agreed to support the overlay.

Auto-oriented businesses are already located at the four corners of the Marketplace (or close to a corner) so there is little need for these businesses. And will there be a need for gas stations after gas-powered vehicles are banned in California? Electric-charging stations are more critically located near freeways so those won't be needed in the Marketplace. So we don't need these businesses in the Marketplace.

We support the vision of the Marketplace development, the Sunrise Tomorrow Specific Plan.. The Marketplace is best suited for shopping, dining and entertainment venues. These uses create a vibrant community consistent with the STSP. For years, residents have insisted we have more sit-down restaurants. We have had a few restaurants but mostly "drive through/fast food" options. Instead, we drive to Roseville or Folsom for a sit-down dining experience. We don't have enough restaurant options in our city and Sunrise Boulevard is a perfect site for more restaurants.

We urge you to adopt the Sunrise MarketPlace Overlay Zone.

Thank you.

Dr. Jayna Karpinski-Costa
 President, SOAR, Area 10

Bermudez, Alison

From: Glenda Anderson <>
Sent: Tuesday, September 20, 2022 3:09 PM
To: Planning
Subject: Sunrise-Marketplace overlay

I applaud any effort to make the area more like a neighborhood shopping and dining area. I hope it includes crosswalks and sidewalks where Farmgate crosses over to the Target parking area. Every time I try to walk there from my house, I feel like I'm risking my safety as there isn't even an obvious traffic lane and you can't get to the store without walking in the driveway.

Similarly, I'm hoping for speed berms on Merlindale someday. It's basically a speedway for hot rodders without mufflers.

Thanks again for trying to improve the quality of life for the neighborhood.

Sincerely,

Glenda Anderson
North Ridge Drive

Sent from [Mail](#) for Windows

Bermudez, Alison

From: Bermudez, Alison
Sent: Friday, September 23, 2022 8:02 AM
To: Bermudez, Alison
Subject: FW: Feedback Request

From: BP Restaurant <calrestaurants@gmail.com>
Sent: Thursday, September 22, 2022 8:04 PM
To: Bermudez, Alison <ABermudez@citrusheights.net>
Subject: Re: Feedback Request

Hi Alison,

We have the same view as the City itself. Bringing in auto uses adjacent to our business is going to be a detrimental factor for us and others as well. We definitely like to see some new eating places come up around us.

We heard See's Candy has plans to come in at the Patelco Location. We look forward to it and also the development of the plaza next door.

We have worked in different cities and counties around here, and have not found any other jurisdiction more supportive than the City of Citrus Heights for businesses be it planning, building, licenses etc.

Feel free to call me if you have any questions. Thank you again for your support of our restaurant.

If the City has any catering needs anytime let me know.

Thank you,
 Gurtej Gill

This message may contain confidential and/or privileged information. If you are not the addressee or authorized to receive this for the addressee, you must not use, copy, disclose, or take any action based on this message or any information herein. If you have received this message in error, please advise the sender immediately by reply e-mail and delete this message. Thank you for your cooperation.

Bermudez, Alison

From: douglent
Sent: Sunday, September 25, 2022 7:31 AM
To: Planning
Subject: Car wash, gas station

Please, please..... no car wash and/or gas station at the old China Buffet site on Sunrise Blvd. Geez.... there are already three gas stations on the corners of Madison and Sunrise; another one should be out of the question! And a car wash? Please, no!

Doug and Dixie Lent

We live a couple of blocks from the proposed location and have been here for 42 years.

Bermudez, Alison

From: Jenna <jenna.n.moser@gmail.com>
Sent: Friday, October 14, 2022 9:04 AM
To: Bermudez, Alison
Subject: Sunrise Marketplace Overlay Public Notice

Good morning Miss Bermudez - thanks for speaking with me on the phone earlier - as requested I have outlined just a couple of the issues we discussed on the phone for you to cover with your staff and electeds re the sunrise marketplace overlay zoning amendment.

I am writing in favor of the amendment and also suggesting that this opportunity be used as a jumping off point to further address parking lot connectivity, sidewalk connectivity and facade aesthetics in the overlay zone.

The city does not have concrete requirements to require new development to submit a parking lot connectivity plan. This plan would ensure traffic and pedestrian movement easily between adjacent properties involved in development, and that adjacent areas connections are considered as part of new development. I suggest that this plan be required in the overlay zone. A parking lot connectivity plan is a document that an engineering company can prepare as part of any plan submittal package.

I am also suggesting As a phase II or ongoing review of the overlay to investigate more stringent aesthetic & sign regulations for this overlay. This area is ripe for a form based or a more aesthetic focused code.

If you're interested in discussing this further my contact information is below thanks for speaking with me and I hope this email covers the high points that we spoke about.

Jenna Moser
916-547-4699

Sent from my iPhone



Law Office of John P. Jarrett, Esq.
101 Parkshore Dr., Suite 100
Folsom, CA 95630
916-765-5911

09/27/2022

City of Citrus Heights Community
Development Department Planning Division
6360 Fountain Square Dr.
Citrus Heights, CA 95621
ATTN: Casey Kempenaar

Re: Objection to proposed Sunrise Marketplace Overlay)

Dear Mr. Kempenaar,

I represent the property owners of the former China Buffet building located at 5623 Sunrise Blvd., Citrus Heights Ca 95610. A.P.N. 233 0680 013.

This letter is to inform you that we object to the proposed Sunrise Marketplace Overlay project and zoning district that is currently being recommended by the Planning Division to the City Counsel.

We object to the findings and conclusion reached by the Planning Division and believe that the proposed Sunrise Marketplace Overlay Project does not protect the business interest of the owners of the property.

A representative of the owners will be present at the Hearing on 09/28/2022, to discuss our objections.

Sincerely,

John P. Jarrett, Esq.
Attorney for Jarrett Fremont LLC



Re: Express Tunnel Carwash Facts for Planning and Zoning Departments

The purpose of this narrative is to address facts and common concerns expressed from P&Z Departments and local stakeholders related to express tunnel carwash developments.

Common Concerns:

- Sound Reduction
- Water Usage and Treatment
- New Retail Carwash Buildings and Designs
- Traffic – Peak Days/Hours
- Site Security

Our Best Bets:

- Water reclaim system saving 70% of the fresh water.
- We have Silencing systems installed on Blowers and Vacuums which are the loudest components.
- Our Reverse Osmosis recapture system helps us reuse wastewater
- We use smaller Gallons Per Minute nozzles which helps save water
- We use ecofriendly cleaning solution (soaps and waxes)
- We use VFDs technology on equipment to save on electricity
- Transducers on Vacs saving electricity

Sound Reduction:

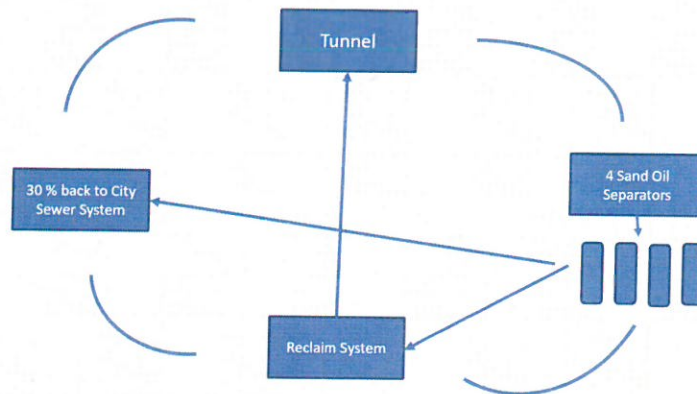
- Vacuums
 - Inclosing System in a building with a muffler – enclosed system forces the noise into the air
 - Using crevice tools vs duck foot – baffles the sound, similar to what happens when you put your hand over a vacuum opening
- Dryer Producers
 - Recessing dryers further in tunnel
 - Power locks – baffling system that goes on the producers, attached to the vacuums to make the air go out. It baffles the sound by 40 decibels, which is half.
 - Building dryers rooms – We don't do this, but could implement, if necessary
 - VFD,s technology – variable frequency drive motors (the noise ramps up slower, like Prius)
- Air Compressors
 - Keeping them enclosed in equipment room
 - Buying screw Compressors (have built in mufflers) – This cuts the typical noise from air compressor in half
- Using Electric Drive Motors – They're silent, versus hydraulic, which is older technology.
- Wall Extension to trap the sound inside the tunnel
- The construction of the bay is designed to stop sound from escaping. We use power locks, silencers on vacs, holsters and vac claws to help reduce the sound of vacuum noise. We place the equipment inside the bay to help reduce the noise.
- *** See attached sound study and visuals for more information. ***

Waterfly CarWash

Water Usage and Treatment

- Professional carwash vs home washers – average car wash uses 30-40 gallons of water versus average car washed at home uses 150 gallons of water
- Reclaim systems – We can reclaim 70% of fresh water usage
- RO Recapture System – Takes the solids out of the water to avoid spots, for every 2 gallons of fresh water to make 1 gallon of RO. (reverse osmosis). This is another area where we recapture/reuse water.
- Sand Oil Separator – This is what makes us green... 4 tanks in the ground to filter the solids out. National Requirement
- Capturing Rain Water – We design our tunnels to NOT capture rain water, it avoids having additional water go through the sewer system.

Water Usage Process



New Retail Carwash Buildings and Designs

The modern carwashes are now extremely attractive buildings with great curb appeal. The newer build are a great addition to neighborhood developments.

Traffic – Peak Days/Hours

- 155-160 /hour – conveyor speed, which can push through 120 cars /hour for 150' tunnel
- Team Note: 3-5 minutes to get through the tunnel from the pay station.
- Peak Days: Thursday – Sunday
- Peak Hours: 11am – 5pm

Site Security

- 3-5 team members on site
- No cash on site
- Site stays lit
- Use visible cameras as a deterrent (avg #___/site) – Count while on site & ask Hilary if we have a diagram of the locations
- Training provided to team members on how to handle vagrancy and other threats



The Opportunity

INTRODUCTION – EXPRESS EXTERIOR CAR WASH

The Car Wash industry across North America is experiencing disruptive technology innovation through the refinement of the *Express Exterior* ("Express Exterior") car wash technology. The Express Exterior washes cars in 3½ minutes, with 7 cars sequentially flowing through a 130-foot tunnel at various stages of the wash. Focus is on customer convenience, consistent high-quality wash (clean, shiny, dry) and a pleasant experience.

In short, the **new** car wash Express Exterior retail business is quickly gaining name recognition. It is poised for the industry transformations similar to: Zellers vs Walmart, Donut Stores vs Dunkin Donuts and Coffee shops vs Starbucks.

ADVANTAGES TO SUPERCENTERS

Shopper behavior has changed dramatically. That means if you operate retail properties, such as power or neighborhood centers, you have a tough job on your hands finding the right mix of tenants to attract consumers. One type of tenant you may not have considered is an exterior express car wash. These car washes are nothing like the car washes of the past. As a landlord of an express car wash you get a tenant with a beautiful building that is designed to be environmentally friendly and popular with consumers. An express car wash services between 15,000 and 30,000 cars per month. That's because consumers like the speed, cost effectiveness, convenience and consistency these facilities deliver. These consumers tend to come back week after week and month after month. Modern high-tech car washes are designed to provide a superior customer experience with low wait times. This retail niche has grown to over \$24 billion in revenue and is growing at the rate of 4% per year. Sixty-nine% of consumers outsource their car washing and prefer the convenience of an express car wash. A tenant like ourselves will drive traffic to your retail tenants. This adds value to your properties by attracting thousands of additional consumers to your property,

1. Attracts consumers your properties (150-200 Cars per hour is typical volume of a car wash)
2. Consumers using the car wash often simply park and walk into the retail properties of the supercenter.
3. No risk of contamination (such as fuel centers); ecofriendly as all water is recycled.

ADVANTAGES TO CITIES

A car washed at home in the driveway typically consumes 100-120 gallons of fresh water. An Express Exterior car wash uses a mere 45 gallons of water. Through the implementation of **recycling equipment** and computer controls, the modern car wash operator can **reduce fresh water** requirements to 10 gallons per car. With the remaining 35 gallons coming from recycled

Waterfly CarWash

water (~75% reduction in fresh water). In contrast, a typical 8-minute morning shower with a low flow shower head consumes 20 gallons of fresh water.

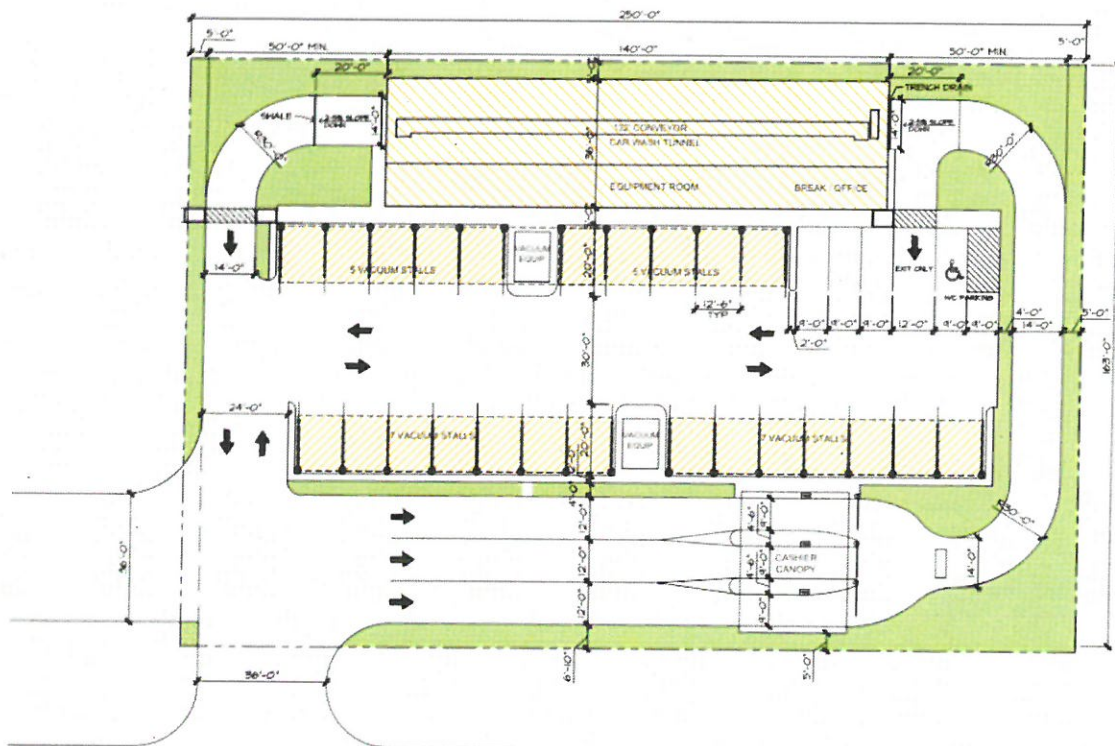
WHY WATERFLY?

1. We are a family business looking to build lasting relationships
2. Have successfully entitled and built two express exterior washes in Sacramento.
3. Have a strong relationship with NCS (world's largest car wash equipment manufacturer). They provide us with a network allowing up to maintain relationships with the most cutting-edge technology in the industry.
4. Marketing – implement state of the art marketing strategies such as:
 - a. Geo fencing
 - b. Social media
 - c. RFID for monthly club members
 - d. Snap Chat, Instagram
5. Have one of the best car wash experiences on the market
 - a. Clean site
 - b. Motivated employees (Motivosity)
6. ASFD technology to expedite traffic

018.12.26v12

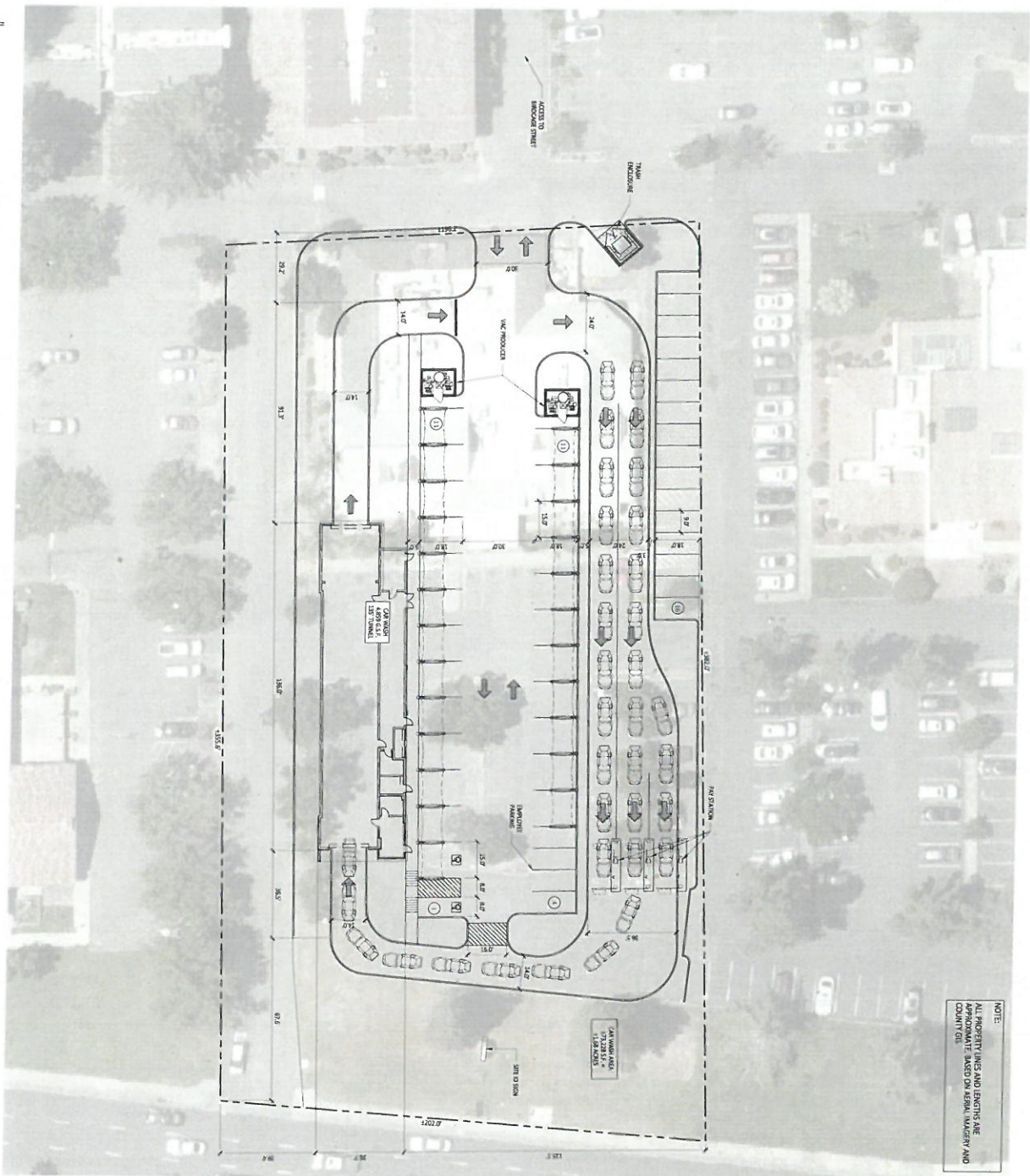
PROPOSED SITE LAYOUT

Site plan shown take approximately 40,000 sqft. However, removal of the outside queuing lane would bring the site plan to approximately 37,000 sq.ft.





CONCEPT SITE PLAN - OPTION 1



NOTE:
ALL PROPERTY LINES AND LENGTHS ARE
APPROXIMATE, BASED ON AERIAL IMAGERY AND
COUNTY GIS



LOCATION MAP

SCALE MTS

[illegible][illegible]



think **BLUE**
SAN DIEGO

Storm Water Pollution Prevention Requirement Sheet: Residential Car Washing

Many people think that when water flows into a storm drain it is treated, but the storm drain system and sewer system are not connected. Everything that enters storm drains flows *untreated* directly into our creeks, rivers, bays, beaches and ultimately the ocean. Storm water can contain pollutants which contaminate our beaches and harm fish and wildlife. You can help reduce pollution and improve water quality by using the following Best Management Practices (BMP's).

Most of us don't think of our car as a source of beach pollution-- but it is. Car washing is a pollution problem because metals and automotive fluids that are washed off with soapy water travel down the gutter, collecting more pollutants, then enter our storm water conveyance system and finally spill into our waterways and bays.

Washing of any vehicle (residential or commercial) that creates water that carries pollutants such as paint, oils, sediment, yard waste, construction debris, chemicals, hazardous wastes and other pollutants into the storm drain system is illegal.

Allowing pollutants to enter the storm water conveyance system is a violation of San Diego Municipal code §43.0304 and can incur fines up to \$1,000 per incident.

Residential/Non-Commercial Vehicles: The Municipal Code allows washing of residential vehicles at a place of residence for non-commercial purposes only. While washing your vehicle is allowed, washing-off pollutants from your vehicle such as paint, oils, sediment, and debris is illegal, so you must wash your personal vehicle without creating runoff. When washing at home, pollution can be minimized by washing the vehicle on the lawn or over a landscaped area to absorb the liquid and limit runoff from your property. If you cannot wash on a landscaped area, divert the water to a landscaped area to keep it from entering the gutter. Also limit runoff by using a bucket and rag to wash your car, and put a control nozzle on your hose.

Charity Washes: Charity Washes may be conducted as long as they are staged in a manner which avoids or minimizes the discharge of water and pollutants such as soap, fluids and sediment. Start by locating all storm drain inlets on, near or downstream of the wash site and sweeping up all sediment and debris in the area prior to washing the vehicles. On the day of the event, place sandbags or other blocking devices in front of the inlets to prevent wash water from entering the storm drain conveyance system. Any remaining standing wash water must be swept or wet-vacuumed and drained into a landscaped area or into the sanitary sewer system.

Illegal Washing Activities: Car dealerships, auto detailers, rental agencies and other automotive related businesses that wash vehicles for commercial purposes must prevent the dirty water from entering the storm water conveyance system. All washing activities for commercial purposes must be controlled, contained and captured. Failure to do so is illegal.

Things You Can Do To Help:

If you see an illegal discharge into the storm water conveyance system call the **Storm Water Hotline at (619) 235-1000**. You can also visit our website at www.thinkblue.org

**Adopt these behaviors and help clean up our beaches and bays.
Think Blue, San Diego.**

Outdoor Water Conservation

Using water outdoors is always challenging. Ensuring that your landscape is healthy and vibrant can be tricky while trying to use water as efficiently as possible. Please review the information below to learn new ideas about saving water outdoors.

[Click here for the current watering schedule.](#)



Water Efficient Car Washing Practices

1. Washing your car at home can use a significant amount of water. Without a hose nozzle, a running garden hose can waste up to 9 gallons of water per minute!
2. Under SSWD's [Current Water Use Restrictions](#), "Car washing is only permitted using a hose with an automatic shut-off nozzle and a bucket.
3. Consider taking your car to a commercial car wash that utilizes the latest technology to recycle water onsite, and use very little new water to wash cars.

Water Efficient Landscape Practices

1. Water landscaping and plants only when necessary. Do not over-water.
2. During rainy weather, turn off your sprinkler timer. Adjust your sprinkler timers seasonally to water with the weather.
3. Install rain shut off devices to prevent watering when it rains. Rebates are available on our [Water Conservation Rebates](#) page.
4. Different soils absorb and hold water at different rates. Learn your landscapes soil type and avoid runoff and over watering by setting automatic sprinklers shut off once the soil is saturated. If your lawn requires more water, set your timer to run more often with shorter run times. This type of cycle-and-soak method of watering will help avoid water waste like gutter flooding. With manual sprinklers, set a timer to help you remember when to turn off the water.
5. If your landscape has a large slope, consider the cycle-and-soak method of watering.
6. Dethatch and/or aerate compacted soils in your lawn so that applied water penetrates deep into the root zone. After aerating, remember to apply a thin layer of compost to fill in the holes. Compost will add nutrients to your soil that will make your landscape plants more healthy.

Global Car Wash Services Market Report 2021: On-demand Car Wash Trend Continues as Consumer Preference for Professional Vehicle Wash Services Grows - ResearchAndMarkets.com

December 02, 2021 07:13 AM Eastern Standard Time

DUBLIN--(BUSINESS WIRE)--The "Global Car Wash Services Market Size, Share & Trends Analysis Report by Type (Tunnels, Roll-over/In-bay, Self-service), by Mode of Payment, by Region (North America, APAC, Europe, CSA, MEA), and Segment Forecasts, 2021-2028" report has been added to **ResearchAndMarkets.com's** offering.

The global car wash services market size is anticipated to reach USD 37.6 billion by 2028 and is expected to expand at a CAGR of 3.8% from 2021 to 2028

Consumer preference for professional vehicle wash services over home washing is growing as the on-demand car wash trend continues. A key trend among customers with hectic lifestyles and busy schedules is the shift from 'do-it-yourself' to 'do-it-for-me.'

According to the International Carwash Association, the number of drivers who wash their cars at professional service centers on a regular basis has climbed from around 48.0% in 1994 to over 77 percent in 2019. Furthermore, around 66 percent of Americans wash their automobiles between 1-2 times each month, resulting in an average of 13 washes per year.

The concept of "all-new, all the time" appears to have driven the wash center's popularity as automated car washing has become the norm for vehicle owners during the last few decades. In the automobile care industry, new technologies and equipment improved the process, gained market share, and raised client expectations.

The emergence of COVID-19 had a huge impact on the industry. During the peak of the pandemic, most businesses were closed. New York State authorized car washes to resume in late April, but only under severe conditions that limited the number of personnel allowed on site and prohibited in-person payment. Furthermore, the pandemic ushered in several significant improvements in the industry.

To make it easier for tech-savvy consumers, car washes have begun to use smartphone apps and online booking systems. Customers who schedule services online can avoid the line and go straight to the wash when they arrive.

For some clients, not processing virtual wallet payments can be a deal-breaker in an increasingly cashless environment.

Car washes that accept more payment methods than a credit card reader attract more clients and grow more quickly.

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Car Wash Services Market Report Highlights
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- The roll-over/in-bay segment accounted for the largest revenue share of 50.3% in 2020 and is expected to expand at a CAGR of 4.2% over the forecast period.
- The cashless segment accounted for the largest revenue share of 69.8% in 2020 and is estimated to ascend with a CAGR of 4.6% over the forecast period.
- North America accounted for the largest revenue share of 50.3% in 2020

Key Topics Covered:

Chapter 1. Methodology and Scope

Chapter 2. Executive Summary

Chapter 3. Car Wash Service Market Variables, Trends & Scope

Chapter 4. Consumer Behavior Analysis

Chapter 5. Car Wash Service Market: Type Estimates & Trend Analysis

Chapter 6. Car Wash Service Market: Mode of Payment Estimates & Trend Analysis

Chapter 7. Car Wash Service Market: Region Estimates & Trend Analysis

Chapter 8. Competitive Analysis

Chapter 9. Company Profiles

- Splash Car Wash
- Zips Car Wash
- International Car Wash Group (ICWG)
- Autobell Car Wash
- Quick Quack Car Wash
- Super Star Car Wash
- True Blue Car Wash, LLC
- Magic Hands Car Wash
- Hoffman Car Wash
- Wash Depot Holdings Inc

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October 17, 2022

RE: Sunrise Marketplace Overlay Ban

Dear Mayor Middleton, Vice Mayor Schaefer, Councilmembers and City Manager Feeney,

As you may be aware, the Board was unable to come to a consensus regarding the Overlay Ban which Staff presented at our September 8 board meeting. The Board was unanimous in its opposition to a gas station at the former Marie Callender's site. Some members were supportive of the car wash as it is membership based and relies on a 2 to 3-mile trade zone (verified by our geo-based software).

With no consensus, I cannot advocate one way or the other for the ban. However, the board brought up many points that are germane to the issue.

- The City should be more proactive in zoning changes and consider conditional use permits (CUP's) on a case-by-case basis. In this instance, it wasn't until the property owner had acquired a use for the long dormant site that the Overlay was proposed. It takes many months of lease negotiation and attorney fees to complete this process.
- If the City prefers certain uses over others, it is incumbent on staff to assist the owner in finding the desired use, especially if that use is not easily acquired (sit-down restaurant, entertainment). This assistance should include financial incentives.
- We appreciate the communities desire for a high-end restaurant, entertainment, and other uses. We would like that too, unfortunately, sit-down restaurants and entertainment uses will take some time to come back. The owners of Marie Callender's and China Buffet have tried for several years to attract a restaurant. Merlone Geier, a well-connected, experienced developer, was unable to secure a restaurant for the former Fuddruckers building. The building will now likely house an upscale spa.
- These buildings will need to be razed and the cost will be substantial. As the City waits for the desired uses, the buildings will continue to deteriorate. These buildings are currently high targets for vandalism, abandoned cars, people living in their cars, illegal dumping, and homeless camps. The owners spend considerable sums keeping on top of these activities. SMP's maintenance porter and our security spend a significant amount of time there. This is not equitable for all the participants of the PBID.
- The City and SMP should be prepared for these buildings to be empty for some time. There are no options to arrest these transients as the County jail will not take arrests for trespassing, vandalism, etc. We no longer transport to the jail for these crimes, as it is waste of time and takes Officer Schouten off his beat for long periods.

- Property owners should have some rights, and the proposed ban, along with the Specific Plan at Sunrise Mall, represent a slippery slope. We understand and appreciate the reasoning for the Specific Plan and are not opposed to it. It does however, present some issues as the mall continues to decline. This one-hundred-acre site is the heart and the previous economic engine of the District. The board is understandably concerned about the future of the site and the length of time forecasted for the redevelopment.
- Sunrise MarketPlace currently spends approximately \$300,000 annually on security and public area maintenance. Vacant buildings make our job that much more difficult.
- Finally, staff did not mention mini storage at the board meeting. Therefore, I am unable to address that use on their behalf. However, Andy Gianulias has been planning to develop storage at his parcel behind Econo Lube, adjacent to Mitchell Village. He understands he must secure a zoning change but has requested his parcel be carved out of the Overlay. This is not the most desirable use, however, with the housing so close, the options are limited. Already residents back up to Greenback Square and Citrus Town Center and contend with noise and smells from the back alleyways. Homes in Mitchell Village and Marquee at Fair Oaks have limited driveways and strict HOA rules about garage use and cars on the street. It could be a needed amenity for residents.

We appreciate your consideration of these points and stand ready to work with the City whatever decisions are made. Again, we do not take a stand, this letter reflects discussion at the meeting and part of the reason the board was unable to take a position.

Warmest Regards

A handwritten signature in dark ink that reads "Kathilynn Carpenter". The script is cursive and fluid, with the first name and last name clearly legible.

Kathilynn Carpenter
Executive Director- Sunrise MarketPlace PBID



CITY OF CITRUS HEIGHTS

CITY COUNCIL STAFF REPORT MEMORANDUM

DATE: October 27, 2022

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

FROM: Casey Kempenaar, Community Development Director
Greg Anderson, Chief Building Official

SUBJECT: **Second Reading – Ordinance Amending Various Sections of Chapter 18 of the Citrus Heights Municipal Code relating to Buildings and Building Regulations**

Summary and Recommendation

On October 13, 2022, the City Council introduced, read by title only and waived the first full reading of an ordinance amending various sections of Chapter 18 of the Citrus Heights Municipal Code relating to Buildings and Building Regulations. The City Council did not make any amendments to the proposed ordinance at the first reading.

The California Code of Regulations, Title 24 is published every three years. Adopting the Codes by reference allows local amendments to the State Codes as necessary to reflect local conditions. The attached Ordinance amends the Citrus Heights Code, Chapter 18, Buildings and Building Regulations. Background materials associated with this item, including the staff report for the October 13th meeting are located [here](#).

Staff recommends that the Council approve Ordinance No. 2022-010 an Ordinance amending Chapter 18 of the Citrus Heights Municipal Code relating to buildings and building regulations and adopting by reference the 2022: California Administrative Code, California Building Code, California Residential Code, California Electrical Code, California Mechanical Code, California Plumbing Code, California Green Building Standards Code, California Energy Code and California Existing Building Code.

Fiscal Impact

There is no fiscal impact.

Attachments

1. Ordinance No. 2022- 010; An Ordinance of the City of Citrus Heights amending Chapter 18 of the Citrus Heights Municipal Code relating to buildings and building regulations and adopting by reference the 2022: California Administrative Code, California Building Code, California Residential Code, California Electrical Code, California Mechanical Code, California Plumbing Code, California Green Building Standards Code, California Energy Code and California Existing Building Code.

ORDINANCE NO. 2022-010

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CITRUS HEIGHTS AMENDING CHAPTER 18 OF THE CITRUS HEIGHTS MUNICIPAL CODE RELATING TO BUILDINGS AND BUILDING REGULATIONS AND ADOPTING BY REFERENCE THE 2022 CALIFORNIA ADMINISTRATIVE CODE; CALIFORNIA BUILDING CODE; CALIFORNIA RESIDENTIAL CODE; CALIFORNIA ELECTRICAL CODE; CALIFORNIA MECHANICAL CODE; CALIFORNIA PLUMBING CODE; CALIFORNIA ENERGY CODE; CALIFORNIA GREEN BUILDING STANDARDS CODE; AND CALIFORNIA EXISTING BUILDING CODE

**THE CITY COUNCIL OF THE CITY OF CITRUS HEIGHTS HEREBY DOES ORDAIN
AS FOLLOWS:**

Section 1: Purpose and Authority

The purpose of this Ordinance is to adopt by reference the 2022 edition of the California Code of Regulations, Title 24 – Part 1; Part 2, Volume I & II; Part 2.5; Part 3; Part 4; Part 5; Part 6; Part 11 and Parts 8, 10 and 12 subject to the definitions, clarifications, and the amendments set forth in this Ordinance. The Purpose of this Ordinance is also to provide minimum requirements and standards for the protection of public safety, health, property and welfare of the City of Citrus Heights. This Ordinance is adopted under the authority of Government Code subsection 50022.2 and Health and Safety Code Section 18941.5.

Section 2: Administrative Code

Citrus Heights Municipal Code Article II, Section 18-27 is hereby amended to read as follows:

Sec. 18-27. Adoption by reference

Subject to additions, amendments, or deletions set forth in section 18-28 of this chapter, the California Administrative Code, 2022 edition, published by the International Code Council, is adopted and made part of this title as though fully set forth herein to provide the procedures for administration and enforcement of the provisions of the Citrus Heights building codes. One copy of the California Administrative Code shall be kept on file in the Community Development Department and shall be available for use and examination by the public.

Section 3: Building Code

Citrus Heights Municipal Code Article IV, Sections 18-88 and 18-89 are hereby amended to read as follows:

Sec. 18-88. Adoption by reference.

The California Building Code 2022 edition, volumes 1 and 2, including Chapter 1, Division II, and Appendix I, except as otherwise amended in section 18-89, is hereby adopted by reference as the Building Code of the City of Citrus Heights. One copy of the California Building Code shall be kept on file in the office of the Community Development Department for use and examination by the public.

Sec. 18-89. Amendments to Building Code

A. Chapter 1, Division II, Section 105.5 "Expiration," shall be amended to read as follows:

Every building, plumbing, mechanical, and electrical permit issued by the Building Official under this Code shall expire two (2) years after the date of issuance, or if the building or work authorized by such permit is not commenced within one year from the date the permit is issued, or if the building or work authorized by such permit is suspended or abandoned for a period of one year any time after the work is commenced. Once the permit is expired, no work can be performed until a new permit is obtained.

If the original permit expired due to a failure to commence the work within one year or because the work was suspended or abandoned for a period of one year, and if a new permit is sought within two years after the issuance of the original permit, the replacement permit fee shall be one half of the amount required for a new permit.

Any applicant holding an unexpired permit may apply for an extension of the time within which he or she may continue and complete the work under that permit. Upon a showing to the Building Official that the applicant was unable to commence, continue or complete the work within the time required for good and satisfactory reasons, the Building Official may extend the permit for a period of up to one year. All requests for extensions must be in writing and must be received by the Building Official prior to the expiration of the permit. All requests must demonstrate that circumstances beyond the control of the applicant have prevented the timely completion of the work. No permit shall be extended more than once.

B. California Building Code Chapter 31, Section 3109.2, "115921(c)" is amended to read as follows:

115921. (c) "Enclosure" means a permanent fence wall, or other barrier that isolates a swimming pool from access to the home or neighboring properties. The term "permanent" shall mean not being able to be removed, lifted, or relocated without the use of a tool.

C. California Building Code Chapter 31, Section 3109.2, "115922" is amended to read as follows:

115922. (a) Except as provided in Section 115925, when a building permit is issued for the construction of a new swimming pool or spa or the remodeling of an existing swimming pool or spa at a private single-family home, the respective swimming pool or spa shall be isolated from access from other properties by an enclosure that meets the requirements of Section 115923, and shall also be equipped with at least two of the following seven drowning prevention safety features:

- (1) An enclosure that meets the requirements of Section 115923 and isolates the swimming pool or spa from the private single-family home.

(2) Removable mesh fencing that meets American Society for Testing and Materials (ASTM) Specifications F2286 standards in conjunction with a gate that is self-closing and self-latching and can accommodate a key lockable device.

(3) An approved safety pool cover, as defined in subdivision (d) of Section 115921.

(4) Exit alarms on the private single-family home's doors that provide direct access to the swimming pool or spa. The exit alarm may cause either an alarm noise or a verbal warning, such as a repeating notification that "the door to the pool is open."

(5) A self-closing, self-latching device with a release mechanism placed no lower than 54 inches above the floor on the private single-family home's doors providing direct access to the swimming pool or spa.

(6) An alarm that, when placed in a swimming pool or spa, will sound upon detection of accidental or unauthorized entrance into the water. The alarm shall meet and be independently certified to the ASTM Standard F2208 "Standard Safety Specification for Residential Pool Alarms," which includes surface motion, pressure, sonar, laser, and infrared type alarms. A swimming protection alarm feature designed for individual use, including an alarm attached to a child that sounds when the child exceeds a certain distance or becomes submerged in water, is not a qualifying drowning prevention safety feature.

(7) Other means of protection, if the degree of protection afforded is equal to or greater than that afforded by any of the features set forth above and has been independently verified by an approved testing laboratory as meeting standards for those features established by the ASTM or the American Society of Mechanical Engineers (ASME).

Section 4: Electrical Code

Citrus Heights Municipal Code Article V, Section 18-117 is hereby amended to read as follows:

Sec. 18-117. Adoption by reference.

The California Electrical Code 2022 Edition, is hereby adopted by reference as the Electrical Code for the City of Citrus Heights. One copy of the California Electrical Code shall be kept on file in the office of the Community Development Department for use and examination by the public.

Section 5: Mechanical Code

Citrus Heights Municipal Code Article VII, Sections 18-178 and 18-179 are hereby amended to read as follows:

Sec. 18-178. Adoption by reference.

The California Mechanical Code 2022 Edition, including Chapter 1 Division II "Administration", except as otherwise amended in Section 18-179, is hereby adopted by

reference as the Mechanical Code of the City of Citrus Heights. One copy of the California Mechanical Code shall be kept on file in the office of the Community Development Department for use and examination by the public.

Sec. 18-179. Amendments to mechanical code.

Chapter 1, Division II, Section 104.4.3 "Expiration," shall be amended to read as follows:

Every building, plumbing, mechanical, and electrical permit issued by the Building Official under this Code shall expire two years after the date of issuance, or if the building or work authorized by such permit is not commenced within one year from the date the permit is issued, or if the building or work authorized by such permit is suspended or abandoned for a period of one year any time after the work is commenced. Once the permit is expired, no work can be performed until a new permit is obtained.

If the original permit expired due to a failure to commence the work within one year or because the work was suspended or abandoned for a period of one year, and if a new permit is sought within two years after the issuance of the original permit, the replacement permit fee shall be one half of the amount required for a new permit.

Any applicant holding an unexpired permit may apply for an extension of the time within which he or she may continue and complete the work under that permit. Upon a showing to the Building Official that the applicant was unable to commence, continue or complete the work within the time required for good and satisfactory reasons, the Building Official may extend the permit for a period of up to one year. All requests for extensions must be in writing and must be received by the Building Official prior to the expiration of the permit. All requests must demonstrate that circumstances beyond the control of the applicant have prevented the timely completion of the work. No permit shall be extended more than once.

Section 6: Plumbing Code

Citrus Heights Municipal Code Article VIII, Sections 18-208 and 18-209 is hereby amended to read as follows:

Sec. 18-208. Adoption by reference.

The California Plumbing Code 2022 Edition, including Chapter 1 Division II "Administration", except as otherwise amended in section 18-209, is hereby adopted by reference as the Plumbing Code for the City of Citrus Heights. One copy of the California Plumbing Code shall be kept on file in the office of the Community Development Department for use and examination by the public.

Sec. 18-209. Amendments to plumbing code.

Chapter 1, Division II, Section 104.4.3 "Expiration," of the Plumbing Code shall be amended to read as follows:

Every building, plumbing, mechanical, and electrical permit issued by the Building Official under this Code shall expire two years after the date of issuance, or if the building or work authorized by such permit is not commenced within one year from the date the permit is issued,

or if the building or work authorized by such permit is suspended or abandoned for a period of one year any time after the work is commenced. Once the permit is expired, no work can be performed until a new permit is obtained.

If the original permit expired due to a failure to commence the work within one year or because the work was suspended or abandoned for a period of one year, and if a new permit is sought within two years after the issuance of the original permit, the replacement permit fee shall be one half of the amount required for a new permit.

Any applicant holding an unexpired permit may apply for an extension of the time within which he or she may continue and complete the work under that permit. Upon a showing to the Building Official that the applicant was unable to commence, continue or complete the work within the time required for good and satisfactory reasons, the Building Official may extend the permit for a period of up to one year. All requests for extensions must be in writing and must be received by the Building Official prior to the expiration of the permit. All requests must demonstrate that circumstances beyond the control of the applicant have prevented the timely completion of the work. No permit shall be extended more than once.

Section 7: Energy Code

Citrus Heights Municipal Code Article XIV, Section 18-562 is hereby amended to read as follows:

Sec. 18-562. Adoption by reference.

The California Energy Code 2022 Edition, of the Residential and Non-Residential Regulations is hereby adopted by reference as the Energy Code for the City of Citrus Heights. One copy of the California Energy Code shall be kept on file in the office of the Community Development Department for use and examination by the public.

Section 8: Green Building Standards

Citrus Heights Municipal Code Article XV, Section 18-572 is hereby amended to read as follows:

Sec. 18-572. Adoption of the California Green Building Standards Code.

The 2022 California Green Building Standards Code, Title 24, Part 11 of the California Code of Regulations, a portion of the California Building Standards Code as defined in the California State Health and Safety Code Section 18930.5, 18934.5 and 18938(b) (hereinafter referred to as the California Green Building Standards Code or CALGreen Code) and any rules and regulations promulgated pursuant thereto are hereby adopted and incorporated by reference herein. One copy of the California Green Building Standards Code shall be kept on file in the Community Development Department and shall be available for use and examination by the public.

Section 9: Residential Code

Citrus Heights Municipal Code Article XVI, Sections 18-582 and 18-583 is hereby amended to read as follows:

Sec. 18-582 Adoption of the California Residential Code

The California Residential Code 2022 Edition, including Chapter 1, Division II, Appendix H, Sections AH101 through AH105.2 and Appendix AQ, accept as otherwise amended in Section 18-583, is hereby adopted by reference as the Residential Code for the City of Citrus Heights. One copy of the California Residential Code will be kept on file in the office of the Community Development Department for use and examination by the public.

SEC. 18-583. Amendments to the residential code.

Chapter 1, Division II, Section 105.5 "Expiration," shall be amended to read as follows:

Every building, plumbing, mechanical, and electrical permit issued by the Building Official under this Code shall expire two years after the date of issuance, or if the building or work authorized by such permit is not commenced within one year from the date the permit is issued, or if the building or work authorized by such permit is suspended or abandoned for a period of one year any time after the work is commenced. Once the permit is expired, no work can be performed until a new permit is obtained.

If the original permit expired due to a failure to commence the work within one year or because the work was suspended or abandoned for a period of one year and if a new permit is sought within two years after the issuance of the original permit, the replacement permit fee shall be one-half of the amount required for a new permit.

Any applicant holding an unexpired permit may apply for an extension of the time within which he or she may continue and complete the work under that permit. Upon a showing to the Building Official that the applicant was unable to commence, continue or complete the work within the time required for good and satisfactory reasons, the Building Official may extend the permit for a period of up to one year. All requests for extensions must be in writing and must be received by the Building Official prior to the expiration of the permit. All requests must demonstrate that circumstances beyond the control of the applicant have prevented the timely completion of the work. No permit shall be extended more than once

Section 10: Severability

If any section, subdivision, sentence, clause, phrase or portion of this Ordinance is for any reason held invalid or unconstitutional by any court of competent jurisdiction, such portion shall be deemed a separate, distinct and independent provision, and such holding shall not affect the validity of the remaining portions thereof.

Section 11: Effective Date and Notice

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

PASSED AND ADOPTED by the City Council of the City of Citrus Heights this 27th day of October, 2022 by the following vote:

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

Porsche Middleton, Mayor

Amy Van, City Clerk



CITY OF CITRUS HEIGHTS

CITY COUNCIL STAFF REPORT

MEMORANDUM

DATE: October 27, 2022

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

FROM: Casey Kempenaar, Community Development Director
Nicole Piva, Housing & Human Services Program Coordinator

SUBJECT: **Review Final 2023 Action Plan and Funding Recommendations for the Community Development Block Grant Program**

Summary and Recommendation

The City of Citrus Heights is an “entitlement jurisdiction” under the federal Community Development Block Grant (CDBG) program. The City receives an annual award of CDBG funds from the U.S. Department of Housing and Urban Development (HUD). Although the City will not receive its actual grant amount until mid-2023, staff estimates the City will receive a total \$600,000 in 2023 entitlement funds.

The 2023 Action Plan allocates the City’s estimated 2023 CDBG funds to activities that will be accomplished during the 2023 calendar year, including public service activities, public infrastructure improvements, as well as planning and administration. The City’s 2023 Action Plan aligns with the goals and priorities outlined in the 2020-2024 Consolidated Plan.

On September 19, 2022 staff met with the Quality of Life committee comprised of Mayor Middleton and Councilmember Bruins and developed recommendations to allocate the City’s 2023 CDBG funding. Staff prepared the 2023 Action Plan to reflect the committee’s recommendations. However, changes can be made to reflect the Council’s majority decision. The City Council held a public hearing on October 13, 2022, to review the draft allocations and receive public feedback.

Staff Recommends the City Council

1. Hear public testimony on the draft 2023 Action Plan and Funding Recommendations for the Community Development Block Grant Program; and

2. Adopt a resolution approving the Community Development Block Grant 2023 Action Plan and authorizing the City Manager or designee to execute and file all documents required to receive U.S. Department of Housing and Urban Development Community Development Block Grant funding.

Fiscal Impact

CDBG funds are federal funds from the U.S. Department of Housing and Urban Development (HUD). The CDBG program allows the City to be reimbursed for costs associated with administering the grant. There is no anticipated impact on the City's General Fund associated with this action.

Background and Analysis

In January 2000, the City of Citrus Heights became an entitlement community under the federal CDBG program. As an entitlement community, the City receives federal CDBG funds directly from HUD according to a fixed formula. In 2022, Citrus Heights was awarded \$624,851 in CDBG entitlement funds. The federal allocation for 2023 funds has yet to be determined by the U.S. Congress at the time of this report. In 2023, the City anticipates receiving \$600,000 in CDBG entitlement funds.

Estimated Available 2023 CDBG Funds

Based on the estimated 2023 CDBG award of \$600,000, the City will distribute available funding as follows:

Estimated 2023 CDBG Entitlement Award	\$600,000
Available for public services (15%)	90,000
Available for administration (20%)	120,000
Available for capital projects	390,000

Public Service Proposals

In response to a Notice of Funding Opportunity, the City received five applications for public service projects using 2023 CDBG funds. The total 2023 CDBG request equals \$112,209; the total estimated amount available is \$90,000. The public service project applications are on file and staff can provide copies upon request. The City did not receive new funding requests this year.

Summary of 2023 CDBG Public Service Applications

Public Service Agency	Proposed Activity	Amount Requested (2023 CDBG)	2022 CDBG Award
Campus Life Connection	Sayonara After-School Program	15,000	17,343
Meals on Wheels	Senior Meals Program	16,000	16,640
Sacramento Self-Help Housing	Housing Counseling & Navigator Program	16,000	16,000
Sacramento Self-Help Housing	Renters Helpline	25,489	23,403
Sunrise Christian Food Ministry	Emergency Food Closet	39,720	20,342
TOTALS		\$112,209	\$93,728

Funding Recommendations

Based on the available funding and Quality of Life Committee direction, the following table outlines the 2023 CDBG funding allocations. If the City receives a higher amount of entitlement funds than estimated, the increase will be split equally between Campus Life Connection, Meals on Wheels, and Sunrise Christian Food Ministry.

2023 Public Service Funding Recommendations

Public Service Agency	2023 CDBG Funding Request	Quality of Life Committee Recommended Amount
Campus Life Connection Sayonara After-School Program	15,000	10,917
Meals on Wheels Senior Meals Program	16,000	11,655
Sacramento Self-Help Housing Homeless Housing Counseling & Navigator Program	16,000	16,000
Sacramento Self-Help Housing Renters Helpline	25,489	22,524
Sunrise Christian Food Ministry Emergency Food Closet	39,720	28,904
TOTALS	\$112,209	\$90,000

Capital Project

If approved, the City will use the remainder of the 2023 CDBG allocation, an estimated \$390,000, to fund the CDBG eligible improvements associated with the City's 2023 Pavement Resurfacing Project. In partnership with the General Services Department, this project will support construction and reconstruction of ADA compliant facilities, such as curb access ramps, to provide accessible means of transportation for visually impaired population as well as those reliant upon wheel chairs and mobility scooters. Specific locations proposed for construction under the City's 2023 Pavement Resurfacing Project have not yet been identified.

Program Income and Unexpended Prior Year Funds

The City anticipates receiving about \$50,000 in program income from loan payments. The City allocates loan payments to the City's Revolving Loan Fund to fund the City's housing repair programs. Consistent with the CDBG guidelines, the City allocates 80 percent of loan payments to the revolving loan fund and the remaining 20 percent to general planning and administration of activities.

Additionally, if approved the City will use \$270,960.54 in unexpended prior year CDBG funds, to fund the City's Critical Home Repair Grant Program to assist low-income homeowners with critical health and safety repairs.

Staff has drafted the 2023 Action Plan to reflect the recommendations; however, changes may be made to reflect the City Council's majority direction.

Action Plan Review

The 2023 Action Plan and funding recommendations were made available for a public review and comment period consistent with the City's Citizen Participation Plan. In addition the City Council held a Public Hearing on October 13, 2022, to receive feedback on the draft documents. All comments received are incorporated into the City's 2023 Action Plan submitted to HUD.

Attachments

1. 2023 Action Plan and Funding Recommendations
2. Resolution No. 2022- _____, A Resolution of the City Council of the City of Citrus Heights, California, approving the Community Development Block Grant 2023 Action Plan and Authorizing the City Manager or designee to execute and file all documents required to receive U.S. Department of Housing and Urban Development Block Grant funding.

RESOLUTION NO. 2022-_____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CITRUS HEIGHTS, CALIFORNIA, APPROVING THE COMMUNITY DEVELOPMENT BLOCK GRANT 2023 ACTION PLAN AND AUTHORIZING THE CITY MANAGER OR DESIGNEE TO EXECUTE AND FILE ALL DOCUMENTS REQUIRED TO RECEIVE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD) COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) FUNDING

WHEREAS, the Community Development Block Grant Program, authorized pursuant to Title 1 of the Housing and Community Development Act of 1974, as amended (Act), requires that jurisdictions provide for the issuance of grants in order to attain the objective of providing decent housing and a suitable living environment and expanding economic opportunities, principally for persons of low- and moderate-income;

WHEREAS, the City Council has reviewed the 2023 Action Plan, which describes the specific programs to be funded for the 2023 program year; and

WHEREAS, the City Council's Quality of Life Committee met on September 19, 2022, to review the funding recommendations and developed draft 2023 CDBG funding recommendations; and

WHEREAS, the City Council held a public hearing on October 13, 2022, to provide an opportunity for the public to comment on Citrus Height's need in relation to low-income and special needs populations and on proposed activities for funding during program year 2023; and

WHEREAS, the City Council held a second public hearing on October 27, 2022, to receive comments from the public regarding the Action Plan and use of CDBG funds; and

WHEREAS, Citrus Heights citizens were afforded the opportunity to review and comment on the proposed 2023 Action Plan in accordance with the City's Citizen Participation Plan, including a 30-day public review and comment period September 28, 2022 through October 28, 2022.

WHEREAS, the City of Citrus Heights receives an annual allocation of approximately \$600,000 in CDBG funds from the U.S. Department of Housing and Urban Development; which amount will be revised to accommodate the amount actually awarded by HUD, for the program year; and

WHERE AS, the City Council approved the use of unexpended prior year CDBG funds, \$270,960.54 to fund the City's Critical Home Repair Grant Program to assist low-income homeowners with critical health and safety repairs; and

NOW, THEREFORE, BE IT RESOLVED THAT THE CITY COUNCIL OF THE CITY OF CITRUS HEIGHTS HEREBY:

1. Approves the 2023 Action Plan and authorizes the City Manager or designee to apply for 2023 funds and execute and file all documents required to receive U.S. Department of Housing and Urban Development Community Development Block Grant funding.
2. Authorizes the City Manager or designee to correct any errors found in the 2023 Action Plan, make adjustments to the individual allocations not to exceed 25% upon

final Congressional appropriation and to make changes that may be requested by HUD and/or City Council as permitted by program regulations.

PASSED AND ADOPTED by the City Council of the City of Citrus Heights the 27th day of October 2022, by the following roll call vote:

Ayes:	Council Members:
Noes:	Council Members:
Abstain:	Council Members:
Absent:	Council Members:

Porsche Middleton, Mayor

ATTEST:

Amy Van, City Clerk

Exhibit

A. Final 2023 Action Plan



COMMUNITY DEVELOPMENT BLOCK GRANT 2023 ACTION PLAN

City of Citrus Heights
Public Review Draft
September 28, 2022 – October 28, 2022



DRAFT Annual Action Plan
2023

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Executive Summary

AP-05 Executive Summary - 91.200(c), 91.220(b)

1. Introduction

The 2023 Action Plan presents an overview of the goals and projects for the upcoming program year (January 1, 2023-December 31, 2023) that will address the needs identified in the Five-Year Consolidated Plan. This plan will help address the community development and low-income housing needs within the City of Citrus Heights. The 2023 Action Plan covers year four of implementation of the City's 2020-2024 Consolidated Plan. The City's Housing and Grants Division is responsible for implementing both the Consolidated Plan and the Action Plan.

The City anticipates receiving approximately \$600,000 in 2023 funds from the federal CDBG program. The funding amount will be updated once the final award amount is released by HUD. In addition, the City has \$270,960 in prior year CDBG funds that will be allocated to an eligible activity.

On July 1, 2022 City staff released the 2023 CDBG Notice of Funding Opportunity for applicants to apply for public service funding and to have the opportunity to demonstrate how an activity will benefit Citrus Heights residents. Additionally, City staff encourages citizen participation throughout the Action Plan process through strategies such as hosting a funding workshop for potential public service applicants, consulting local organizations, holding public meetings, and inviting public comment while the public has the opportunity to review the draft document.

Using research and input from the public, City staff formulated the objectives and outcomes briefly described below.

2. Summarize the objectives and outcomes identified in the Plan

The City's key objectives are based on public outreach received during the implementation of the 2020-2024 Consolidated Plan:

- Build healthy communities;
- Improve public infrastructure;
- Enhance accessibility;
- Improve public services for priority populations;
- Improve housing access and affordability; and
- Expand economic opportunities.

In addition, the objectives listed above align closely with three of the City Council's five-year strategic goals:

- Diversity for changing economy,
- Improve community vibrancy and engagement; and
- Improve streets and infrastructure.

Within those objectives, the City identified eight CDBG goals carried out throughout the 2020-2024 Consolidated Plan:

- Foster affordable housing;
- Provide services for people experiencing homelessness;
- Provide services for seniors and youth;
- Provide additional public services responsive to current public needs;
- Improve accessibility;
- Construct/upgrade public facilities;
- Effectively administer the CDBG program to benefit the Citrus Heights community; and
- Affirmatively further fair housing.

To address the goals, the City plans to partner with Habitat for Humanity to assist in the funding of an affordable housing project on Sayonara Drive. This affordable housing project will be funding with a variety of funding sources to meet the City's funding contribution.

In addition, the City will provide loans/grants to homeowners for health and safety repairs, support nonprofits by offering a variety of social services, provided services to those experiencing homelessness, provide the Renters Helpline which fulfills the goal to affirmatively further fair housing, and to assist with accessibility and other public infrastructure improvements.

The City anticipates funding these activities using a variety of funding sources, including: Community Development Block funds, Permanent Local Housing Allocation funds, General funds, and loan payments.

3. Evaluation of past performance

The City evaluated its past performance as part of setting the goals and strategies associated with this Consolidated Plan. Activities recently completed include:

- Various Signalized Intersection Improvement Project: This project includes accessibility improvements to public infrastructure, such as upgrades to signalized intersections and ADA-compliant sidewalks and crosswalks. This project was continued from program year 2019 and completed mid program year 2022.

- Greenback Complete Streets Project: This project includes the accessibility improvements to sidewalks, such as installing missing or repairing damaged sidewalks, installing ADA-compliant pedestrian ramps, and other accessibility related improvements associated with Greenback Lane Complete Streets Project between Fair Oaks Boulevard and Sunrise Boulevard. This project was completed mid program year 2022 as part of the 2021 Annual Action Plan Amendment No. 1.
- The City offered a variety of public services using CDBG entitlement funds during the 2021 Program Year, including an emergency food closet; an after-school youth program at the Sayonara Center; meals to seniors; housing counseling and permanent housing placement services provided by the Citrus Heights Navigator; domestic violence services; tutoring services for distance learning youth; as well as a free Renters Helpline to provide information and assist with fair housing disputes.
- The City allocated an additional \$188,117.40 to the Supplemental Navigator Program that provides resources to the Citrus Heights Navigator's existing unhoused clients in order to help obtain permanent housing. This program has received a total of \$313,117.40 in CDBG-CV funds.
- The San Juan Park Restroom Replacement Project was completed in coordination with the Sunrise Recreation and Park District.
- The City partnered with Rebuilding Together Sacramento to provide a Critical Home Repair Grant Program that provided 13 grants to low-income mobilehome homeowners to assist with health and safety repairs as well as accessibility improvements to their homes.

The City's 2022 CDBG operations are currently underway:

- 2022 Residential Resurfacing Project: The City's General Service Department will use the CDBG portion of funding on accessibility improvements to public infrastructure, such as upgrades to signalized intersections and ADA-compliant sidewalks and crosswalks.
- Home Repair Loan Program: This program will assist 4 eligible homeowners with health and safety, and ADA repairs to their homes. This program is funded with Revolving Loan Funds (loan payments).
- Critical Home Repair Grant Program: This program will assist 6 eligible mobilehome homeowners with health and safety repairs to their homes. This program is funded with CARES Act funds.
- The City is currently offering a variety of public service activities using CDBG and CARES Act funds during the 2022 Program Year, including an emergency food closet; an after-school youth program at the Sayonara Center; meals to seniors; housing counseling and permanent housing placement services provided by the Citrus Heights Navigator, workforce development services to youth, and a free Renters Helpline to provide information and assist with fair housing disputes.

The City typically devotes the full fifteen percent of CDBG funds allowed to public services, serving households with a range of services, from meals to housing counseling. Many households have come

depend on these services. The City plans to continue to devote the maximum allowable CDBG funding to public services, and to supplement it with other sources of revenue when available.

4. Summary of Citizen Participation Process and consultation process

The City offered opportunity for participation and comment throughout the Action Plan process:

- July 1, 2022, City staff released a Notice of Funding Opportunity to notify interested parties of the City's available CDBG funds.
- July 12, 2022, City staff held a funding application workshop for prospective applicants. Staff sent emails to a large mailing list of interested persons and organizations along with a news items posted on the City's Housing Division Webpage [Housing & Grants Division | Citrus Heights, CA - Official Website \(civicplus.com\)](#). The workshop was attended by representatives from five nonprofits and staff members.
- A public notice announcing the draft 2023 Action Plan is available for review was published in *The Citrus Heights Messenger, Slavic Sacramento, City Hall and City's webpage*.
- The public is able to review and comment on the draft 2023 Action Plan from September 28, 2022 to October 28, 2022.
- The City offered an opportunity for public comment during public hearing on October 13, 2022 City Council meeting. City Council reviewed funding recommendations for the 2023 Action Plan and received six public comments.
- The City will offer a final opportunity for public comment during second public hearing held on October 27, 2022 City Council meeting. City Council will adopt the 2023 Action Plan by Resolution.

5. Summary of public comments

The City received six public comments at the City Council meeting on October 13, 2022. All comments were in support of CDBG funding and all comments were accepted.

- Tahirih Kraft, Sacramento Self-Help Housing – spoke to the Renters Helpline program and thanked the Council for supporting services provided by SSHH.
- Kerri Jones, Sacramento Self-Help Housing – thanked the Council for the continued support for the Citrus Heights Navigator Program.
- Julie Habeeb, Campus Life Connection – spoke to the Sayonara After-School program and thanked the Council for supporting the youth who attend the Center.
- Rocky Peterson and April Jacek, Sunrise Christian Food Ministry – spoke to the Emergency Food Closet and thanked the Council for supporting services.
- Michelle Bustamante and Robin Smith, Meals on Wheels by ACC – spoke to the Senior Meal program and thanked Council for supporting services provided by Meals on Wheels.
- Carrie Grip, Sacramento Rebuilding Together – spoke to the Critical Home Repair Grant program and thanked Council for supporting services provided by RTS.

6. Summary of comments or views not accepted and the reasons for not accepting them

All public comments received will be incorporated into the Action Plan.

7. Summary

As part of the Consolidated Plan effort, the City selected two key priorities:

- Building healthy communities; and
- Expanding economic opportunities.

Within these priorities, the City identified eight main goals:

- Foster affordable housing;
- Provide services for people experiencing homelessness;
- Provide services for seniors and youth;
- Provide additional public services responsive to current public needs;
- Improve accessibility;
- Construct/upgrade public facilities;
- Effectively administer the CDBG program to benefit the Citrus Heights community; and
- Affirmatively further fair housing.

To address these goals, the City plans to fund the construction of affordable housing on Sayonara Drive, provide loans/grants to homeowners for health and safety repairs, support nonprofits offering a wide-range of social services, provide services to those experiencing homelessness, assist with accessibility and other public improvements. Other types of projects may be considered as needed throughout the Consolidated Plan timeframe. The City anticipates funding activities using a variety of sources, including CDBG, PLHA, HOME, General Fund, and grants received by the City. The City will work with local and regional nonprofits, as well as affordable housing developers, to implement many of the activities.

PR-05 Lead & Responsible Agencies - 91.200(b)

1. Agency/entity responsible for preparing/administering the Consolidated Plan

The following are the agencies/entities responsible for preparing the Consolidated Plan and those responsible for administration of each grant program and funding source.

Agency Role	Name	Department/Agency
CDBG Administrator	CITRUS HEIGHTS	Community Development Department
HOME Administrator	CITRUS HEIGHTS	SHRA

Table 1 – Responsible Agencies

Narrative

The City of Citrus Heights, through the Community Development Department, is the lead agency for preparing the Annual Action Plan and for the administration of the CDBG Program.

For the receipt of HOME funds, the City is in a HOME Consortium with Sacramento County, City of Sacramento, and the City of Rancho Cordova. The Sacramento Housing and Redevelopment Agency (SHRA) is the lead agency for the HOME Consortium.

Consolidated Plan Public Contact Information

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Attention: Housing & Human Services Program Coordinator
916-727-4752
npiva@citrusheights.net

AP-10 Consultation - 91.100, 91.200(b), 91.215(l)

1. Introduction

In preparing for the 2020-2024 Consolidated Plan, the City consulted with a variety of agencies, including local and regional nonprofits, the City of Citrus Heights made efforts to consult with a variety of agencies, including local and regional nonprofits and stakeholders during the development of the 2023 Action Plan. The City's consultation efforts are summarized in the following section.

Provide a concise summary of the jurisdiction's activities to enhance coordination between public and assisted housing providers and private and governmental health, mental health and service agencies (91.215(l)).

In preparing the 2023 Action Plan, the City of Citrus Heights consulted with a number of local service providers and public agencies to identify local needs and evaluation opportunities for partnership and improved coordination. The following sections will discuss the consultation process, the public comment process, and the planned coordination efforts.

Describe coordination with the Continuum of Care and efforts to address the needs of homeless persons (particularly chronically homeless individuals and families, families with children, veterans, and unaccompanied youth) and persons at risk of homelessness.

City staff is an active member the Sacramento Continuum of Care (CoC), which is currently administered by Sacramento Steps Forward. The Sacramento CoC covers all the cities, towns and unincorporated area of Sacramento County. The Sacramento CoC addresses critical issues related to homelessness through a coordinated community-based process promoting the communitywide commitment to the goal of ending homelessness. In addition, City staff participates in regional coordination through the Funder's Collaborative.

The City supports the Citrus Heights Homeless Assistance Response Team (HART) and its efforts, including the Winter Sanctuary, Student Connect, a resource fair for students and families in transition, the Veterans Stand Down, and other events throughout the year. The City's Homeless Navigator provides outreach and services for people experiencing homelessness. The City's Homeless Navigator also provides housing counseling services to those at-risk of homelessness. Additionally, Meals on Wheels and the Sunrise Christian Food Ministry provide emergency food services to those at-risk of homelessness and those currently experiencing homelessness.

Describe consultation with the Continuum(s) of Care that serves the jurisdiction's area in determining how to allocate ESG funds, develop performance standards for and evaluate outcomes of projects and activities assisted by ESG funds, and develop funding, policies and procedures for the operation and administration of HMIS

Sacramento Steps Forward, the lead agency for the Sacramento Continuum of Care, receives funding through Sacramento Housing Redevelopment Agency (SHRA). In addition, Sacramento Steps Forward administers the Homeless Information Management System (HMIS) as well as the available Emergency Shelter Grant (ESG) funds for the Sacramento region.

Although, Citrus Heights does not meet the population requirement to receive Emergency Shelter Grant funds directly.

2. Agencies, groups, organizations and others who participated in the process and consultations

Refer to Table 2 – Agencies, groups, organizations who participated.

Table 2 – Agencies, groups, organizations who participated

1	Agency/Group/Organization	City of Citrus Heights
	Agency/Group/Organization Type	Housing Services-homeless Service-Fair Housing Services - Victims Other government - Local Planning organization
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Needs - Veterans Homelessness Needs - Unaccompanied youth Homelessness Strategy Non-Homeless Special Needs Economic Development

	<p>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</p>	<p>Staff consulted with representatives from the Community Development Department, General Services Department, and Police Department as part of the development of the Consolidated Plan. Stakeholder surveys were emailed to representatives from the three departments listed above. In addition, staff held meetings with department representatives to further discuss department priorities and opportunities for increased coordination. In addition, all City staff members were emailed a link to participate in the community survey. In discussions with other departments, staff in the Citrus Heights Police Department identified a need for additional resources for the Citrus Heights Homeless Navigator. While they have been successful, there is a need for additional housing, both temporary and permanent, and resources for related costs to eliminate barriers to housing, such as application fees and transportation. Staff in the General Services Department identified a need for accessibility improvements to public infrastructure, such as upgrades to signalized intersections and ADA-compliant sidewalks and crosswalks. The Community Development Department identified a need to rehabilitate aging housing stock through the City's housing preservation programs.</p>
2	<p>Agency/Group/Organization</p>	<p>Citrus Heights Collaborative</p>

Agency/Group/Organization Type	Housing PHA Services - Housing Services-Children Services-Elderly Persons Services-Persons with Disabilities Services-Persons with HIV/AIDS Services-Victims of Domestic Violence Services-homeless Services-Health Services-Education Services-Employment Service-Fair Housing Services - Victims Health Agency Child Welfare Agency Other government - County Other government - Local Regional organization Planning organization Business and Civic Leaders
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	What section of the Plan was addressed by Consultation?	Housing Need Assessment Public Housing Needs Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Needs - Veterans Homelessness Needs - Unaccompanied youth Homelessness Strategy Non-Homeless Special Needs Economic Development Anti-poverty Strategy Lead-based Paint Strategy
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	The Citrus Heights Collaborative is an informal network of community members representing government agencies, nonprofits, religious institutions, businesses, and neighborhood groups. Specifically, the group is comprised of local government, nonprofits, and community members, fraternal and faith-based organizations. City staff sent an email to the Collaborative mailing list in order to obtain stakeholder feedback on the draft 2023 activities and funding allocations. Citrus Heights Collaborative members were also invited to participate in the public meetings on October 14 and 28, 2021.
3	Agency/Group/Organization	SUNRISE RECREATION AND PARK DISTRICT
	Agency/Group/Organization Type	Services-Children Services-Elderly Persons Services-Persons with Disabilities Services-Health Other government - County Other government - Local Regional organization

	What section of the Plan was addressed by Consultation?	Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Needs - Veterans Homelessness Needs - Unaccompanied youth Homelessness Strategy Non-Homeless Special Needs Economic Development Anti-poverty Strategy
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	The Sunrise Recreation Park District (SRPD) was consulted via email. SRPD staff noted a lack of funding as a factor that impacts its ability to provide services to the Citrus Heights community. SRPD staff also stated generally how the homeless population continues to grow and parks are being heavily impacted by transient and drug activity. SRPD also noted a need to get the word out about available services and programs. City staff coordinated with SRPD and completed the San Juan Restroom Replacement Project and will continue to coordinate on projects as the opportunity arises.
4	Agency/Group/Organization	Sacramento Self-Help Housing
	Agency/Group/Organization Type	Housing Services-homeless Service-Fair Housing Regional organization

What section of the Plan was addressed by Consultation?	Housing Need Assessment Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Needs - Veterans Homelessness Needs - Unaccompanied youth Homelessness Strategy Non-Homeless Special Needs Anti-poverty Strategy
Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Sacramento Self-Help Housing (SSHH) provides housing counseling and homeless navigation services for the City of Citrus Heights. City staff met with SSHH staff on August 5, 2021, in order to determine the greatest funding needs and potential areas for improved coordination.

Identify any Agency Types not consulted and provide rationale for not consulting

Through the development of the 2020-2024 Consolidated Plan and Action Plan the City consulted a variety of agencies serving Citrus Heights residents and the region. No agency types were specifically left out of the consultation process.

Other local/regional/state/federal planning efforts considered when preparing the Plan

Name of Plan	Lead Organization	How do the goals of your Strategic Plan overlap with the goals of each plan?
Continuum of Care	Sacramento Steps Forward	The goal of addressing homelessness.
Analysis of Impediments to Fair Housing Choice	Sacramento Housing Redevelopment Agency (SHRA)	Provides information to residents on the needs and goals around housing.
Housing Element	City of Citrus Heights	To foster affordable housing.

Table 3 - Other local / regional / federal planning efforts

AP-12 Participation - 91.401, 91.105, 91.200(c)

1. Summary of citizen participation process/Efforts made to broaden citizen participation

Summarize citizen participation process and how it impacted goal-setting

The City offered several opportunities for participation and comment throughout the Action Plan process, as indicated below.

Any comments received through the citizen participation process will be incorporated into the 2023 Action Plan. All public comments will be taken into consideration when setting annual goals and funding priorities.

Citizen Participation Outreach

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (If applicable)
1	Internet Outreach	<p>Minorities</p> <p>Persons with disabilities</p> <p>Non-targeted/broad community</p> <p>Residents of Public and Assisted Housing</p> <p>Non-profit organizations</p>	<p>A Notice of Funding Opportunity for 2023 CDBG funding was made available through the City's Notify-Me to interested parties, Housing Webpage, CDBG Distribution List, and Citrus Heights.</p>	<p>No comments have been received.</p>	<p>No comments have been rejected.</p>	<p>Housing & Grants Division Citrus Heights, CA - Official Website (civicplus.com)</p>

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (If applicable)
2	Public Meeting	<p>Minorities</p> <p>Persons with disabilities</p> <p>Non-targeted/broad community</p> <p>Residents of Public and Assisted Housing</p>	July 12, 2022, the City staff held a CDBG funding assistance workshop for prospective applicants. The workshop was noticed in a variety of ways, including via the City's webpage and a large mailing list of interested stakeholders.	No comments have been received.	No comments have been rejected.	
3	Newspaper Ad	<p>Minorities</p> <p>Persons with disabilities</p> <p>Non-targeted/broad community</p> <p>Residents of Public and Assisted Housing</p>	The public notice has been published in the Citrus Heights Messenger, Slavic Sacramento, City Hall and City's webpage to notify the public about the public comment period for the draft 2023 Annual Action Plan, and advertising the date of the two public hearings.	No comments have been received.	No comments have been rejected.	

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (If applicable)
4	Internet Outreach	<p>Minorities</p> <p>Persons with disabilities</p> <p>Non-targeted/broad community</p> <p>Residents of Public and Assisted Housing</p>	<p>During the 30-day public review and comment period the draft 2023 Action Plan was made available at the following locations: Citrus Heights City Hall, Sylvan Oaks Library, and City of Citrus Heights website.</p> <p>A public notice was placed in the Citrus Heights Messenger, Slavic Sacramento City Hall and City's website concurrent with the start of a 30-day public comment period.</p>	No comments have been received.	No comments have been rejected.	

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (If applicable)
5	Public Hearing	<p>Minorities</p> <p>Persons with disabilities</p> <p>Non-targeted/broad community</p> <p>Residents of Public and Assisted Housing</p> <p>Non-Profit Organizations</p>	The City held a public hearing on October 13, 2022 to hear public comment and for City staff to provide funding recommendation to City Council on the draft 2023 Action Plan.	See summary of public comments in Executive Summary.	All comments were accepted.	

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (If applicable)
6	Public Hearing	<p>Minorities</p> <p>Persons with disabilities</p> <p>Non-targeted/broad community</p> <p>Residents of Public and Assisted Housing</p> <p>Non-Profit Organizations</p>	<p>The City will hold a second public hearing on October 27, 2022 to hear public comment and for City Council to adopt the 2023 Action Plan by resolution.</p>	<p>No comments have been received.</p>	<p>No comments have been rejected.</p>	

Table 4 – Citizen Participation Outreach

Expected Resources

AP-15 Expected Resources - 91.420(b), 91.220(c)(1,2)

Introduction

The City anticipates receiving approximately \$600,000 in CDBG funds for the 2023 program year. At the time of publication of this draft 2023 Annual Action Plan for public comment, the City has not been notified by HUD of the precise amount of funding to be awarded to the City. The baseline funding amount identified in this plan are based on the City's prior year program awards.

The City anticipates \$50,000 in Program Income that is directly attributed to loan fund repayments. The City will utilized 20% of the proceeds for administrative costs and the remaining amount will be utilized in the City's Revolving Loan Fund.

Anticipated Resources

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
CDBG	public - federal	Acquisition Admin and Planning Economic Development Housing Public Improvements Public Services	600,000	50,000	270,960	920,960	650,000	Based on prior years, the City estimates receiving \$600,000 in annual entitlement funds. During the development of this action plan HUD has yet to release allocations, therefore this is an estimate. In addition, the City anticipates receiving \$50,000 Program Income generated from loan fund repayments.

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
General Fund	public-local	Public Services	111,950	-	-	111,950	112,000	The City allocated General fund monies to support nonprofits. These funds were allocated for FY 22/23. For FY 23/24 it is anticipated the City will allocated \$112,000 in General fund monies to support nonprofits.
Other	public - state	Acquisition Housing Public Services	486,125	-	-	486,125	542,704	The City received a 5-year (2019-2023) Permanent Local Housing Allocation from HCD not to exceed \$1,876,554. This is year two of the five-year allocation.
Other	public - state	Housing	200,000	-	-	200,000	200,000	The City occasionally receives loan payments from loans funded with prior CalHome grants. The City repurposes loan payments into its First-time Homebuyer Program. The current balance is approximately \$200,000.

Table 5 - Expected Resources – Priority Table

Explain how federal funds will leverage those additional resources (private, state and local funds), including a description of how matching requirements will be satisfied

The City will use federal block grant funding, program income, City general funds, and other incentive programs to address the objectives identified in this Plan. All capital improvement projects funded with CDBG have utilized other federal and state funding sources such as Measure A funds and Drainage funds, to complete design, engineering, and construction work that exceeds the

City's CDBG allocation for these projects. With respect to public services, the City requires all subrecipients to identify other resources that will be utilized during the program year to operate and implement CDBG supportive activities. For example, the City is utilizing its new PLHA annual funding to further leverage the City's CDBG funding. The City is using PLHA funds to fund the Housing Counseling and Navigator Program, funds are being used for staff costs and essential housing services to assist those who are experiencing homelessness or at-risk of becoming homeless. It is the City intent to ensure that adequate non-federal and private funds are available, thus minimizing the City's dependence on federal funds.

If appropriate, describe publically owned land or property located within the jurisdiction that may be used to address the needs identified in the plan

The City is currently in the pre-planning phase for proposed affordable housing units identified as the Sayonara affordable housing project. Previously, the City purchased and demolished 15 duplexes and 1 eight-plex along Sayonara Drive with the intent of replacing them with a new affordable housing development. The City has previously invested CDBG funds in this neighborhood, specifically the Citrus Heights Children and Youth Center, and hopes to continue encouraging projects that increase residents' access to public services.

The City has made efforts to 1) take the lead in the design, construction, and funding of public improvements; 2) improve the appearance of commercial districts; and 3) stimulate private investment. These efforts have included streetscape enhancement projects and a campaign to revitalize the Auburn Boulevard Specific Plan Area. The campaign included assisting business owners with improving their customer base, one-on-one consulting, and a variety of grants and fee waivers to assist the property and business owners along the Auburn Boulevard corridor.

Additionally, the City recently purchased a property at Sylvan Corners. In accordance with the Surplus Lands Act, a portion of the housing development will be restricted to low- and moderate-income homeowners. The City is currently working on developing an Affordable Housing Monitoring Program to be used in partnership with the City, Developer and Buyer on the affordable component of this project.

Discussion

As stated above, the City has demonstrated the utilization of land to address the City's Consolidated Plan needs, including to promote affordable housing and economic development in Citrus Heights.

Annual Goals and Objectives

AP-20 Annual Goals and Objectives - 91.420, 91.220(c)(3)&(e)

Goals Summary Information

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
1	Foster affordable housing	2020	2024	Affordable Housing	Citywide	Building Healthy Communities Enhance Accessibility Improve Housing Access and Affordability	CDBG: \$50,000 CDBG Prior Year Funds: \$270,960	The City uses any program income (loan payments) received into its Revolving Loan Fund to be used to issue new housing repair loan loans: 1 Household Served (estimate) If approved CDBG Prior Year Funds may be used for the City's Critical Home Repair Grant Program: 11 Households Served

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
2	Services for people experiencing homelessness	2020	2024	Homeless	Citywide	Building Healthy Communities Improve Public Services for Priority Populations Improve Housing Access and Affordability Expand Economic Opportunities	CDBG \$16,000 (personnel cost) PLHA: \$78,189 (personnel costs)	Homelessness Prevention: 112 Persons Served Public Service Agency: Sacramento Self-Help Housing Service Provided: Housing Counseling & Navigator Services
3	Services for seniors and youth	2020	2024	Non-Homeless Special Needs	Citywide	Building Healthy Communities Improve Public Services for Priority Populations	CDBG: \$22,572 General Fund: \$109,500	Public service activities other than Low/Moderate Income Housing Benefit: 380 Persons Served Public Service Agency: Campus Life Connection will provide an After-School Youth Program, and will serve 105 youth. Public Service Agency: Meals on Wheels will provide a Senior Meal Program and will serve 285 seniors.

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
4	Provide public services responsive to current need	2020	2024	Non-Homeless Special Needs	Citywide	Building Healthy Communities Improve Public Services for Priority Populations	CDBG \$28,904 General Fund: \$2,450	Public service activities other than Low/Moderate Income Housing Benefit: 5,000 Persons Assisted Public Service Agency: Sunrise Christian Food Ministry will provide an Emergency Food Closet Program, and will serve 5,000 persons.
5	Improve accessibility	2020	2024	Non-Housing Community Development	Citywide	Building Healthy Communities Improve Public Infrastructure Enhance Accessibility	CDBG: \$390,000	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit: 1500 Persons Assisted
6	Effectively administer CDBG program	2020	2024	Program Administration	Planning & Administration activities will be undertaken by City Staff at Citrus Heights City Hall.	Building Healthy Communities	CDBG: \$120,000	Effectively administer the federal CDBG program in accordance with HUD regulations.

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
7	Affirmatively further fair housing	2020	2024	Affordable Housing	Citywide	Building Healthy Communities Improve Public Services for Priority Populations Improve Housing Access and Affordability	CDBG \$22,524	Public service activities other than Low/Moderate Income Housing Benefit: 445 Persons Assisted Public Service Agency: Sacramento Self-Help Housing will provide the Renters Helpline, and will serve 445 persons.

Table 6 – Goals Summary

Goal Descriptions

1	Goal Name	Foster affordable housing
	Goal Description	<p>The City utilizes program income (loan payments) received to issue new housing repair loans. The City estimates receiving approximately \$50,000 annually in program income. Consistent with CDBG guidelines, 80 percent of loan payments goes towards the revolving loan fund and the remaining 20 percent of program income goes towards general planning and administration of activities.</p> <p>In addition, if approved the City will use unexpended prior year funds, \$270,960 to fund the City's Critical Home Repair Grant Program to assist low-income homeowners with health and safety repairs.</p>
2	Goal Name	Services for people experiencing homelessness
	Goal Description	The City uses a combination of funds including CDBG and Permanent Local Housing Allocation (PLHA) to pay for a contract with Sacramento Self-Help Housing for housing counseling and homeless navigation services.
3	Goal Name	Services for seniors and youth
	Goal Description	If approved, the City will allocate \$10,917 in public service funds to Campus Life Connection to provide youth services and \$11,655 in public service funds to Meals on Wheels to provide a senior meal program.
4	Goal Name	Provide public services responsive to current need
	Goal Description	If approved, the City will allocate \$28,904 in public service funds to Sunrise Christian Food Ministry to operate an emergency food closet at Advent Lutheran Church in Citrus Heights.
5	Goal Name	Improve accessibility
	Goal Description	<p>If approved, the City will allocate funding to the 2023 Pavement Resurfacing Project. CDBG funds will support construction and reconstruction of ADA compliant facilities, such as curb access ramps, to provide accessible means of transportation for our visually impaired population as well as those reliant upon wheel chairs and mobility scooters. Locations selected for use of CDBG funds will be identified in concert with the planned future resurfacing project, locations will be identified by mid-2023. Funding for this activity is estimated at \$390,000.</p>

6	Goal Name	Effectively administer the federal CDBG program in accordance with HUD regulations.
	Goal Description	The City has allocated \$120,000 of its annual allocation to general planning and administration. Any program income the City receives during the program year (20 percent) will go towards planning and administration of activities.
7	Goal Name	Affirmatively further fair housing
	Goal Description	As part of a regional partnership, the City allocated \$22,524 to Sacramento Self-Help Housing for the City's share of the Renter's Helpline Program. The cost sharing percentage may vary each year, the cost is dependent upon each jurisdictions number of rental units.

AP-35 Projects - 91.420, 91.220(d)

Introduction

The table below summarizes the City's recommendation to allocate 2023 Community Development Block Grant funding. On September 19, 2022, the Quality of Life Committee recommended funding the following 2023 CDBG projects. On October 13, 2022, the City Council will hold public hearing on the draft 2023 Action Plan on October 27, 2022, the City will hold a second public hearing to hear public comment and to adopt the 2023 Action Plan by Resolution.

#	Project Name
1	2023 Planning and Administration
2	2023 Public Services
3	2023 Pavement Resurfacing Project
4	Housing Rehabilitation Projects (Ongoing)
5	2023 Critical Home Repair Grant Program

Table 7 – Project Information

Describe the reasons for allocation priorities and any obstacles to addressing underserved needs

AP-38 Project Summary
Project Summary Information

1	Project Name	2023 Planning and Administration
	Target Area	N/a
	Goals Supported	Effectively administer CDBG program
	Needs Addressed	Building Healthy Communities
	Funding	CDBG: estimated at \$120,000
	Description	Effectively administer the federal CDBG program in accordance with HUD regulations.
	Target Date	12/31/2023
	Estimate the number and type of families that will benefit from the proposed activities	The planning and administration activity allows staff to effectively administer the CDBG program so it benefits all types of families living in Citrus Heights.
	Location Description	Planning & Administration activities will be undertaken by City staff at Citrus Heights City Hall.
2	Planned Activities	Funds will be used to coordinate, administer and monitor the CDBG program, and prepare reports and plans required by HUD.
	Project Name	2023 Public Services
	Target Area	Citywide
	Goals Supported	Services for people experiencing homelessness Services for seniors and youth Provide public services responsive to current need Affirmatively further fair housing
	Needs Addressed	Building Healthy Communities Improve Public Services for Priority Populations Expand Economic Opportunities
	Funding	CDBG: estimated at \$90,000
	Description	The City has allocated the maximum 15 percent of its annual allocation toward public services. Any additional public service funding available will be distributed per the direction of the City Council.
	Target Date	12/31/2023
	Estimate the number and type of families that will benefit from the proposed activities	An estimated 5,947 total persons/households will benefit from the proposed public service activities offered by the nonprofits agency. The services will benefit low-to moderate income persons/households.

	Location Description	<p>Nonprofits offer services at various locations throughout the City:</p> <p><u>Campus Life Connection</u>: 7836 Sayonara Drive, Citrus Heights</p> <p><u>Meals on Wheels</u>: Meals are delivered to seniors as well as seniors may pickup meals curbside at 7801 Auburn Blvd, Citrus Heights</p> <p><u>Sunrise Christian Food Ministry</u>: 5901 San Juan Road, Citrus Heights</p> <p><u>Housing Counseling/Navigator Services</u>: 6315 Fountain Square Drive, Citrus Heights</p> <p><u>Renters Helpline</u>: 1010 Hurley Way, Suite 500, Sacramento</p>
	Planned Activities	<p>PY 2023 EN Activities:</p> <p><u>Campus Life Connection (Matrix Code 05D, LMC)</u>: Operate an after-school center that provides low-income youth with educational support and recreational activities. Activities include mentoring, tutoring, educational games, technology center, and daily nutritious meals to an estimated 105 youth. Funding for this activity is estimated at \$10,917.</p> <p><u>Meals on Wheels (Matrix Code 05A, LMC)</u>: Provide a balanced, nutritious meals Mon-Fri, 250 days per year to an estimated 285 seniors either drive thru distribution of meals at Rusch Par five days a week or by delivery to homebound seniors. Funding for this activity is estimated at \$11,655.</p> <p><u>Sacramento Self-Help Housing, Housing Counseling/Navigator (Matrix Code: 05Z, LMC)</u>: To provide housing counseling services to approximately 112 households currently experiencing homelessness. Funding for this activity is estimated at \$16,000.</p> <p><u>Sacramento Self-Help Housing, Renter's Helpline (Matrix Code: 05K, LMC)</u>: To provide a telephone and Internet-based "Renters Helpline" which provides counseling, dispute resolution, and fair housing services to approximately 445 households annually. Funding for this activity is estimated at \$22,524.</p> <p><u>Sunrise Christian Food Ministry, Emergency Food Bank (Matrix Code: 05W, LMC)</u>: To provide ongoing emergency food to approximately 5,000 low-income and homeless persons in Citrus Heights. Funding for this activity is estimated at \$28,904.</p>
3	Project Name	2023 Pavement Resurfacing Project
	Target Area	Citywide
	Goals Supported	Improve accessibility

	Needs Addressed	Building Healthy Communities Improve Public Infrastructure
	Funding	CDBG: estimated at \$390,000
	Description	The City's General Services Department will use the CDBG portion of funding on accessibility improvements.
	Target Date	12/31/2023
	Estimate the number and type of families that will benefit from the proposed activities	Approximately 1,000 individuals will benefit from this activity.
	Location Description	Locations have not yet been determined
	Planned Activities	<u>2023 Pavement Resurfacing Project (Matrix Code 03K, LMA):</u> The City will allocate funding to the 2023 Pavement Resurfacing Project. CDBG funds will support construction and reconstruction of ADA compliant facilities, such as curb access ramps, to provide accessible means of transportation for our visually impaired population as well as those reliant upon wheel chairs and mobility scooters. Locations selected for use of CDBG funds will be identified in concert with the planned future resurfacing project, locations will be identified by mid-2023. Funding for this activity is estimated at \$390,000.
4	Project Name	Home Repair Loan Program (Ongoing)
	Target Area	Citywide
	Goals Supported	Foster affordable housing Improve accessibility
	Needs Addressed	Building Healthy Communities Enhance Accessibility Improve Housing Access and Affordability
	Funding	CDBG: estimated \$50,000
	Description	<u>Home Repair Loan Program: (Matrix Code 14A, National Objective LMH):</u> Receipts from previous CDBG-funded loans are used to make new home repair loans to low-income households. This activity is funded with the City's Revolving Loan Fund using program income generated from loan payments.
	Target Date	12/31/2023

	Estimate the number and type of families that will benefit from the proposed activities	Based on an estimated annual program income amount, one eligible household will benefit from the proposed activity.
	Location Description	The home must be located within the incorporated boundaries of the City of Citrus Heights.
	Planned Activities	To provide housing repair loans not exceed \$60,000. Any loan repayments will go towards the Revolving Loan Fund to make new loans and grants for repairs such as reduce accumulated deferred maintenance, enhance the health and safety of the home, and improve energy efficiency.
5	Project Name	2023 Critical Home Repair Grant Program
	Target Area	Citywide
	Goals Supported	Foster affordable housing
	Needs Addressed	Building Healthy Communities Improve Public Services for Priority Populations Improve Housing Access and Affordability
	Funding	CDBG: \$270,960.54
	Description	<u>2023 Critical Home Repair Grant Program: Matrix Code, 14A; National Objective, LMH:</u> Housing repair and accessibility grants for low-income homeowners. This activity will be funded with unexpended prior year funds \$270,960.
	Target Date	12/31/2023
	Estimate the number and type of families that will benefit from the proposed activities	Approximately eleven eligible households will benefit from the proposed activity.
	Location Description	Citywide
	Planned Activities	Provide housing repair and accessibility grants not to exceed \$20,000 for repairs such as reduce accumulated deferred maintenance, enhance the health and safety of the home, and improve energy efficiency.

AP-50 Geographic Distribution - 91.420, 91.220(f)

Description of the geographic areas of the entitlement (including areas of low-income and minority concentration) where assistance will be directed

The geographic distribution is predicted on the nature of the activity to be funded. All public services activities and housing repair projects are offered to residents citywide. Capital projects including accessibility improvements are selected in coordination with the City's General Services Department. The location of projects are based on timing with other planned projects in order to leverage non-CDBG funds.

Geographic Distribution

Target Area	Percentage of Funds
Citywide	0
CDBG Target Area	0

Table 8 - Geographic Distribution

Rationale for the priorities for allocating investments geographically

All public service activities are offered to residents citywide.

The 2023 Pavement Resurfacing Project is selected in coordination with the City's General Services Department. If approved, the City will allocate funding to the 2023 Pavement Resurfacing Project. CDBG funds will support construction and reconstruction of ADA compliant facilities, such as curb access ramps, to provide accessible means of transportation for our visually impaired population as well as those reliant upon wheel chairs and mobility scooters. Locations selected for use of CDBG funds will be identified in concert with the planned future resurfacing project, locations will be identified by mid-2023.

Discussion

No geographic priorities were proposed.

AP-75 Barriers to affordable housing -91.420, 91.220(j)

Introduction

The City participated in conducting the Sacramento Valley Analysis of Impediments to Fair Housing Choice (AI) which identified barriers to affordable housing:

- Segregation and integration: Segregation and lack of access to economic opportunity persists in many areas of the region, both within and across jurisdictions. Although the region has grown more diverse, the effects of past systemic segregation and exclusion in housing still disproportionately impact members of protected classes.
- Disproportionate housing needs: In the Sacramento Valley region, the most disproportionate housing needs are found in homeownership rates, cost-burden and housing challenges, as well as displacement experience.
- Access to opportunity: Access to economic opportunity varies by type of opportunity, across the region and within communities. Areas where jurisdictions differed from the region in access to opportunity include:
 - With the exceptions of a few school districts (e.g., Davis, Rocklin, Roseville)—there are disparities in school quality between low and higher income neighborhoods, and these quality differences disproportionately impact people of color. Residents of Citrus Heights, Rancho Cordova, Sacramento, and Woodland are least likely to live in neighborhoods with proficient schools.
 - Resident survey respondents living in Sacramento and Sacramento County tend to give the lowest ratings of healthy neighborhood indicators among the participating jurisdictions.
 - Public transportation issues—especially bus routes, availability of bus service, and connections between communities—are a pressing concern to residents throughout the region. The exception is on “the grid” in downtown Sacramento, where public transit is considered the best available in the region.

The primary housing barriers and the factors that contribute to those barriers identified in the research conducted for the AI include:

- The harm caused by segregation is manifest in disproportionate housing needs and differences in economic opportunity.
- Affordable rental options in the region are increasingly limited.
- Residents with disabilities need for and lack access to affordable, accessible housing.
- Stricter rental policies further limits options.

- Disparities in the ability to access homeownership exist.
- Public transportation has not kept up with growth.
- Educational inequities persist in the region.
- Disparities in labor market engagement exist.
- Residents with disabilities lack access to supportive services and a spectrum of housing options to enable them, especially those with mental illness, achieve and maintain housing stability.

The AI includes the following solutions to address the contributing factors discussed above. The participating partners focused on strategies that:

- Increase homeownership rates among under-represented groups.
- Expand affordable rental opportunities.
- Focus on a range of equity issues in accessing opportunity.

The City has identified barriers to affordable housing throughout the City's Housing Element. Notable barriers to developing affordable housing include:

- The balance between owner-occupied and renter-occupied housing and the preservation and maintenance of the City's aging housing stock.
- As suburbs mature with an aging housing stock, both single-family homes and apartment complexes in Citrus Heights face an increasing need to maintain.
- Land availability and land zoned at densities appropriate for multi-family housing.
- Environmental factors such as floodplains and native oak trees.
- Availability of funding.
- Design guidelines, which control the appearance of new development. Due to the requirements, the cost of building new housing may increase.
- Site improvements, development impact fees, and processing fees add significant cost to the developing new housing. Developers often pay for new roadways, sewer, water, and park facilities, along with other miscellaneous fees. There are also costs associated with getting

projects approved by the City and other agencies.

- Permit and approval process. In addition, the cost of fees on new projects, the amount of time required to process them varies by project, and the developer generally must pay holding costs, such as property taxes during the time of assessment.

Actions it planned to remove or ameliorate the negative effects of public policies that serve as barriers to affordable housing such as land use controls, tax policies affecting land, zoning ordinances, building codes, fees and charges, growth limitations, and policies affecting the return on residential investment

The City will continue to promote infill, reduce regulatory and economic barriers to infill, and support new transportation options.

Discussion

Staff will continue to seek grant funding and ways to maintain and develop affordable housing. More information is available in the City's Housing Element which was updated in 2021 and incorporated into the City General Plan adopted on August 11, 2011 which is available online at [Housing Element | Citrus Heights, CA - Official Website \(civicplus.com\)](#).

AP-85 Other Actions - 91.420, 91.220(k)

Introduction

While there are several constraints to meeting the needs of target-income residents, the primary obstacle is the lack of funding to fully address all needs. Economic challenges in recent years forced many nonprofits to cut services.

Actions planned to address obstacles to meeting underserved needs

The economic challenges in recent years have forced many nonprofits to cut services at a time when government and other entities are least able to provide them. There is no federal requirement for the City to match CDBG funds; however, the City has maintained a commitment to provide local funding to nonprofits despite other budget cuts when possible.

Another obstacle to meeting underserved needs is that many more services are located outside Citrus Heights in the City of Sacramento or parts of Sacramento County closer to the urban core. Citrus Heights works closely with the regional transit agencies to improve access. There are several daily public transportation linkages between Citrus Heights and downtown Sacramento.

Another obstacle is the City's lack of vacant land available for development. The City will focus heavily on the preservation of the existing housing stock through the Home Repair Program.

Actions planned to foster and maintain affordable housing

In 2023, the City will continue to offer a variety of programs to foster and maintain affordable housing such as:

The Home Repair Program will offer low-interest loans/grants to homeowners making health and safety repairs to their homes. This program will be funded using loan repayments and prior year funds.

The City's Code Enforcement Division will continue to support the Rental Housing Inspection Program, to assure low-income households have a safe and decent place to live.

The City approved an affordable permanent supportive housing project, Sunrise Pointe Apartments. The City approved the project in 2018 and allocated \$3,580,000 of the City's share of HOME Consortium funds to the 47-unit project planned for Sunrise Boulevard in Citrus Heights. This project is proposed to be completed by the end of 2022.

Actions planned to reduce lead-based paint hazards

While most housing units were built prior to 1978, target income households that may contain lead-

based paint occupy an estimated 5,312 units. The City will provide lead-abatement assistance for residential units through the Home Repair Program. The City contracts with a third-party firm to administer its Home Repair Program.

The City contracts with Michael Baker, International to administer the City's Home Repair Loan Program. Michael Baker International staff is qualified to evaluate lead-based paint hazards and implement lead-safe work practices. In addition, independent contractors are vetted through the City's Home Repair Program to develop the appropriate lead hazard reduction plans and or abatement scopes of work. The programs will comply with the Residential Lead Based Paint Hazard Reduction Act of 1992 (Title X) and subsequent changes in September 1999. The procedures regarding lead-based paint in all repair programs will include notification and identification.

Actions planned to reduce the number of poverty-level families

The City's anti-poverty strategy is based on providing a range of supportive services aimed at enabling those in poverty to move into the workforce or obtain benefits to which they are entitled (social security, disability). During the 2023 program year, Sacramento Self-Help Housing will provide housing counseling and supportive services to clients who are at-risk of homeless or experiencing homelessness.

The City will also continue to support activities that preserve and expand the supply of housing affordable to low-income households.

Actions planned to develop institutional structure

The City's Housing and Grants Division is responsible for the management, implementation, and monitoring of the Consolidated Plan documents, including the Annual Action Plan. The Housing Division works in close consultation with the Community Development Director, Finance Department, General Services Department, Citrus Heights Collaborative, and advisory committees.

Actions planned to enhance coordination between public and private housing and social service agencies

The City will continue to work with the neighboring jurisdictions, such as the County and the City of Sacramento and Sacramento Housing Redevelopment Agency, to address the regional issues that affect the needs of low-income persons as well as special needs populations. The City will also continue to work with many of the local nonprofits that provide a range of services to low-income Citrus Heights residents. In addition, the City plans to work with other entitlement jurisdictions in the Sacramento County, City of Elk Grove, and City of Rancho Cordova to research issues of interest to all jurisdictions

and to coordinate on shared subrecipient monitoring.

Discussion

The City has a number of actions planned to increase coordination among housing and social services agencies. For example, City staff facilitates the Citrus Heights Collaborative - an informal network of public and private social service agencies and community advocates. The Collaborative meets the second Friday of each month. In addition, City staff participates on the Continuum of Care Advisory Board and regional Funder's Collaborative.

Program Specific Requirements

AP-90 Program Specific Requirements - 91.420, 91.220(I)(1,2,4)

Introduction

Projects planned with all CDBG funds expected to be available during the year are identified in the Projects Table. The following identifies program income that is available for use that is included in projects to be carried out.

Community Development Block Grant Program (CDBG)

Reference 24 CFR 91.220(I)(1)

Projects planned with all CDBG funds expected to be available during the year are identified in the Projects Table. The following identifies program income that is available for use that is included in projects to be carried out.

1. The total amount of program income that will have been received before the start of the next program year and that has not yet been reprogrammed	0
2. The amount of proceeds from section 108 loan guarantees that will be used during the year to address the priority needs and specific objectives identified in the grantee's strategic plan.	0
3. The amount of surplus funds from urban renewal settlements	0
4. The amount of any grant funds returned to the line of credit for which the planned use has not been included in a prior statement or plan	0
5. The amount of income from float-funded activities	0
Total Program Income:	0

Other CDBG Requirements

1. The amount of urgent need activities	0
2. The estimated percentage of CDBG funds that will be used for activities that benefit persons of low and moderate income. Overall Benefit - A consecutive period of one, two or three years may be used to determine that a minimum overall benefit of 70% of CDBG funds is used to benefit persons of low and moderate income. Specify the years covered that include this Annual Action Plan.	100.00%

Discussion

The City determines its low-income benefit annually.



CITY OF CITRUS HEIGHTS

CITY COUNCIL STAFF REPORT

MEMORANDUM

DATE: October 27, 2022

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

FROM: Regina Cave, General Services Director
Leslie Blomquist, City Engineer
Hunter Young, Principal Civil Engineer

SUBJECT: Establishment of the Auburn Boulevard Underground Utility District

Summary and Recommendation

On February 9, 2005, the City Council adopted *The Boulevard Plan*, a planning document to guide the revitalization and enhancement of Auburn Boulevard between Sylvan Corners and Interstate 80. *The Boulevard Plan* outlines, among other things, concepts, goals, and principles by which the Auburn Boulevard corridor should be updated, including a focus on undergrounding of overhead utility lines. The first phase of public improvements between Sylvan Corners and Rusch Community Park was completed in 2014.

As final engineering design and right of way acquisition are currently underway for the Auburn Boulevard Complete Streets Project – Phase 2 between Rusch Community Park and Interstate 80, impacted utility owners require the establishment of an underground utility district (UUD) for the Auburn Boulevard corridor between Sylvan Corners and the northern city limits. For the very small portion of Auburn Boulevard within Roseville city limits, Roseville staff confirmed their municipal code already requires undergrounding utilities citywide, therefore, no UUD will be necessary on Auburn Boulevard within Roseville.

Staff recommends the City Council hold a public hearing and adopt Resolution No. 2022-____ A Resolution of the City Council of the City of Citrus Heights, California, Establishing an Underground Utility District on Auburn Boulevard between Sylvan Corners and the Northern City Limits.

Fiscal Impact

Establishment of the Auburn Boulevard UUD will require that electrical panels on buildings be converted and/or modified to receive underground electrical service. The cost of these conversions is estimated to be \$330,000, and will be paid for through project funding with no contribution from private property owners.

Background and Analysis

On February 9, 2005, the City Council adopted *The Boulevard Plan*, a planning document to guide the revitalization and enhancement of Auburn Boulevard between Sylvan Corners and Interstate 80. *The Boulevard Plan* outlines, among other things, concepts, goals, and principles by which the Auburn Boulevard corridor should be updated, including a focus on undergrounding of overhead utility lines. The first phase of public improvements between Sylvan Corners and Rusch Community Park was completed in 2014.

As final engineering design and right of way acquisition are currently underway for the Auburn Boulevard Complete Streets Project – Phase 2 between Rusch Community Park and Interstate 80, impacted utility owners require the establishment of an UUD for the Auburn Boulevard corridor between Sylvan Corners and the northern city limits. The proposed UUD meets the established criteria of the California Public Utilities Commission (CPUC) including:

- a) That such undergrounding will avoid or eliminate an unusually heavy concentration of overhead electric facilities;
- b) That the streets or roads or right of ways in the proposed district are extensively used by the general public and carries a heavy volume of pedestrian or vehicular traffic; and
- c) That the streets or roads or right of ways in the proposed district are designated arterial streets or major collectors as defined in the Governor's Office of Planning and Research General Plan Guidelines and identified in the adopted General Plan of the City of Citrus Heights.

Auburn Boulevard meets all of the criteria above in that a UUD will remove a heavy concentration of overhead electric facilities and is a major arterial with heavy traffic volumes serving not only Citrus Heights residents but a key regional corridor accessing Interstate 80.

The impacted utilities to be undergrounded include SMUD, Comcast, and Consolidated Communications, Inc. (CCI). All existing overhead wires and utility poles will be removed within the UUD by the utility companies at their sole expense once the new underground system is operational. The city will bear the capital costs for the Comcast and CCI portion of the underground system while Comcast and CCI will bear the cost of placing conductors in the new system. Under their Strategic Direction No. 14 (SD-14) System Enhancement Policy, SMUD will bear the pro-rata share for capital expenses and installation of electrical conductors for SMUD facilities.

Citrus Heights Municipal Code (CHMC) Chapter 98-305 authorizes the City Council to establish an UUD by resolution, following notice to affected property owners and a public hearing. All affected utilities and persons owning real property within the UUD were notified in advance of the public hearing and the city's desire to establish an UUD. Furthermore, CHMC Chapter 98-305 requires that a fixed time be detailed in the resolution for undergrounding. Based on the timeline to deliver the Auburn Boulevard Complete Streets Project – Phase 2, staff recommends requiring completion within three years and six months of establishing the district.

In consequence of the undergrounding utility work being desired by the city as part of the Auburn Boulevard project, the city voluntarily elected to fund the conversion of electrical panels on private

property from overhead to underground connections thus relieving property owners of bearing this expense as would normally be required under the municipal code.

Approval of this item will establish an UUD on Auburn Boulevard corridor between Sylvan Corners and the northern city limits as outlined in the map included in Attachment 4. The creation of the UUD will also ensure that all future public, private, and utility company projects within the UUD are prohibited from constructing overhead utility facilities.

Attachments

- 1) Resolution No. 2022-____ A Resolution of the City Council of the City of Citrus Heights, California, Establishing an Underground Utility District on Auburn Boulevard between Sylvan Corners and the Northern City Limits
 - a. Exhibit A: Map of “Auburn Boulevard Underground Utility District,” dated July 15, 2022
- 2) Notice of Public Hearing
- 3) Engineer’s Report

RESOLUTION NO. 2022-____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
CITRUS HEIGHTS, CALIFORNIA, ESTABLISHING AN UNDERGROUND
UTILITY DISTRICT ON AUBURN BOULEVARD BETWEEN SYLVAN
CORNERS AND THE NORTHERN CITY LIMITS**

WHEREAS, Chapter 98-305 of the Citrus Heights Municipal Code establishes a procedure for the creation of underground utility districts and requires the Citrus Heights City Council to hold a public hearing to ascertain whether public necessity, health, safety, or welfare requires the removal of poles, overhead wires, and associated overhead structures and the undergrounding installation of wires and facilities for supplying electric, communication, or similar associated services in any such district;

WHEREAS, the City of Citrus Heights has consulted with the affected public utilities and such utilities have agreed that the proposed underground utility district meets the established criteria of the California Public Utilities Commission (CPUC) to wit:

- a) That such undergrounding will avoid or eliminate an unusually heavy concentration of overhead electric facilities;
- b) That the streets or roads or right of ways in the proposed district are extensively used by the general public and carries a heavy volume of pedestrian or vehicular traffic; and
- c) That the streets or roads or right of ways in the proposed district are designated arterial streets or major collectors as defined in the Governor's Office of Planning and Research General Plan Guidelines and identified in the adopted General Plan of the City of Citrus Heights;

WHEREAS, staff have notified all affected property owners within the proposed underground utility district and inviting the same to attend a public hearing to discuss the establishment of the proposed district;

WHEREAS, at its regular meeting on October 27, 2022, the City Council held a public hearing to receive and consider public comments regarding the establishment of the proposed underground utility district;

WHEREAS, the proposed underground utility district includes Auburn Boulevard from Sylvan Corners (i.e., Sylvan Road/Old Auburn Road) to the northern city limits, as shown in Exhibit A entitled "Auburn Boulevard Underground Utility District," dated July 15, 2022; and

WHEREAS, an Engineer's Report has been prepared.

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

1. The City Council finds that the public necessity, health, safety, or welfare requires the removal of poles, overhead wires, and associated overhead structures and the undergrounding installation of wires and facilities for supplying electric, communication, or similar associated services in the area depicted on that certain map entitled “Auburn Boulevard Underground Utility District,” dated July 15, 2022, attached hereto as Exhibit A and on file in the offices of the General Services Department.
2. The City Council hereby declares the area shown in Exhibit A entitled “Auburn Boulevard Underground Utility District,” dated July 15, 2022, to be an underground utility district, which district will commence to exist 30 days from the date of this Resolution, and orders the removal of poles, overhead wires, and associated overhead structures and the undergrounding installation of wires and facilities for supplying electric, communication, or similar associated services in that district within three years and six months following the adoption 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 27th day of October, 2022 by the following vote, to wit:

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

Porsche Middleton, Mayor

ATTEST:

Amy Van, City Clerk

Exhibits

A. Auburn Boulevard Underground Utility District Map

EXHIBIT A: AUBURN BOULEVARD UNDERGROUND UTILITY DISTRICT
JULY 15, 2022



LEGEND

- PROPERTY LINE
- UNDERGROUND UTILITY DISTRICT LIMITS (CITY OF CITRUS HEIGHTS)
- UNDERGROUND UTILITY DISTRICT LIMITS (CITY OF ROSEVILLE)

07/15/2022

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SCALE IN FEET

Agenda Packet Page 159

CITY OF CITRUS HEIGHTS

NOTICE OF PUBLIC HEARING

NOTICE is hereby given that on **October 27, 2022**, at **6:00 p.m.**, or as soon thereafter as the matter may be heard, the City Council of the City of Citrus Heights will hold a Public Hearing at the Citrus Heights **Council Chambers located at 6360 Fountain Square Drive, Citrus Heights, CA 95621** for the consideration of the following:

Establishing the Auburn Boulevard Underground Utility District

The City Council will consider establishing by resolution the Auburn Boulevard Underground Utility District, which would cover Auburn Boulevard between Sylvan Corners and the northern City limits. Establishment of this District would require overhead utility providers to underground their facilities as well as prohibit installation of new overhead utility lines in the future. A map of the proposed District boundaries may be viewed on the city's website at <https://www.citrusheights.net/1127>.

PLEASE NOTE: For those individuals accessing the meetings through Zoom who wish to make a public comment, please use the Zoom hand raise function (or *9 if you join the webinar via telephone) and the host will unmute you when it is time to speak. Speakers will be limited to 3 minutes each. For more information on speaking at the hearing, visit the city's website <http://citrusheights.net/agendacenter> for more details.

Following the Public Hearing, the City Council may take such action as it deems appropriate. Interested persons are invited to submit written comments prior to and may testify at the Public Hearing. **Written comments may be submitted to Amy Van, City Clerk, 6360 Fountain Square Drive, Citrus Heights, CA 95621.** If the matter is continued for any reason to a later date, written comments and public testimony will be accepted until the close of the final Public Hearing. All comments will be considered by the City Council.

If you challenge the action of the City Council on this matter in court, you may be limited to raising only those issues you or someone else raised at the Public Hearing described in this notice, or in written correspondence delivered to the City Clerk at, or prior to the Public Hearing.

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact Amy Van, City Clerk, at (916) 725-2448. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting. TTY/TDD users with questions or comments can call the California Relay Service by dialing 7-1-1.

Dated: October 12, 2022

Publish: October 17, 2022



Engineer's Report for the Proposed Auburn Boulevard Underground Utility District

September 28, 2022

I. INTRODUCTION

On February 9, 2005, the City Council adopted *The Boulevard Plan*, a planning document to guide the revitalization and enhancement of Auburn Boulevard between Sylvan Corners and Interstate 80. *The Boulevard Plan* outlines, among other things, concepts, goals, and principles by which the Auburn Boulevard corridor should be updated, including undergrounding of overhead utility lines.

An underground utility district (UUD) is proposed for Auburn Boulevard between Sylvan Corners and the northern city limits in the City of Citrus Heights for the purpose of removing all existing overhead utilities of, but not limited to, Sacramento Municipal Utility District (SMUD), Comcast, and Consolidated Communications, Inc. (CCI) within the district boundary and placing them underground. The boundary of the proposed district is shown on the attached Exhibit A. Chapter 98, Article IV of the Citrus Heights Municipal Code sets forth provisions for establishing a UUD with Section 304 identifying this Engineer's Report as a requirement.

The Auburn Boulevard Complete Streets Project (Project) proposes to underground all existing overhead utilities within the UUD and provide underground utility service connections to all properties within the district. Furthermore, the Project will widen sidewalks, improve storm drainage system facilities, upgrade traffic signals, provide safe bicycle facilities, and install new streetlights, replacing existing street lights on the corridor. Existing wood utility poles within the UUD will be removed as part of the Project.

II. PHASES OF THE WORK

The proposed UUD will be completed through the following phases of work.

Auburn Boulevard Complete Streets Project – Phase 1

Following adoption of *The Boulevard Plan* in 2005, the city commenced Phase 1 of the Auburn Boulevard Complete Streets project between Sylvan Corners and Rusch Community Park. Following years of design, utility coordination, and construction ending

in 2014, all overhead utilities in this phase were undergrounded with the exception of one SMUD facility located at the intersection of Auburn Boulevard/Antelope Road, which facility is exempt due to extremely high voltage. A UUD was not established by the City Council following a study session in February 2009 in which staff indicated that the City's capital improvement project was funding a portion of the undergrounding effort that might normally be funded by impacted property owners, and as such, creation of a UUD was not necessary. The City Council concurred with this approach at that time.

Auburn Boulevard Complete Streets Project – Phase 2

Following completion of Phase 1 construction, the city commenced preliminary design of Phase 2 of the Auburn Boulevard Complete Streets Project. Phase 2 continues the proposed roadway and utility undergrounding from Rusch Community Park north to Whyte Avenue located in the City of Roseville, which is the northern limit for SMUD's electrical facilities. As final engineering design and right of way acquisition are nearing completion for Phase 2, impacted utility owners now require the establishment of a UUD covering both Phases 1 and 2 of the Auburn Boulevard Complete Streets Project between Sylvan Corners and the northern city limits.

Upon approval by the City Council of a resolution to establish the UUD, the city's design team, having previously coordinated with impacted utility providers, will finalize all utility coordination thus allowing construction drawings to be developed by the respective utility companies. The drawings will establish the proposed locations for all above or below-ground conduits, handholes, transformers, streetlights, pedestals, and any other required electrical or communications equipment. The locations for all necessary easements have been or will soon be acquired and recorded by Sacramento County for utility work on private properties for structures and conduits.

The construction for Phase 2 will consist of (a) construction of underground utilities, (b) construction of service connections for those properties that are served by the district, and (c) installation of streetlights and connections to be owned and maintained by the City of Citrus Heights.

The last step of the underground process consists of completing the final connections for the private properties to the new underground system and the removal of all existing overhead utility wires and poles within the UUD as shown on Exhibit A. The utility companies are responsible for the removal of their respective wires and poles. The city's roadway improvements will make necessary repairs to the city's right-of-way infrastructure.

III. COST OF THE WORK

The city's design team estimates the total construction costs for Phase 2, which is the remaining work to be completed, to be \$30,000,000. This includes construction of the undergrounding utility work, associated roadway improvements, construction managements/inspection services, engineering design support, and other miscellaneous expenses.

Throughout 2022, city staff have coordinated with SMUD on an agreement for cost sharing, which agreement will be brought forward to the City Council at a future date. Until SMUD produces their own in-house construction drawings with cost estimate, it is unknown exactly what financial contribution SMUD will make, however, SMUD has committed no less than \$750,000 for supporting their pro-rata share of the joint trench and other utility work. It is likely that SMUD will contribute more funding once they conclude their own design work. Furthermore, SMUD forces will furnish and install all electrical cabling on the project.

Following the pattern established during Phase 1 of the Auburn Boulevard Complete Streets Project, Comcast and CCI will not contribute financially to the underground infrastructure, however, their own crews will furnish and install all telecommunications cabling on the project.

In addition to the primary trenches conveying electrical and telecommunications lines underground, service connections on private properties will be modified to allow for the new underground service. The cost of these conversions impacting 20 properties is estimated to be \$330,000, and will be paid for through project funding with no contribution from private property owners. Of note, not all properties within the Project corridor receive electrical or telecommunications service off of Auburn Boulevard, and therefore not every property fronting Auburn Boulevard will require service connection modifications to their electrical panel. After installation, each property owner in the UUD will be responsible for the maintenance of the conduit and electrical conversion equipment located on their respective property in accordance with utility provider requirements.

IV. SCHEDULE OF THE WORK

The estimated schedule for Phase 2 of the Project is:

- Completion of Design along with Caltrans Approvals: 8 months from October 2022
- Soliciting Contractor Bids/Award of Contract: 5 months
- Construction: 24 months, starting in early 2024

It is expected that the proposed undergrounding, conversion of private utility services, and removal of overhead utilities and poles will be completed no later than April 2026. This end date is three years and six months from the anticipated creation of the UUD, and is identified in the City Council resolution for consideration.



Leslie Blomquist, PE
City Engineer

Enclosures: Exhibit A Boundary Map Entitled "Auburn Boulevard Underground Utility District," dated July 15, 2022,



CITY OF CITRUS HEIGHTS
CITY COUNCIL STAFF REPORT
MEMORANDUM

DATE: October 27, 2022

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

FROM: Casey Kempenaar, Community Development Director
 Regina Cave, General Services Director
 Alex Turcotte, Police Chief
 Alison Bermudez, Senior Planner

SUBJECT: **Proposed Shopping Cart Ordinance**

Summary and Recommendation

At the May 10, 2022 Strategic Planning Meeting, the City Council established an objective to present to City Council for consideration, a shopping cart ordinance and associated outreach plan.

Staff recommends the City Council introduce for first reading, read by title only and waive the full reading of Ordinance No. 2022- _____, as shown in Attachment 2, an Ordinance of the City Council of the City of Citrus Heights adding Article VII to Chapter 50 of the Citrus Heights Municipal Code.

Fiscal Impact

While there is no direct fiscal impact related to this action, the ordinance does include a relatively minor fee (\$25.00) to be collected from a business in certain instances for each cart impounded. This fee represents a small portion of the actual cost to recover and store collected carts.

Initially, the most significant impact will be related to staffing as the proposed ordinance touches almost every City department including Community Development who will review the Shopping Cart Retrieval Plans submitted by each business, General Services who oversees the “Beautification Crew” including the collection and storage of the abandoned carts; and the Police Department who interfaces with the public and businesses on many of the blight related issues. Although the ordinance will involve several departments, once implemented, the impact is anticipated to be limited in nature.

Background and Analysis

At the May 10, 2022 Strategic Planning Meeting, the City Council established an objective to present to City Council for consideration, a shopping cart ordinance and associated outreach plan that requires shopping cart fleets be retrofitted with lockable wheel devices.

Shopping carts continue to be a significant contributor to blight and accumulation of rubbish and debris throughout the City. Shopping carts are often found abandoned in areas creating hazardous conditions. On average, the City collects 35 – 40 shopping carts monthly, however, other parties, including Sunrise MarketPlace collect shopping carts as well. Despite these retrieval efforts, shopping carts continue to cause visual blight around the City. Shopping carts often end up in the City's right of way creating both vehicular and pedestrian/bicyclist safety concerns. Shopping carts are also found abandoned in the City's creek corridors increasing flood risk throughout the community.

In order to address the ongoing nuisance associated with shopping carts, staff developed the attached ordinance based on four principles:

1. **Prevention** – Shopping carts provide legitimate purpose; however, when carts leave the intended site, they often become a hazard and businesses ultimately need to replace carts adding long-term costs. Prevention is seen as the best tool to avoid this challenge.
2. **Accountability** – The Ordinance introduces accountability measures for both the business and the person using the cart to stop off site movement before it contributes to community blight or becomes a safety concern.
3. **Shared Impact** – The City recognizes that shopping cart theft is not always preventable. The City has launched the Beautification Crew to quickly respond to blight, including shopping carts. The City will assist with cart collection to supplement efforts by the businesses that benefit from their use with a focus on those that impact the health and safety of the community.
4. **Minimize Impact on Businesses** – The ordinance allows flexibility for businesses to tailor cart theft prevention approaches that best suit their operations. However, the ordinance also introduces accountability by ensuring businesses have a plan in place that is well suited to stop cart theft.

These principles are incorporated into proposed ordinance (Attachment 2). The intent of the ordinance is to reduce the number of shopping carts which leave the business and become abandoned throughout the City which contributes to blight.

Existing Regulations/State Law

While there are state regulations which address abandoned shopping carts, the regulations are not conducive to reducing blight. Provisions of the "California Shopping Cart Law" (CA B&P Section 22435) allow abandoned shopping carts, which are not impeding emergency services, to remain at the abandoned location for three working days (72-hours) prior to a city taking action to impound the stray cart. Additionally, while state law considers the removal of a cart from a business premises to be a misdemeanor, rarely will a cart owner, if ever, press charges.

Proposed Ordinance

The City's proposed ordinance will strengthen what is currently in state law by allowing an abandoned cart to immediately be collected (instead of waiting 72 hours) when found off-premise. This shortened time frame will make a significant impact on reducing the visual blight caused by abandoned or stray shopping carts.

The following are key components to the proposal:

Shopping Cart Retrieval Plan Required

Feedback received from the City's current cart retrieval service provider indicated that those businesses who have a cart containment system and retrieval procedures in place experience far less loss in theft and unauthorized cart removals than those businesses who do not monitor/manage their carts.

Therefore, the ordinance will require each business with more than five (5) shopping carts to submit a Shopping Cart Retrieval Plan (SCRP or Plan). The SCRП will provide the City information on the businesses methods employed to reduce cart removals, retrieval measures, employee training procedures, as well as the acknowledgement they have properly marked each cart as required by the ordinance. Despite these efforts, shopping carts may still find their way offsite and be picked up by the City. In these instances, the SCRП will provide the necessary information to notify businesses so they may reclaim their cart in a timely manner.

There will be no cost to the business when submitting their SCRП for review/approval. Once approved, the Plan will not require annual renewal. A business may amend the Plan at any time should circumstances change or if required by the City due to repeat impoundments. New businesses will be required to submit their SCRП during the business licensing process.

Impounded Cart Process

With the adoption of the ordinance, the City's newest team, referred to as the "Beautification Crew," will have the ability to pick up any abandoned and/or stray carts without having to wait the 72 hours otherwise required by state law. Impounded carts will be stored at the City corporation yard and businesses will have 72 hours to collect their cart without penalty. Carts not collected within 72 hours will be subject to a \$25.00 per cart fee. Any carts not retrieved within 30 days or carts not properly identified, will be at the city's discretion for permanent disposal. In addition, the ordinance will provide additional enforcement tools in cases where a business has more than five (5) shopping carts impounded during a six-month period. In those extreme cases, the City will have the ability to require the business to install wheel locking/stopping mechanisms or in rare instance, prohibit the owner from possessing shopping carts.

Staff intends to work with businesses to accomplish the objectives of the ordinance and are concerned with compliance versus taking punitive actions. The punitive actions are there for special cases where they are needed due to a lack of cooperation or complete disregard.

Shopping Cart Plan Timeline

Should the City Council approve the proposed ordinance the following key dates would follow:

Subject: Shopping Cart Ordinance

Date: October 27, 2022

Page 4 of 5

November 10, 2022	Second reading of ordinance
December 11, 2022	Ordinance become effective
December 12, 2022	Opening of Shopping Cart Plan submission period
February 28, 2023	Close of Shopping Cart Plan submission period
March 28, 2023	Final date to implement approved Shopping Cart Plan

Outreach

In July and August, staff attended several neighborhood association meetings and solicited feedback on a proposed shopping cart ordinance. Feedback on the proposal was well received as most attendees believed stray carts created blight throughout the city.

In September, the Draft Shopping Cart Ordinance was released for review/comment and posted on a dedicated webpage on the city's website www.citrusheights.net/shoppingcarts. The webpage provided a copy of the proposed ordinance, a robust FAQ sheet and the proposed implementation timeline (See Attachment 4). Over 80 businesses who utilize shopping carts were notified by direct mail of the proposed ordinance. In addition, information pieces were also sent to business groups including the Sunrise MarketPlace (SMP), Citrus Heights Chamber of Commerce, Industry Associations such as the Grocers Association and Retailers Association.

In September, staff presented the ordinance to both the SMP Board of Directors and the Citrus Heights Chamber of Commerce. Based upon feedback received from both the SMP Board and the Chamber of Commerce Board, the ordinance was further clarified to provide examples of how a business can satisfy the customer notification/signage requirements. While the business groups verbally supported the proposal, written letters of support have not been received. Should communication be received, staff will provide the Council a copy.

Surrounding Jurisdictions

According to the California Grocers Association, more than 120 jurisdictions in California have adopted regulations specifically addressing abandoned shopping carts. As typically done when considering ordinances, staff looks to our jurisdictional neighbors to see if the proposed ordinance is consistent with what is happening around us. Many local jurisdictions have shopping cart ordinances in place including Sacramento County and the cities of Elk Grove and Rancho Cordova. In the review of their regulations, this proposed ordinance is very similar in that they also require a SCRP and have penalties for non-compliance.

Amendments Based on Public Comments

Several businesses contacted City Staff via email or phone to discuss the proposed ordinance. Included in Attachment 4 is a letter from Pet Smart who did not express any concerns with the ordinance and felt it was very similar to other agency's regulations they work with around the state.

While staff did not receive any communications from businesses against the ordinance, e-mail communications were received from residents who had concerns with the imposition of fines for the unauthorized possession of a cart. The initial proposal considered the unauthorized possession of the cart as an infraction which comes with statutory fines defined in the

Government Code. In response to the feedback received, the consideration of the unauthorized possession as an infraction was removed from the ordinance.

Conclusion

Collectively, the measures included in the ordinance are intended to work together to prevent cart theft, to introduce accountability around shopping cart theft, and ensure a collection plan is in place for times when prevention and accountability do not prevent carts from being moved off site. The proposed ordinance is consistent with many ordinances locally and across the state and consistent with the Business and Professions Code related to shopping carts.

The proposed ordinance aligns with three of the City Council's Three-Year goals:

- Preserve and enhance public safety
- Enhance community vibrancy and engagement
- Maintain public infrastructure and enhance alternative modes of transportation

The ordinance is proposed as a potential implementation measure coming out of the City Council adopted Focus Area Work Plan. This tool combined with other measures the City is in the process of implementing over the next two years are intended to produce results to improve community image, foster a clean business environment and enhance community pride. If issues arise that warrant revisiting a section of the proposed ordinance, staff has the ability to bring it back to City Council for consideration of an amendment at any time. Staff recommends City Council approve the proposed ordinance to help address a consistent problem that contributes to blight issues.

Environmental Determination

The proposed amendments are exempt from CEQA Pursuant to CEQA Guidelines Section 15061(b)(3), also known as the "general rule" exemption, CEQA exempts activities that can be seen with certainty to have no possibility for causing a significant effect on the environment.

Attachments

1. Ordinance 2022- ____ an Ordinance of the City Council of the City of Citrus Heights adding Article VII to Chapter 50 of the Citrus Heights Municipal Code
2. Draft Shopping Cart Plan Application
3. Frequently Asked Questions
4. Comment Letters
 - a. PetSmart
 - b. J. Oliver
 - c. M. Lynch
 - d. R. Smith
 - e. D. Warren

CITY OF CITRUS HEIGHTS

ORDINANCE NO. 2022-__

**ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CITRUS HEIGHTS
ADDING ARTICLE VII TO CHAPTER 50 OF THE CITRUS HEIGHTS MUNICIPAL
CODE RELATING TO THE REGULATION OF SHOPPING CARTS**

**THE CITY COUNCIL OF THE CITY OF CITRUS HEIGHTS HEREBY ORDAINS AS
FOLLOWS:**

SECTION 1. Declaration of Intent

The purpose of this ordinance is to ensure that measures are taken by cart owners to prevent the removal of shopping carts from store premises and parking lots and to facilitate the retrieval of abandoned carts as permitted by State law.

SECTION 2. Findings

- The proposed amendments will not be detrimental to the public, interest, health, safety, convenience, or welfare of the City.
- The proposed amendments are exempt from the California Environmental Quality Act (CEQA) under Section 15061(b)(3) and 15305 of the Guidelines

SECTION 3. Add Section VII to Chapter 50 to the Citrus Heights Municipal Code

Section VII, Chapter 50, Shopping Carts, is hereby added to the Citrus Heights Municipal Code and shall read as set forth below:

ARTICLE VII. -- SHOPPING CARTS

Section 50-900. - Purpose.

Abandoned shopping carts constitute a nuisance, create potential hazards to the public health and safety and interfere with pedestrian and vehicular traffic within the City. Wrecked, dismantled and/or abandoned shopping carts on public or private property create conditions that reduce property values and promote blight and deterioration within the City's neighborhoods.

The purpose of this section is to ensure that measures are taken by cart owners to prevent the removal of shopping carts from store premises and parking lots and to facilitate the retrieval of abandoned carts as permitted by State law. This section is based in part on California Business and Professions Code Section 22435 and following.

Section 50-901. - Applicability.

This section applies to:

- (a) All businesses within the City of Citrus Heights that provide shopping carts for customer use at any one business location; and

- (b) Any person in possession of an off-site shopping cart.

Section 50-902. - Definitions.

Abandoned shopping cart means any cart removed from a business establishment's premises without the written permission of the owner and located on either public or private property. This does not apply to carts that are removed for purposes of repair or maintenance.

Agent means the person or persons designated by the owner of the shopping cart authorized to perform or provide retrieval services on behalf of the business owner.

Cart means the same as shopping cart.

City means the City of Citrus Heights or its designated representatives.

Identified Shopping Cart means a shopping cart that has a permanently affixed sign that identifies, in accordance with Section 50-904, the owner of the cart or the retailer, or both.

Owner means a person or establishment providing shopping carts for customers' use.

Premises means the entire area owned or under the control of a business owner, including the parking area or other off-street area.

Shopping cart means a basket which is mounted on wheels or a similar device generally used in a retail establishment by a customer for transporting goods.

Shopping cart plan means a document submitted by the owner of the cart pursuant to Section 50-907.

Unidentified Shopping Cart means a shopping cart that is not an identified cart, as defined above.

Section 50-903. - Declaration of Public Nuisance.

The spread of shopping carts deserted on public and private property causes blighted conditions in many areas of the City and results in the obstruction of public and private sidewalks, streets, parking lots, park spaces, and other areas, thereby creating hazards to the health and safety of the public. The Citrus Heights City Council declares abandoned shopping carts to be a public nuisance.

Section 50-904. - Shopping Cart Identification Requirements.

Every business providing shopping carts shall have a sign permanently affixed to each cart that includes all of the following information:

- (a) The identity of the owner or business, or both;
- (b) A valid address, store identity number, telephone number, or some other form of markings that clearly identifies the cart owner;
- (c) Notice to the public that the unauthorized removal of the shopping cart from the premises of the business establishment, or the unauthorized possession of the shopping cart, is a violation of State

laws and a violation of City ordinance.

Section 50-905. - Unauthorized Removal Possession of a Shopping Cart.

Without the prior written consent of the owner, it is unlawful for any person to remove, or cause to be removed, any shopping cart which is the property of the business establishment furnishing such carts for its customers' use, from the parking lot or other premises of said business establishment.

Section 50-906. - Exception.

A violation of this section shall not apply to carts that are removed for the purposes of repair or maintenance with written consent of the business owner.

Section 50-907. - Mandatory Shopping Cart Plan.

Every owner of a business that maintains more than five (5) shopping carts shall implement a shopping cart plan in accordance with this section and shall submit to the City within sixty (60) days of adoption of this section and any time the plan is proposed to be amended. Such plan shall include all the following elements:

- (a) *Identifying Information.* Name, address and telephone number of the business, and the name and telephone number of the on-site manager or designated agent;
- (b) *Shopping Cart Information.* The number of on-site shopping carts held by the business, and a signed affidavit stating all carts will be in compliance with the shopping cart identification requirements listed in Section 50-904;
- (c) *Employee Training.* A description of employee-training program to educate existing and new employees about the shopping cart plan;
- (d) *Notice to Customers:* A description of the notification method(s) used to communicate to the public that unauthorized removal of a cart from the business premise is a violation of state law and Citrus Heights City Code. The method(s) used may include, but are not limited to, prominently displayed signage posted at each customer exit, printed on store shopping bags, printed on sales receipt, or other method approved by the City.
- (e) *Loss Prevention Measures.* A description of the measures that the owner will implement to prevent the removal of shopping carts from the premises. These measures may include, but are not limited to, devices on shopping carts that automatically disable them if they are removed from the premises, designation of certain employees tasked to prevent the removal of shopping carts from the premises by assisting patrons with transporting groceries or merchandise to patrons' vehicles and then returning shopping carts to the location where the retail establishment keeps the shopping carts, installation of obstacles to prevent the removal of shopping carts, prohibiting carts outside the building of the business unless accompanied by an employee, bollards and chains around the premises to prevent cart removal, collection of security deposits for use of all carts, or the rental or sale of utility carts that can be temporarily or permanently used to transport purchases;
- (f) *Retrieval Measures.* Specific measures for the retrieval of abandoned carts by its employees, or proof that the owner has entered into a contract for cart retrieval services.

- (g) *Collaboration allowed:* Two or more businesses may collaborate and submit a single-plan.

Section 50-908. – Shopping Cart Plan Timeline and Approval Process.

A proposed plan for preventing shopping cart removal shall be submitted to the City's Community Development Department within sixty (60) days following the adoption of this ordinance. Any establishments that opens after the adoption of the ordinance codified in this section will have thirty (30) days from the filing date on their City business license application to submit a shopping cart removal prevention plan to the City for approval.

If a plan is rejected as incomplete or inadequate, or if additional information is needed, the City shall notify the owner within thirty (30) days from the date of the plan submission. The owner has thirty (30) days to submit the additional information or a complete or adequate plan. The City may reject or deny a plan on any of the following grounds:

- (a) The plan fails to include the information required under this section or fails to adequately address the required elements.
- (b) The plan fails to address any special or unique conditions due to the geographical location of the premises as they relate to cart retention and prevention efforts.
- (c) Implementation of the plan violates this section, or State or Federal law.
- (d) The owner knowingly makes a false statement or omits relevant facts in the plan, or in any amendment or attachment or report.

Upon notice to the owner that the City has approved the prevention plan, the owner has thirty (30) days to implement the prevention plan at their establishment.

Any owner who fails to implement approved plan measures or fails to comply with the approved plan measures will be subject to enforcement of these requirements through any lawful means available to the City.

Section 50-909. - Plan Modification.

The owner shall submit a plan modification of any previously approved shopping cart plan to address changed circumstances. The City may require a business to submit a plan modification due to repeat impoundments or to modify ineffective provisions. The City shall review and consider the modification in the same manner set forth in Section 50-907 and 50-908.

Section 50-910. - Revocation of Plan.

The City may revoke an approved plan on any of the following grounds:

- (a) A shopping cart has been found on off-premise on three or more occasions within the past six-month period where the City has had to notify business owner to pick up impounded cart(s).
- (b) The plan fails to address any changed circumstances related to cart retention and prevention efforts.
- (c) The owner has failed to comply with a provision of this section.

- (d) The owner has knowingly made a false statement or fails to disclose relevant information in an application, an amendment or in a report to the City.

Business owners whose plans have been revoked are subject to penalties as provided in Section 50-911.

Section 50-911. - Penalties for Failing to Submit or Implement a Prevention Plan.

In addition to the penalties set forth in this chapter, any owner who fails to submit a prevention plan, implement the prevention plan or implement any required modifications to the plan as required by the City, within the time frames as specified in this section, shall be required to place disabling devices on all shopping carts owned, leased or used by the business establishment to prevent removal of shopping carts within sixty days of the date of service of the notice of violation from the City. Failure to install disabling devices as required is subject to an administrative citation for each day the disabling devices remain uninstalled.

Section 50-912. - Authority to Immediately Impound Abandoned Cart

The City shall have the authority to remove and impound any off-premise cart on public or private property under the following conditions:

- (a) The cart owner is notified within twenty-four (24) hours following the impoundment. Notification to the cart owner may be provided in person, by phone or by mail and the City shall document the notification used for each impounded cart.
- (b) The notification shall inform the cart owner as to the location where the cart may be claimed.
- (c) Impounded carts shall be held at a location designated by the City which is reasonably convenient to the cart owner and open for business at least six (6) hours a day.
- (d) Any cart reclaimed by the cart owner within seventy-two (72) hours following the date of actual notification as provided pursuant to this section, shall be released and surrendered to the owner at no charge whatsoever, including the waiver of any redemption fees that would otherwise be applicable pursuant to Section 50-914.
- (e) Any cart not reclaimed by the cart owner within seventy-two (72) hours following the date of actual notice as provided pursuant to this section, shall be subject to the collection of administrative costs under Section 50-914 commencing on the fourth day following the date of notice. Any cart reclaimed by the owner within seventy-two (72) hours following the date of actual notice as provided pursuant to this section, shall not be deemed an "occurrence" under Section 50-913.

Section 50-913. - Repeat Impoundments.

Should the City impound, pursuant to California Business and Professions Code 22435.7, more than five (5) carts of any owner within a thirty-day (30) period, the City reserves the right to require the business to do one or more of the following:

- (a) Require the owner to equip each shopping cart with wheel locking or stopping mechanism that is used in conjunction with an electronic or magnetic barrier along the premises of the retail establishment. The wheel locking or stopping mechanism must activate when the shopping cart

crosses the electronic or magnetic barrier.

- (b) Prohibit the owner from possessing shopping carts on its premises.

In shall be unlawful for an owner to fail to comply with either requirement when so ordered by the City in writing. Any such order is subject to an appeal to the City Manager within 21 days of service of the order.

Section 50-914. - Administrative Costs.

Pursuant to Business and Professions Code Section 22435.7, any owner that fails to retrieve its abandoned cart(s) within seventy-two (72) hours after receiving notice from the City shall pay the City's actual costs for retrieving the cart(s) and providing the notification to the owner. The administrative costs shall be set forth in the City's Master Fee Schedule.

Any owner who fails to retrieve abandoned carts in accordance with this section in excess of three (3) times during a specified six-month period shall be subject to an additional fifty (\$50.00) dollar fine for each occurrence. An occurrence includes all carts owned by the owner that are impounded by the City in a one-day period.

The "specified six-month period" shall be the six-month periods ending on June 30th and December 31st of each calendar year.

Section 50-915. - Disposal of Abandoned Shopping Carts.

Pursuant to State law, any marked cart not reclaimed from the City within thirty (30) days after notification to the owner shall be sold or otherwise disposed of by the City or its agents as it sees fit.

If the cart owner is unknown and not clearly identified on the cart, the cart shall be designated as "unidentified" and disposed of by the City or its agents as it sees fit.

Section 50-916. - Emergency Services.

Pursuant to subdivision (c) of Business and Professions Code, Section 22435.7, any City officer, employee, or agent may immediately retrieve any shopping cart from public or private property if its location impedes emergency services.

Section 50-917. - Enforcement.

Any person who violates the provisions of this section is subject to any enforcement procedures permitted by law, including but not limited to: prosecution of a misdemeanor or an infraction, civil action for injunction, administrative enforcement procedures, including administrative citation, and revocation of a use permit if applicable.

Section 50-918. - Records Required for Retrieval Services.

Any person who engages in the business of shopping cart retrieval shall retain records showing written authorization from the owners to retrieve abandoned shopping carts and to be in possession of the shopping carts retrieved. A copy of the records showing written authorization shall be maintained in each vehicle used for abandoned shopping cart retrieval.

Section 50-919. – Business License Required for Retrieval Services.

Any person intending to operate a shopping cart retrieval service for the purposes described in this chapter shall first obtain a business license from the City.

SECTION 4. Severability. If any section, subdivision, sentence, clause, phrase or portion of this Ordinance is for any reason held invalid or unconstitutional by any court of competent jurisdiction, such portion shall be deemed a separate, distinct and independent provision, and such holding shall not affect the validity of the remaining portions thereof.

SECTION 5. Effective Date and Notice. This ordinance shall take effect thirty (30) days after its adoption, provided it is published in full or in summary within fifteen (15) days of its adoption, in a newspaper of general circulation published and circulated in the City of Citrus Heights.

PASSED AND ADOPTED by the City Council of the City of Citrus Heights this __ day of _____, 2022, by the following vote:

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

Porsche Middleton, Mayor

Amy Van, City Clerk

Please complete the following. Attach additional sheets if necessary:

1. General Information (See also California B & P Code Section 22435)

Name of Business	
Name of Business or Corporate Owner	
Business Address	Citrus Heights, CA ZIP CODE _____
Name of On-Site Contact	
Contact Phone Number	
Contact Email	

2. Cart Inventory

Approximately How Many Carts? _____

3. Community Outreach

How will you inform customers that removing or being in possession of a shopping cart off the store premises is a violation of State law?

☐ Signs posted near entrance doors or parking lot exits.

☐ Other: Please describe _____

(Attach additional sheets if needed.)

4. Cart Signage – (Your store's carts must contain these essential elements.)

Every cart owned or provided by any Owner must have a sign permanently affixed to the cart that contains all the following information:

- 1) Identity of Owner, business establishment, or both
- 2) The address and or phone number of the Owner of the business establishment for Cart return.
- 3) Notice to the public that the unauthorized removal of the shopping cart from the premises of the business establishment, or the unauthorized possession of the shopping cart, is a violation of State laws and a violation of City ordinance.

Provide a Sample of the statement to be used and affixed to carts to comply with the above Ordinance standards: If you are using stickers as signage, attach a sample sticker, a copy, or picture of the sticker or sign.

5. Loss Prevention Measures

Please describe the shopping cart loss prevention measures in use at this store that are likely to prevent shopping carts from being removed from the premises. *Check all that apply.*

<input type="checkbox"/> Wheel Locks, Electronic, or other disabling devices	<input type="checkbox"/> Carts equipped with poles	<input type="checkbox"/> Security personnel	<input type="checkbox"/> Other (<i>describe below</i>)
--	--	---	--

6. Mandatory Retrieval

Each Prevention Plan requires a plan for cart retrieval within 24 hours upon notification by the City of Citrus Heights.

Who should the City of Citrus Heights contact for Cart Retrieval?

Name: _____

Phone: _____

7. Employee Training

Please describe the annual method of employee training on the store's Abandoned Cart Prevention Plan. *Check all that apply.*

<input type="checkbox"/> Staff Meetings	<input type="checkbox"/> Employee Orientation	<input type="checkbox"/> Other (<i>describe below</i>)
---	---	--

To the best of my knowledge the above information is true and accurate.

Signature (Store Representative)

Print Name

Title

Date

Return the completed form to:

The City of Citrus Heights

Planning Division

6360 Fountain Sq. Drive

Citrus Heights, CA 95621

(916) 727-4740

Email: planning@citrusheights.net

Remember to:

☐ Check that all portions of the form are completed

☐ Attach additional pages if necessary

For more information regarding Abandoned Shopping Carts go to:

<http://www.citrusheights.net/shoppingcarts>



CITY OF CITRUS HEIGHTS

Updated October 11, 2022

The City is proposing a new ordinance to establish an abatement and enforcement program for abandoned and/or unauthorized use of shopping carts. This ordinance will be one tool in a robust and diverse toolbox implemented to advance blight removal and prevention in Citrus Heights and ensure a clean and safe environment for residents, businesses, and shoppers. Below are some of the program's highlights:

- Businesses are required to include signage on their property about the removal of shopping carts;
- Each shopping cart shall be identified with signage that includes information about the ownership of the cart and the violation of the law regarding the removal of carts from the premises;
- Removal of shopping carts from the store's premises without the owner's written approval is a violation and violators may be cited; and
- Businesses will be required to have a City approved Shopping Cart Plan in place by February 28, 2023. The plan shall include methods related to containment and retrieval of an abandoned or stolen shopping cart.

Frequently Asked Questions:

What shopping cart program does the City currently have?

The City's General Services Department picks up shopping carts abandoned carts from sidewalks and roadways. In addition, the City utilizes a Cart Retrieval Service for carts found abandoned on private property.

Why are we implementing a formal shopping cart program now?

While the City retrieves shopping carts as part of nuisance abatements, our commercial areas are overburdened with a high frequency of shopping cart litter. Shoppers living in close proximity routinely use carts to transport purchases and abandon them in high-visibility areas. Abandoned shopping carts pose a threat by obstructing pedestrian access, interfering with pedestrian and vehicular traffic, and emergency services. They also create visual blight in our commercial areas. Prevention measures are needed in addition to the City's shopping cart program to resolve this issue.

In addition, the program will support our business community in the protection of business assets by reducing the number of carts removed from their premises and any carts removed will be returned to the business.

How am I supposed to retrieve carts being used by transients or those that have hazardous materials?

This program is meant to create prevention measures for carts that shoppers do not return. *Please do not retrieve carts that could pose a health or safety threat.* The City's cart program will recover this type of cart. The City is also creating a robust toolbox advance blight prevention goals and mitigate homelessness issues and has the potential to minimize this type of incident, including:

- **Proactive Beautification Crew:** A two-person full time crew and fully stocked truck patrolling proactively maintaining public areas, including: abandoned transient carts and debris, homeless camp abatement, illegal dumps, trash/liter removal, graffiti and debris removal, illegal sign removal from poles and public spaces, and weed abatement.
- **Expanding Influence:** Many blight issues take place right outside city borders. We are partnering with other government agencies that have jurisdictional responsibilities for public areas within the City limits (Caltrans) or on the edge of the City where

[Type here]

enforcement and cleanup challenges present problems for residents and businesses and establishing memorandums of agreement that would allow Citrus Heights greater clean up and enforcement ability.

- **Increased Accountability and Consequences:** Citrus Heights Police Department has implemented a Chronic Nuisance (repeat) Offender Program to prosecute chronic offenders of codes and ordinances for individuals and/or property. Also, severe cases will now have the potential to be referred for community prosecution.

What other local cities have similar ordinances?

While many jurisdictions in California have shopping cart ordinances, locally the County of Sacramento and the cities of Rancho Cordova and Elk Grove all have programs.

What is the timeline for implementation?

The proposed ordinance is anticipated to be reviewed by the City Council fall of 2022. If adopted, the ordinance will implement the following schedule:

- All businesses must submit and have an approved Shopping Cart retrieval Plan in place by February 28, 2023. Following the adoption of the ordinance, information will be available on website on the submittal and review process.

What happens when a cart is found off-property?

Owners of properly identified carts will be notified to retrieve the abandoned cart. Carts not retrieved within 3 days after notification are impounded. Unidentified carts are subject to immediate impoundment.

Do businesses have to pay a fee for recovering impounded shopping cart?

Any cart reclaimed by the cart owner within 3 business days following notification shall be released with no charge whatsoever. Any cart not reclaimed by the cart owner within 3 business days following notice shall be subject to any applicable fee imposed pursuant to Section 50-914.

What is an on-site cart containment program?

It is a system selected by the retail establishment that effectively contains the shopping carts preventing the carts from removal. Effective containment programs may include, disabling devices to prevent the movement of carts, on-site security to prevent removal of carts from business premises, or any other measure approved by the City.

Do I need to post signs or label my cart?

Businesses shall post their premises in a conspicuous location notifying cart users that removal of carts from the premises or parking area is prohibited without the written consent of the retail establishment. All carts at a retail establishment must have a permanently affixed sign that states the following:

- Identifies the owner of the cart and/or retailer
- Notifies the public of the procedure to authorize the removal of the cart from the owner's premises
- Notifies the public that the unauthorized removal of the cart from the owner's premises or unauthorized possession of the cart is a violation of State law
- Lists a valid telephone number or address for returning the cart to its owner.

Can I be exempt from having an on-site containment program?

Any person owning a retail establishment where more than 5 cars are available for customer use must implement and maintain an effective cart nuisance abatement program.

When is the proposed program implemented?

Enforcement of the proposed Shopping Cart program would begin in March 2023. Businesses subject to this ordinance must have their plan submitted and approved by February 28, 2023 in order to be in compliance.

[Type here]

What happens to items left in abandoned carts?

Any items left in abandoned shopping carts are disposed of.

Attachment 4

Written Public Comments Received

- a. PetSmart
- b. J. Oliver
- c. M. Lynch
- d. R. Smith
- e. D. Warren

CALIFORNIA SHOPPING CART THEFT LAW

**UNAUTHORIZED REMOVAL FROM PREMISES OR UNAUTHORIZED POSSESSION
OF THIS CART IS A VIOLATION OF STATE LAW (B&P CODE 22435)**

ANY REMOVAL MUST BE BY WRITTEN PERMISSION OF STORE DIRECTOR.

**REMOVAL OF SHOPPING CARTS IS PROHIBITED BY LAW AND SHALL SUBJECT
THE VIOLATOR TO A MINIMUM OF \$100.00 (ORD. 2002-039 S 1)**

IF CART IS FOUND OFF STORE PREMISES CALL TOLL FREE 888-992-4778 FOR CART PICKUP.

**THE UNAUTHORIZED REMOVAL OF A
SHOPPING CART FROM THESE PREMISES IS PROHIBITED BY LAW.**

**STORE # 52 6434 SUNRISE BLVD
CITRUS HEIGHTS, CA 95610 916-729-2866**

**POSSESSION OF A CART OFF OF THIS PROPERTY, WITHOUT THE WRITTEN PERMISSION OF THE STORE
MANAGER, IS A VIOLATION OF CITY, COUNTY AND STATE ORDINANCES.**

Bermudez, Alison

From: Planning
Sent: Wednesday, September 21, 2022 3:16 PM
To: Bermudez, Alison
Subject: FW: PetSmart Store 52 Citrus Heights, CA - shopping cart ordinance
Attachments: Seat Flap #52 Citrus Heights CA PROOF.pdf

From: Mick Moore <MiMoore@PetSmart.com>
Sent: Wednesday, September 14, 2022 12:12 PM
To: Store 0052 Manager <M0052@PetSmart.com>; Adam Burton <aburton@PetSmart.com>; Christina Viramontes <CViramontes@PetSmart.com>; planning@citrusheights.net; pat@advancecarts.com
Cc: Mick Moore <MiMoore@PetSmart.com>
Subject: PetSmart Store 52 Citrus Heights, CA - shopping cart ordinance

City of Citrus Heights, CA - I received your Anticipated Adoption of a Shopping Cart Ordinance for our PetSmart Store 52 located in your city. This is very similar to many other municipalities. I have attached the draft copy of the shopping cart placard that will be placed on each shopping cart. Please review and approve.

Also, PetSmart works with RMS (Retail Marketing Services) which is a cart retrieval company for many west coast stores. RMS has added the Citrus Heights store to their retrieval services and will start combing the neighborhood at periodic times for our shopping carts.

I look forward to your response.

Thanks

Mick Moore | Contracted Services
19601 N. 27th Ave., Phoenix, AZ 85027
office: 623-587-2570 | mobile: 602-432-8477 | fax: 623-580-6512
email: mimoore@petsmart.com



Bermudez, Alison

Subject: FW: Shopping card proposal

From: Janice Oliver-Iraci <
Sent: Sunday, October 2, 2022 7:54 AM
To: Planning <planning@citrusheights.net>
Subject: Shopping card proposal

I understand how important it is to solve the issue of blight in our city, and I understand that shopping carts that are abandoned play a big part of the blight. However, I think the proposed resolution is way too harsh on local businesses in our community.

It is very difficult for businesses to keep up with the costs these days, and this resolution could be the impetus for some of them to leave the city.

The article did not mention if any of the collected funds from individuals would go to the businesses to help them implement these new procedures and absorb some of the cost. The other issue I see is that most of the individuals are unhoused, unemployed, and unable to pay the fines.

I urge the commission to keep brainstorming to find a different solution. Perhaps offer to pay some of the (qualified and vetted) unhoused to collect and return carts. There are some who would take up this work, although a minority. Perhaps work with Albert Sanchez in this regard.

Thank you for listening,

Janice Oliver-Iraci

Subject: FW: Shopping Cart Ordinance

From: M Lynch <
Sent: Sunday, October 2, 2022 9:21 PM
To: Planning <planning@citrusheights.net>
Subject: Shopping Cart Ordinance

The city proposes some interesting ideas when it comes to rogue shopping cart enforcement.

1. Fines - 99% of shopping carts that are seen tucked away behind buildings, overflowing with you name it, typically belong to homeless people. Wheather it be by unfortunate circumstances or by personal choice, these people can't even afford a roof over their heads. Anyone who thinks the threat of a fine here and there would put even the slightest dent in the problem is a fool.

2. Signage or locking devices - prices of everything these days continue to rise. Requiring every retailer offering carts to customers to spend time and money installing useless signage on hundreds of carts and or locking devices is just another expense retailers will just pass along to customers. Not really a great time to do that.

3. Only allow use while inside the store - It's already bad enough we are required to pay an extra fee if we want our purchased goods bagged via paper or the not much of an improvement plastic bags. Not allowing the carts to be used outside the building is even more ludicrous. As a senior on a very fixed income, how am I to be expected to carry my non bagged groceries to my car if the cart's wheels lock the minute it's out the door? Those intent on "permenently borrowing" a shopping cart probably dont make it a point of doing so from the carts in the store. They are likely perloined from the return corrals or the wayward cart that gets left wherever the previous user felt was most convenient. A perimeter wheel lock would seem most logical without useless signage on each cart. However the problem might still arise if someone parks in the farther end of a multi store property and makes their last and farthest stop from said parking space, the store requiring a cart, will the cart they are using for the specific use listed, end up locking up on them because they parked 50 feet beyond the "cart lock perimeter"? Is the shopper then going to be expected to leave their purchases in said cart, so they may retrieve their car and hope their items are still there waiting for them?

These are all things many municipalities have attempted and failed in the past to inhibit shopping cart theft and blight.

How about instead of monitary fines for cart thieves, figure out a way they can be required to spend a day or more rounding up cleaning and returning them to the respective stores. Many (certainly not all) homeless don't have jobs, aside from intersection median strip begging, I'm sure they'd be available to spend a day or so scouring the county rounding up those very items they stole. Perhaps also in lieu of fines require offenders to be assigned to retailer maintenance crews to help maintain, clean and repair the carts. That would certainly help eliminate that one squeaking wheel that insists on turning the opposite direction you're trying to go at every available opportunity.

Surely there must be some grant fund money designated for the homeless that would finance light training in these tasks. Rather than imposing a fine that would never be paid, or a warrant that will never be executed unless purely by chance, give these people a skill that might help them obtain some form of employment and perhaps dignity.

Just a few random thoughts on your proposal.

Thank you for your time.

Michael Lynch
7504 Snow Goose Ln
Citrus Heights, CA 95621

Bermudez, Alison

Subject: FW: shopping carts

-----Original Message-----

From: Rebecca and David Smith <>

Sent: Monday, October 3, 2022 11:45 AM

To: Planning <planning@citrusheights.net>

Subject: shopping carts

I am scratching my head over this one. Unless I am mistaken our city came out against some COVID restrictions because they would dampen commerce. So now you are asking businesses to jump through a lot of hoops and make expenditures, not to mention paying potential fines because property stolen from them is a “blight” and expense for the city. Isn’t the problem linked to theft and thus to those who are stealing the carts in the first place? Wouldn’t it make more sense to immediately confiscate any carts found “in the wild” so to speak, hold them as abandoned property in a fenced area for the period required by law and then dispose of them? If attended charge the attendee with theft (misdemeanor or felony depending on the value of the cart) unless the attendee has written proof of purchase or other arrangements with the owner of the cart. In terms of arguing that identifying markers may not be present on the cart, the markings proposed in the ordinance would most likely be subject to removal as well. I don’t know, this whole idea appears to be more of a punishment for the victim of the crime as most businesses seem to do a reasonably good job at collecting carts both during and after the business day. Seems to me that if the goal of our city is to be business friendly we work at enforcing the laws against theft that exist, not adding more ordinances that charge the retailers who are the victims not perpetrators of theft. Bluntly, charge the “John” not the “Worker.”

Rebecca

Sent from my iPhone

Bermudez, Alison

From: Kempenaar, Casey
Sent: Friday, October 7, 2022 3:32 PM
To: Bermudez, Alison; Feeney, Ashley; Cave, Regina; Turcotte, Alex; Russo, Jason; Huber, Meghan
Subject: Fwd: Objection to shopping cart ordinance

Begin forwarded message:

From: DAVID WARREN <
Date: October 7, 2022 at 3:17:05 PM PDT
To: "Kempenaar, Casey" <ckempenaar@citrusheights.net>
Subject: Objection to shopping cart ordinance

DAVID WARREN
7000 San Felipe Ct.
Citrus Heights, CA 95621
Telephone: 916 729 1635
Fax: (916) 727-0472
Internet: DavidWarren2@msn.com

7 October 2022

ckempenaar@citrusheights.net
via email

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

Re: Proposed ordinance regulating shopping carts

Dear Sir:

I am writing to address both the inane and counter-productive consequence of the proposed ordinance.

It should be self-evident that most individuals who remove shopping carts from business premises with the intent of using them as a vehicle to store personal property (i.e., homeless individuals), do not have neither the financial resources to pay the penalties set forth in the proposed ordinance or will make any effort to pay the fine. Thus, there is no disincentive to such individuals to prevent them from removing the shopping carts from the place of business.

The proposed ordinance will in fact aggravate the homeless problem. Credit reporting services pick up unpaid municipal fines as part of a credit record. Individuals attempting to move

from homelessness into housing will have negative credit comments which will hinder their ability to obtain rental housing. Thus, the ordinance will add to the homeless population, increasing the need for shopping cart thefts, with the resultant aggravation of the shopping cart problem.

Issuing citations to homeless individuals who lack a permanent address is an ineffectual futile act. Homeless individuals have no residence address in which to seek enforcement of a fine. Any effort to enforce the ordinance as a misdemeanor is pointless in that (1) the booking cost at the County jail exceeds any benefit to the city; (2) any individual taken into custody for a shopping cart violation will be immediately released from custody because of County jail overcrowding; (3) the city will be responsible to taking into custody and safely storing the arrestees personal property, along with the cost of reuniting the property to the arrestee; and (4) the cost of the city attorney to prosecute the misdemeanor will exceed any miniscule potential benefit to the city.

The fact that the homeless individual who is cited pursuant to this ordinance will not face any real consequence will likely result in a further degradation of respect for the police because it will proffer evidence of the impotence of the police to regulate homeless conduct.

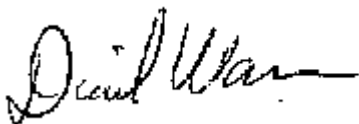
The ordinance should also be rejected because of the unnecessary burden that it places upon retail businesses. By way of example, the ordinance does not provide for an exception from financial sanction to a business which installs currently available security devices upon shopping carts which unfortunately easily overridden by nothing more than a magnet.

Businesses should only be charged for shopping carts which are confiscated from their business premises if the business has demonstrably failed to install reasonable security measures. A business owner who undertakes best practice shopping cart security measures should not face financial penalties any more than a property owner who acts to prevent the use of illegal fireworks on their property but fails because of a miscreant tenant or trespasser.

The above examples as they apply to those who typically confiscate and abandon shopping carts or offer shopping carts to customers should not be considered all of the reasons this ordinance should be rejected, but these objections should be sufficient to be the basis for rejecting the ordinance as drafted.

Please include this letter as part of the comments on the proposed ordinance when the ordinance is presented to the city council for consideration.

Yours truly,

A handwritten signature in black ink, appearing to read "David Warren", with a stylized flourish at the end.

David Warren

Sent from [Mail](#) for Windows



CITY OF CITRUS HEIGHTS

CITY COUNCIL STAFF REPORT

MEMORANDUM

DATE: October 27, 2022

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

FROM: Susan Talwar, Administrative Services Director
Tammy Nossardi, Finance Manager

SUBJECT: **Professional Services Agreement for Investment Management/Advisory Services by Chandler Asset Management, Inc.**

Summary and Recommendation

Staff recommends the City Council adopt Resolution No. 2022 _____ a resolution of the City Council of the City of Citrus Heights, California, authorizing the City Manager to execute a contract with Chandler Asset Management, Inc. (Attachment 2) for investment management and advisory services for the City of Citrus Heights. The agreement shall commence upon the execution of this agreement and shall continue until this agreement is terminated effective upon receipt of notice of termination in writing delivered by the terminating party.

Fiscal Impact

Majority of the City's funds are in the Local Agency Investment Fund (LAIF) account. LAIF maintains an average maturity of approximately 300 days. The return by investing in LAIF over one year, the return typically would be 0.62% as of September 30, 2022. A similar investment in a longer duration strategy (i.e., 1-3 Year US Treasury & Agency Index (1.8 years)) would have income returns of 1.012%, for the same time period. Income returns do not include change in fair value. The approach will be to build a portfolio that provides greater diversification than LAIF in sectors and maturities, and average longer than LAIF, while preserving safety and enhancing liquidity.

The cost of investment management services is up to 1% of the average market value of the City's portfolio. Staff anticipates that enhanced investment earnings will exceed investment management fees. This fee structure is consistent with the market rate for these services.

Background and Analysis

Professional investment management of public funds is a best practice that provides substantial benefits to the City of Citrus Heights. These benefits include day-to-day monitoring of investment opportunities available in the market; periodic re-balancing of the portfolio to take advantage of interest rate trends; credit monitoring and analysis to protect the portfolio from credit and default risk; investment selection; and competitive shopping of investments to obtain the best rates.

A request for proposal for investment management services was issued in the spring of 2022 with the City receiving six responses. Staff evaluated the proposals in accordance with the evaluation criteria, which included responsiveness, technical experience, qualifications of staff and other considerations. After reviewing all the proposals, staff interviewed three candidates in the summer of 2022.

- Chandler Asset Management, Inc. (Chandler)
- Government Portfolio Advisors (GPA)
- PFM Asset Management

Staff recommends entering into an agreement with Chandler. The most significant factors considered in recommending Chandler:

- Clients similar to the City of Citrus Heights that Chandler currently manages is City of American Canyon in Napa County, City of Atwater in Merced County and City of Arcata in Humboldt County;
- Provided thorough documentation of understanding the City of Citrus Heights, including the investment policy and suggesting improvements for future consideration;
- Great references on being service oriented, providing assistance beyond contracted services, validated performance beyond the benchmark while maintaining a lower risk than the benchmark; and
- Reporting and integration software that will save on City's staff time for accounting for investments.

With the award of this agreement, the Finance Department and Chandler will work on developing an investment program, including analysis of risk and return, investment policy development and review, and cash flow analysis and forecasting. Chandler will implement investment strategies that meet the City's risk and return requirements, provide comprehensive investment reporting to save staff time, and conduct education and training for staff enrichment. Chandler will provide staff monthly reporting, hold quarterly meetings to discuss quarterly results, and be available to present to the City as needed. Chandler will be assisting staff with the annual update of the Investment Policy, which ultimately will be submitted to City Council for review and approval.

Subject: Professional Services Agreement for Investment Management/Advisory Services by Chandler Asset Management

Date: October 27, 2022

Page 3 of 3

Attachments

1. Resolution No. 2022 _____ a resolution of the City Council of the City of Citrus Heights, California authorizing the City Manager to execute the agreement with Chandler Asset Management, Inc. for investment management and advisory services for the City of Citrus Heights.
2. Chandler Asset Management, Inc. Agreement

RESOLUTION NO. 2022 - ____

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CITRUS
HEIGHTS AUTHORIZING THE CITY MANAGER TO EXECUTE A
CONTRACT WITH CHANDLER ASSET MANAGEMENT, INC. FOR
INVESTMENT MANAGEMENT AND ADVISORY SERVICES**

WHEREAS, the City Council of the City of Citrus Heights wishes to engage the services of Chandler Asset Management, Inc. to provide investment management and advisory services with the cost being based on the amount calculated on the average market value of the City of Citrus Heights' portfolio in accordance with the following schedule:

Assets Under Management	Annual Investment Management Fee
First \$25 million	0.10 of 1% (10 basis points)
Next \$25 million	0.08 of 1% (8 basis points)
Next \$50 million	0.06 of 1% (6 basis points)
Assets in excess of \$100 million	0.04 of 1% (4 basis points)

WHEREAS, Chandler Asset Management, Inc. was selected from six investment management and advisory service firms who submitted proposals to perform investment and advisory services for the City of Citrus Heights; and

WHEREAS, Chandler Asset Management, Inc. possesses the necessary experience, training, education and qualifications to perform the services for which it is being retained.

NOW THEREFORE BE IT RESOLVED that the City Council of the City of Citrus Heights hereby authorize the City Manager to enter into an agreement with Chandler Asset Management, Inc., to provide investment management and advisory services.

PASSED AND ADOPTED by the City Council of the City of Citrus Heights, California, this 27th day of October 2022, by the following vote, to wit:

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

Porsche Middleton, Mayor

ATTEST:

Amy Van, City Clerk

INVESTMENT MANAGEMENT AGREEMENT
 (Institutional Client, Non-ERISA)

City of Citrus Heights (Client) hereby retains Chandler Asset Management, Inc. (Chandler) as Investment Adviser on the terms and conditions set forth herein.

1. Term. The term of this Agreement shall commence upon the execution of this Agreement and shall continue until this Agreement is terminated effective upon receipt of notice of termination in writing delivered by the terminating party.
2. Fees. Client shall compensate Chandler monthly an amount calculated on the average market value of Client's portfolio, including accrued interest, in accordance with the following schedule:

Assets Under Management	Annual Investment Management Fee
First \$25 million	0.10 of 1% (10 basis points)
Next \$25 million	0.08 of 1% (8 basis points)
Next \$50 million	0.06 of 1% (6 basis points)
Assets in excess of \$100 million	0.04 of 1% (4 basis points)

The fees expressed above do not include any custody fees that may be charged by Client's bank or other third party custodian.

Fees shall be prorated to the effective date of termination on the basis of actual days elapsed, and any unearned portion of prepaid fees shall be refunded. Client is not required to pay any start-up or closing fees; there are no penalty fees.

Fees shall be deducted monthly in arrears from Client's custody account.

3. Client Representative. In its capacity as investment manager, Chandler shall receive all instructions, directions and other communications on Client's behalf respecting Client's account from _____ (Representative). Chandler is hereby authorized to rely and act upon all such instructions, directions and communications from such Representative or any agent of such Representative.
4. Investment Policy. In investing and reinvesting Client's assets, Chandler shall comply with Client's Investment Policy, which is attached hereto as Exhibit A.
5. Authority of Chandler. Chandler is hereby granted full discretion to invest and reinvest all assets under its management in any type of security it deems appropriate, subject to the instructions given or guidelines set by Representative.
6. Notices. All reports and other communications required hereunder to be in writing shall be delivered in person, or sent by first-class mail postage prepaid, by overnight courier, by confirmed facsimile

with original to follow or by confirmed electronic mail with proof of receipt to the addresses set forth below. Either party to this Agreement may, by written notice given at any time, designate a different address for the receipt of reports and other communications due hereunder.

Chandler Asset Management

Attn: Nicole Dragoo
6225 Lusk Boulevard
San Diego, CA 92121
ndragoo@chandlerasset.com

City of Citrus Heights

Attn:
6360 Fountain Square Dr.
Citrus Heights, CA, 95621
Email

7. Electronic Delivery. From time to time, Chandler may be required to deliver certain documents to Client such as account information, notices and required disclosures. Client hereby consents to Chandler's use of electronic means, such as email, to make such delivery. This delivery may include notification of the availability of such document(s) on a website, and Client agrees that such notification will constitute "delivery". Client further agrees to provide Chandler with Client's email address(s) and to keep this information current at all times by promptly notifying Chandler of any change in email address(s).

Client email address(s): _____

8. Proxy Voting. Chandler will vote proxies on behalf of Client unless otherwise instructed. Chandler has adopted and implemented written policies and procedures and will provide Client with a description of the proxy voting procedures upon request. Chandler will provide information regarding how Clients' proxies were voted upon request. To request proxy policies or other information, please contact us by mail at the address provided, by calling 800-317-4747 or by emailing your request to info@chandlerasset.com.
9. Custody of Securities and Funds. Chandler shall not have custody or possession of the funds or securities that Client has placed under its management. Client shall appoint a custodian to take and have possession of its assets. Client recognizes the importance of comparing statements received from the appointed custodian to statements received from Chandler. Client recognizes that the fees expressed above do not include fees Client will incur for custodial services.
10. Valuation. Chandler will value securities held in portfolios managed by Chandler no less than monthly. Securities or investments in the portfolio will be valued in a manner determined in good faith by Chandler to reflect fair market value.
11. Investment Advice. Client recognizes that the opinions, recommendations and actions of Chandler will be based on information deemed by it to be reliable, but not guaranteed to or by it. Provided that Chandler acts in good faith, Client agrees that Chandler will not in any way be liable for any

error in judgment or for any act or omission, except as may otherwise be provided for under the Federal Securities laws or other applicable laws.

12. Payment of Commissions. Chandler may place buy and sell orders with or through such brokers or dealers as it may select. It is the policy and practice of Chandler to strive for the best price and execution and for commission and discounts which are competitive in relation to the value of the transaction and which comply with Section 28(e) of the Securities and Exchange Act. Nevertheless, it is understood that Chandler may pay a commission on transactions in excess of the amount another broker or dealer may charge, and that Chandler makes no warranty or representation regarding commissions paid on transactions hereunder.
13. Other Clients. It is further understood that Chandler may be acting in a similar capacity for other institutional and individual clients, and that investments and reinvestments for Client's portfolio may differ from those made or recommended with respect to other accounts and clients even though the investment objectives may be the same or similar. Accordingly, it is agreed that Chandler will have no obligation to purchase or sell for Client's account any securities which it may purchase or sell for other clients.
14. Confidential Relationship. The terms and conditions of this Agreement, and all information and advice furnished by either party to the other shall be treated as confidential and shall not be disclosed to third parties except (i) as required by law, rule, or regulation, (ii) as requested by a regulatory authority, (iii) for disclosures by either party of information that has become public by means other than wrongful conduct by such party or its officers, employees, or other personnel, (iv) for disclosures by either party to its legal counsel, accountants, or other professional advisers, (v) as necessary for Chandler to carry out its responsibilities hereunder, or (vi) as otherwise expressly agreed by the parties.
15. No Assignment & Amendments. Neither party may assign, directly or indirectly, all or part of its rights or obligations under this Agreement without the prior written consent of the other party, which consent shall not be unreasonably withheld or delayed. This Agreement may be amended at any time by mutual agreement in writing.
16. Governing Law. It is understood that this Agreement shall be governed by and construed under and in accordance with the laws of the State of California.
17. Severability. Any provision of this Agreement which is prohibited or unenforceable shall be ineffective only to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof.
18. Receipt of Brochure and Privacy Policy. Client hereby acknowledges receipt of the disclosure statement or "brochure" and "brochure supplement" also known as Part 2A and Part 2B of Form ADV, required to be delivered pursuant to Rule 204-3 of the Investment Advisers Act of 1940 (Brochure). Client further acknowledges receipt of Chandler's Privacy Policy, as required by Regulation S-P.
19. Arbitration. It is agreed that any controversy between Chandler and the Client arising out of Chandler business or this Agreement, shall be submitted to arbitration conducted under the

provisions of the commercial arbitration rules of the American Arbitration Association. Arbitration must be commenced by service upon the other party of a written demand for arbitration or a written notice of intention to arbitrate. Judgment upon any award rendered by the arbitrators shall be final and may be entered in any court having jurisdiction thereof. This clause does not constitute a waiver of any right including the right to choose the forum, whether arbitration or adjudication, in which to seek resolution of disputes.

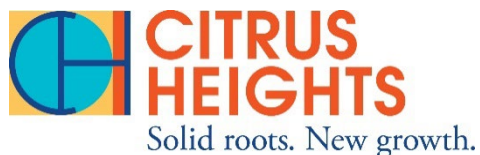
Client

By: _____
Date

Name & Title: _____

Chandler Asset Management, Inc.,
a California Corporation

By: _____
Nicole Drago
President
Date



CITY OF CITRUS HEIGHTS

CITY COUNCIL STAFF REPORT MEMORANDUM

DATE: October 27, 2022

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

FROM: Susan Talwar, Administrative Services Director
Tammy Nossardi, Finance Manager

SUBJECT: **Financial Update**

Summary and Recommendation

Staff recommends the City Council review the information presented on the preliminary General Fund operating results for Fiscal Year 2021-22, the General Fund revenues and expenditures for the first quarter of Fiscal Year 2022-23 and the updated Ten-Year Financial Forecast. This is an information item only. No City Council action is requested.

Fiscal Impact

The Fiscal Year (FY) 21-22 General Fund budget projected, in June 2022, revenues of \$35,807,420 available to fund expenditures of \$35,427,668 with a projected year-end increase to General Fund Reserves totaling \$1,373,752. Unaudited actuals for FY 21-22 have been recorded with an operating surplus of \$3,037,878. The General Fund reserve balance is up from \$8.4 million to \$11.4 million at end of FY 21-22.

In June 2022, FY 22-23 General Fund budget was amended to provide \$6.8 million surplus. As projected in the Ten-Year Financial Forecast, the \$6.8 million surplus creates an opportunity to fund reserves and continue to build up in the coming years.

This is an informational item only.

Background and Analysis

Fiscal Year 2021-22 Preliminary Operating Results

The Fiscal Year 2021-22 General Fund Budget, as adopted in April 2021 and subsequently amended on February 2022, anticipated revenue of \$35.2 million to fund expenditures of \$33.8 million with the resulting \$1.4 million surplus. A subsequent budget amendment was approved on March 2022, when the City Council authorized prepayment of the outstanding revolving line of credit balance of \$3.5million, amending General Fund budget expenditures to \$37.3 million.

While the City's fiscal year ended on June 30th, revenues continue to be recorded and expenditures processed through August 31st. Preliminary operating results are now available, subject to any adjustments which could be made by the City's auditors during their upcoming review of financial transactions for Fiscal Year 2021-22.

General Fund revenue for Fiscal Year 2021-22 totaled \$36.7 million – \$1.5 million over the \$35.2 million budgeted amount. This revenue variance was mainly attributable to the following:

- Sales Tax. The original budget estimate for sales tax revenue was \$14.1 million. The effect of inflationary and interest rate pressures, and the pandemic rebound generated sales tax revenue of \$14.4 million.
- Building Permit/Plan Check Fees. Revenue from building permits and plan check fees totaled \$2.4 million which is \$200,000 over the budgeted amount. This was the result of increased residential and commercial building activity which is expected to slow down by the end of the current calendar year.
- Other Revenue. This category includes mainly reimbursements for planning, engineering and public safety costs as well as recovery of costs for damage to City property and other miscellaneous revenue. The total amount of other revenue received was \$1.4 million compared to the budget of \$1.2 million. This is mostly one-time revenue which is not expected to recur annually.
- Community Center Rentals. Revenue from rental of the three community centers was budgeted at \$175,000. With the ease of COVID pandemic restrictions, the community center use has seen a slight uptick resulting in revenue of \$200,000.
- Line of Credit Prepayment. Due to increased revenue and operating budget savings, there was not a need to access the line of credit. On March 24, 2022, the City Council authorized to pay off the line of credit balance of \$3.5 million.
- American Rescue Plan Act (ARPA). For FY21-22 Council appropriated \$2.6 million to the Police Department of which \$1.6 million was actual expenditures resulting in \$1 million savings.

General Fund expenditures totaled \$33.6 million compared to the approved budget of \$37.3 million. Budget savings of \$3.6 million were realized from labor cost savings due to position vacancies and reduced associated operating costs. Of the total budget savings, \$2.4 million was attributable to the Police Department due to vacancies.

The City's auditors are currently conducting the annual financial audit which is expected to be completed by early December. The audited financial statements will be prepared and a final financial report for Fiscal Year 2021-22 will be presented to the Finance and Administration Committee and then to the City Council in January 2023.

A summary of General Fund revenues and expenditures for Fiscal Year 2021-22 is provided below:

General Fund Summary
Fiscal Year 2021-22
Preliminary Unaudited Results

	FY 2021-22 Budget	FY 2021-22 Actual	Actual vs. Budget
<u>Revenue</u>			
Sales Tax	\$ 14,104,000	\$ 14,412,009	\$ 308,009
Utility Users Tax	2,780,000	3,065,239	285,239
Franchise Fees	1,215,000	1,290,165	75,165
Property Transfer Tax	450,000	638,183	188,183
Transient Occupancy Tax	18,000	32,595	14,595
Business License	259,400	284,898	25,498
Building Permits/Plan Check Fees	2,209,800	2,434,280	224,480
Other Licenses and Permits	556,500	561,429	4,929
Motor Vehicle in Lieu	9,581,920	9,683,155	101,235
Fines & Forfeitures	755,000	787,138	32,138
Charges for Service	365,850	385,478	19,628
Community Center Rentals	175,000	212,059	37,059
Cost Allocations	1,458,192	1,440,305	(17,887)
Other Revenue	1,280,673	1,443,512	162,839
Subtotal Revenue	\$ 35,209,335	36,670,444	\$ 1,461,109
Great Plates Reimbursement	-	33,212	33,212
Total Revenue	\$ 35,209,335	\$ 36,703,656	\$ 1,494,321
<u>Expenditures</u>			
City Council	\$ 135,436	\$ 128,050	\$ (7,386)
City Manager	683,164	418,278	(264,886)
Economic Development	554,749	447,017	(107,732)
City Attorney	309,000	307,903	(1,097)
City Clerk	320,179	267,972	(52,207)
Elections	-	-	-
<u>Administrative Services Department</u>			
Human Resources	692,154	624,151	(68,003)
Information Services	1,009,777	1,005,014	(4,763)
Risk Management	2,253,642	1,989,363	(264,279)
Finance	934,715	935,103	388
<i>Total Administrative Services Department</i>	<i>4,890,288</i>	<i>4,553,631</i>	<i>(336,657)</i>
Non-Departmental	2,802,269	2,537,127	(265,142)
<u>Police Department</u>			
Police	19,243,356	16,935,821	(2,307,535)
Animal Control	750,439	568,199	(182,240)
<i>Total Police Department</i>	<i>19,993,795</i>	<i>17,504,020</i>	<i>(2,489,775)</i>
<u>General Services Department</u>			
Engineering	476,899	618,568	141,669
Facility Management	455,551	413,678	(41,873)
Fleet Management	160,822	140,681	(20,141)
Community Events	165,275	137,758	(27,517)
Community Centers	668,059	578,924	(89,135)
<i>Total General Services Department</i>	<i>1,926,606</i>	<i>1,889,609</i>	<i>(36,997)</i>
<u>Community Development Department</u>			
Housing	83,927	135,919	51,992
Planning	631,820	557,046	(74,774)
Building Inspection	949,785	908,864	(40,921)
Planning Commission	16,686	8,340	(8,346)
<i>Total Community Development Department</i>	<i>1,682,218</i>	<i>1,610,169</i>	<i>(72,049)</i>
History & Arts Commission	20,000	5,000	(15,000)
Transfers Out	477,000	477,000	-
Subtotal Expenditures	\$ 33,794,704	\$ 30,145,776	\$ (3,648,928)
Line of Credit Payment	3,520,001	3,520,001	-
Total Expenditures	\$ 37,314,705	\$ 33,665,777	\$ (3,648,928)
Net Operating Surplus/(Shortfall)	\$ (2,105,370)	\$ 3,037,879	

Fiscal Year 2022-23 – First Quarter

The budget for Fiscal Year 2022-23 was adopted by the City Council on April 22, 2021 and subsequently amended on June 23, 2022 to include appropriations of the City's allocation of American Rescue Plan Act (ARPA) funding to restore Police Department staffing.

The General Fund budget for Fiscal Year 2022-23 anticipates revenue of \$42 million. As of September 30th, the City had received \$2.6 million or 6.3 percent of the annual budgeted revenue. This is due to the timing of how revenue is paid to the City.

- Sales Tax – The largest source of revenue to the General Fund is sales tax. Sales tax revenue was budgeted at \$14.3 million or 33.9 percent of total budgeted revenue. Because there is a two-month lag in the remittance of sales tax by the State of California, the City has only received \$1.0 million by the end of the first quarter of the fiscal year.
- Motor Vehicle in-lieu – The second largest source of revenue to the General Fund is motor vehicle in-lieu fees, budgeted at \$10.3 million or 24.5 percent of total anticipated revenue. Motor vehicle in-lieu fees are paid to the City in two installments – one-half in January and one-half in May.
- Property Tax – The City will receive its first property tax revenue, the third largest revenue source to General Fund, budgeted at \$6.8 million or 16.3 percent, paid to the City in two installments – one-half in January and one-half in May.

General Fund expenditures for Fiscal Year 2022-23 are budgeted at \$35.3 million. As of September 30th, the City had expended \$10.5 million or 29.6 percent of the annual budget. Included in the first quarter expenditures are payments for annual insurance premiums and CalPERS pension liabilities. While revenues are cyclical General Fund expenditures are consistent exceeding revenues by \$7.8 million during the first quarter of the fiscal year. This is common due to the timing of when revenue is received and the fairly stable monthly expenditure level and demonstrates the significance of maintaining a sufficient level of General Fund reserves.

A summary of General Fund revenues and expenditures as of September 30, 2022 is provided below:

General Fund Summary
Fiscal Year 2022-23
As of September 30, 2022

	FY 2022-23 Budget	Actual Sept. 30, 2022	% of Budget
<u>Revenue</u>			
Sales Tax	14,323,000	1,097,675	7.7%
Utility Users Tax	2,850,000	399,956	14.0%
Franchise Fees	1,245,000	99,474	8.0%
Property Tax	6,883,000	-	0.0%
Property Transfer Tax	500,000	87,811	17.6%
Transient Occupancy Tax	18,000	23,858	132.5%
Business License	255,350	96,671	37.9%
Building Permits/Plan Check Fees	1,562,625	501,950	32.1%
Licenses and Permits	509,300	113,359	22.3%
Motor Vehicle in Lieu	10,319,000	-	0.0%
Fines & Forfeitures	775,100	57,277	7.4%
Charges for Service	187,000	61,069	32.7%
Community Center Rentals	308,000	134,674	43.7%
Cost Allocations / Reimbursement	1,502,637	7,700	0.5%
Other Revenue	897,110	(11,896)	-1.3%
Total Revenue	42,135,122	2,669,578	6.3%
<u>Expenditures</u>			
City Council	144,118	22,921	15.9%
City Manager	708,008	96,109	13.6%
Economic Development	559,463	129,721	23.2%
City Attorney	318,270	25,074	7.9%
City Clerk	293,564	72,912	24.8%
Elections	51,000	265	0.5%
<u>Administrative Services Department</u>			
Human Resources	716,670	157,832	22.0%
Information Services	1,097,371	289,312	26.4%
Risk Management	2,460,950	1,042,573	42.4%
Finance	973,239	230,455	23.7%
Total Administrative Services Department	5,248,230	1,720,173	32.8%
Non-Departmental	2,566,908	1,790,985	69.8%
<u>Police Department</u>			
Police	19,641,762	4,358,501	22.2%
Animal Control	771,165	147,082	19.1%
Total Police Department	20,412,927	4,505,583	22.1%
<u>General Services Department</u>			
Engineering	488,913	115,953	23.7%
Facility Management	469,808	86,488	18.4%
Community Centers	728,235	182,435	25.1%
Community Events	239,031	61,608	25.8%
Fleet Management	174,458	36,378	20.9%
Total General Services Department	2,100,445	482,863	23.0%
<u>Community Development Department</u>			
Housing	86,420	40,518	46.9%
Planning	651,869	145,069	22.3%
Building Inspection	979,664	247,671	25.3%
Planning Commission	17,186	-	0.0%
Total Community Development Department	1,735,139	433,258	25.0%
History & Arts Commission	20,000	-	0.0%
Transfers Out	1,197,000	1,197,000	100.0%
Total Expenditures	35,355,072	10,476,864	29.6%
Operating Surplus/(Shortfall)	6,780,050	(7,807,286)	

American Rescue Plan Act

The City of Citrus Heights was allocated \$15.6 million in American Rescue Plan Act (ARPA) funding. To date, the City has appropriated \$4.3 million of ARPA funding to the Police Department to restore staffing levels (\$2.5million of which \$1.6 million was expended in FY 21-22 and \$2.8 million in FY 22-23), \$1.4 million for the replacement of Police Fleet Vehicles & equipment, and \$600,000 towards the update of the Public Safety Communications Center. An additional \$320,000 for Small Business COVID Recovery Grant Program of which \$281,111 was expended in FY 21-22 and \$975,000 allocation to Beautification Crew, Citrus Heights Block Party Trailer, and Community Projects Grant Program.

A Summary of ARPA funding has been provided below.

ARPA Approved Committed Funds				
Total Award		\$	15,676,972.00	
		Committed	Actual	Ending Balance
6/24/2021 Rehire Public Safety staff to pre-pandemic levels FY 21/22	\$	2,541,434.00	\$1,568,805.00	\$ 14,108,167.00
6/24/2021 Rehire Public Safety staff to pre-pandemic levels FY 22/23	\$	2,811,775.00		\$ 11,296,392.00
1/13/2022 Small Business COVID Recovery Grant	\$	320,000.00	\$ 281,111.00	\$ 11,015,281.00
6/23/2022 Beautification Crew Pilot Program	\$	875,000.00		\$ 10,140,281.00
6/23/2022 Police Fleet Vehicles & Equipment	\$	1,400,000.00		\$ 8,740,281.00
6/23/2022 Public Safety Communications Center Critical Needs	\$	600,000.00		\$ 8,140,281.00
6/23/2022 Block Party Trailer - Economic Development	\$	50,000.00		\$ 8,090,281.00
9/22/2022 Community Projects Grant Program	\$	50,000.00		\$ 8,040,281.00
Spent		\$	1,849,916.00	
Committed		\$	5,786,775.00	
Remaining Balance		\$	8,040,281.00	

Ten Year Financial Forecast

As a strategic fiscal planning tool, the City maintains a long-term financial forecast. This forecast is updated periodically to reflect information currently available regarding anticipated future revenues and expenditures. The financial forecast covers a ten-year period for the City's General Fund. The City Council last reviewed the Ten-Year Financial Forecast on June 23, 2022. The Ten-Year Financial Forecast has been updated and includes the following changes:

- One additional year added to forecast period – Fiscal Year 2031-32
- Fiscal Year 2021-22 updated to reflect actual revenues and expenditures
- Fiscal Years 2022-23 adjusted to reflect the Adopted Budget
- Pension liability (UAL) costs updated based upon recent CalPERS information
- Line item added for street repairs with minimal available funding (limited to amount which will not deplete reserves below City Council approved minimum level)
- Line item added for potential funding of City match for Auburn Boulevard Complete Streets Revitalization Project (\$4.0 million) in Fiscal Year 2023-24 – although it is

anticipated that some funding will be required in Fiscal Year 2022-23 based upon project schedule.

A summary of the Ten-Year Financial Forecast is provided below. A more detailed version is attached to this report.

	FY 2021-22 Actual	FY 2022-23 Budget	FY 2023-24 Projected	FY 2024-25 Projected	FY 2025-26 Projected	FY 2026-27 Projected	FY 2027-28 Projected	FY 2028-29 Projected	FY 2029-30 Projected	FY 2030-31 Projected	FY 2031-32 Projected
TOTAL REVENUE	36,703,656	42,135,122	42,904,148	44,318,068	45,734,988	47,170,733	48,301,571	49,461,416	50,599,307	51,642,329	52,825,203
TOTAL OPERATING EXPENDITURES	33,665,777	35,355,072	39,917,212	40,214,417	41,393,156	42,623,174	43,840,133	45,093,470	46,384,293	47,713,706	49,083,896
STREET REPAIRS			2,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000
Auburn Blvd - Phase 2 Match			4,000,000								
Net Operating Position	3,037,878	6,780,050	(3,013,064)	103,651	341,832	547,559	461,437	367,946	215,014	(71,378)	(258,693)
Ending Reserve Balance	\$ 11,457,802	\$ 18,237,851	\$ 15,224,787	\$ 15,328,438	\$ 15,670,271	\$ 16,217,830	\$ 16,679,267	\$ 17,047,213	\$ 17,262,227	\$ 17,190,850	\$ 16,932,157
Minimum Reserve per City Council Policy (17%)	\$ 5,723,182	\$ 6,010,362	\$ 7,805,926	\$ 7,516,451	\$ 7,716,836	\$ 7,925,940	\$ 8,132,823	\$ 8,345,890	\$ 8,565,330	\$ 8,791,330	\$ 9,024,262
Over(under) Reserve Target	5,734,619	12,227,489	7,418,861	7,811,988	7,953,434	8,291,890	8,546,445	8,701,323	8,696,897	8,399,520	7,907,894
City Manager Target Reserve @25%	8,416,444	8,838,768	11,479,303	11,053,604	11,348,289	11,655,794	11,960,033	12,273,368	12,596,073	12,928,427	13,270,974
Over(under) Reserve Target	3,041,357	9,399,083	3,745,484	4,274,834	4,321,982	4,562,036	4,719,234	4,773,846	4,666,154	4,262,423	3,661,183

The information on Fiscal Year 2021-22 General Fund operating results and the updated Ten Year Financial Forecast was reviewed with the Finance and Administration Committee.

Attachments

1. Ten Year Financial Forecast

General Fund Ten Year Financial Forecast
With Partial Steet Funding
October 2022

10/27/2022

	FY 19/20 Actual	FY 2020-21 Actual	FY 2021-22 Budget (Amended)	FY 2021-22 Actual (Unaudited)	FY 2022-23 Amended Budget (Jun Forecast)	FY 2023-24 Projected	FY 2024-25 Projected	FY 2025-26 Projected	FY 2026-27 Projected	FY 2027-28 Projected	FY 2028-29 Projected	FY 2029-30 Projected	FY 2030-31 Projected	FY 2031-32 Projected
REVENUE														
Taxes and Franchises														
Property Tax	-	-	-	-	6,883,000	7,183,497	7,495,213	7,825,438	8,170,146	8,333,549	8,500,220	8,670,224	8,843,629	9,020,501
Sales & Use Tax	12,083,836	13,373,483	14,104,000	14,412,009	14,323,000	14,677,899	15,059,312	15,360,498	15,667,708	15,981,062	16,300,684	16,626,697	16,959,231	17,298,416
Utility Users Tax	2,650,891	2,717,945	2,780,000	3,065,239	2,850,000	2,850,000	2,850,000	2,850,000	2,850,000	2,850,000	2,850,000	2,850,000	2,850,000	2,850,000
Franchise Fees	664,123	619,090	700,000	747,106	725,000	743,125	761,703	780,746	800,264	820,271	840,778	861,797	883,342	905,426
Solid Waste Franchise Fees	497,073	522,754	515,000	543,059	520,000	533,000	546,325	559,983	573,983	588,332	603,041	618,117	633,570	649,409
Real Property Transfer Tax	306,250	383,773	450,000	638,183	500,000	379,250	388,731	398,450	408,411	418,621	429,087	439,814	450,809	462,079
Transient Occupancy Tax	19,879	23,237	18,000	32,595	23,000	36,000	36,900	37,823	38,768	39,737	40,731	41,749	42,793	43,863
Total Taxes and Franchises	16,222,051	17,640,282	18,567,000	19,438,191	25,824,000	26,402,771	27,138,184	27,812,937	28,509,280	29,031,573	29,564,539	30,108,398	30,663,373	31,229,693
Licenses and Permits														
Business License Tax	275,399	291,240	290,900	377,201	298,875	316,981	324,906	333,028	341,354	349,888	358,635	367,601	376,791	386,211
Building Plan Check	237,914	592,703	614,200	682,365	348,000	269,216	275,947	282,845	289,916	297,164	304,593	312,208	320,014	328,014
Engineering Plan Check	176,563	(17,013)	32,800	33,193	33,700	34,543	35,406	36,291	37,198	38,128	39,082	40,059	41,060	42,087
Zone Check	11,650	26,456	6,700	-	10,000	10,250	10,506	10,769	11,038	11,314	11,597	11,887	12,184	12,489
Building Permit Fees	940,625	1,789,146	1,870,000	2,056,477	1,340,700	1,045,193	1,071,322	1,098,105	1,125,558	1,153,697	1,182,539	1,212,103	1,242,405	1,273,466
Engineering Fees Utilities	(17,096)	63,212	132,600	76,429	60,000	140,015	143,515	147,103	150,781	154,550	158,414	162,374	166,434	170,595
Tree Permit	2,100	1,470	1,500	-	2,000	2,050	2,101	2,154	2,208	2,263	2,319	2,377	2,437	2,498
Transportation Permits	26,322	16,340	15,000	15,186	15,000	15,375	15,759	16,153	16,557	16,971	17,395	17,830	18,276	18,733
Animal License	51,150	43,547	47,000	39,756	40,000	55,000	55,000	55,000	55,000	55,000	55,000	55,000	55,000	55,000
Total Licenses and Permits	1,704,626	2,807,101	3,010,700	3,280,607	2,148,275	1,888,623	1,934,463	1,981,450	2,029,611	2,078,976	2,129,576	2,181,440	2,234,601	2,289,091
Fines and Forfeitures	939,543	877,599	755,200	787,639	775,100	1,027,667	1,053,359	1,079,693	1,106,685	1,134,352	1,162,711	1,191,779	1,191,779	1,221,573
Intergovernmental (inc. Motor Vehicle In-Lieu Fees)	8,945,458	12,418,967	9,606,920	9,762,521	10,319,500	10,229,981	10,673,963	11,144,684	11,635,050	11,984,101	12,343,624	12,713,933	13,095,351	13,488,212
Use of Money	78,560	5,109	30,000	(263,808)	50,000	114,578	119,366	153,284	156,703	162,178	166,793	170,472	172,622	171,908
Charges for Services	691,109	422,960	556,050	597,576	675,100	897,746	920,190	943,195	966,775	990,944	1,015,717	1,041,110	1,041,110	1,067,138
Dignity Lease	133,267	173,356	214,451	214,451	256,609	299,737	343,987	389,343	435,834	483,487	532,331	582,397	633,714	682,565
Cost Allocations	1,483,599	1,415,720	1,458,192	1,440,305	1,501,937	1,577,973	1,657,857	1,741,786	1,829,964	1,922,606	2,019,938	2,070,437	2,070,437	2,122,198
CARES Act		-												
FEMA/Cal OES - Great Plates Reimbursement		-												
Other Revenues	1,111,116	1,165,750	1,010,822	1,446,174	584,601	465,072	476,699	488,617	500,832	513,353	526,187	539,341	539,341	552,825
TOTAL REVENUE	\$ 31,309,328	\$ 36,926,844	\$ 35,209,335	\$ 36,703,656	\$ 42,135,122	\$ 42,904,148	\$ 44,318,068	\$ 45,734,988	\$ 47,170,733	\$ 48,301,571	\$ 49,461,416	\$ 50,599,307	\$ 51,642,329	\$ 52,825,203
EXPENDITURES														
Labor														
Salaries (incl OT, standby)	17,351,643	16,683,636	16,733,981	15,436,359	17,375,867	20,458,928	21,072,696	21,704,877	22,356,023	23,026,704	23,717,505	24,429,030	25,161,901	25,916,758
Retirement	2,153,431	2,196,810	2,206,795	1,914,627	2,265,107	2,561,640	2,638,489	2,717,644	2,799,173	2,883,148	2,969,643	3,058,732	3,150,494	3,245,009
Retirement - UAL	800,066	1,102,196	1,353,703	1,353,703	1,613,206	1,771,228	1,933,817	2,037,624	2,133,476	2,182,244	2,232,344	2,283,834	2,336,733	2,392,114
Compensated Absences			360,000	366,237	350,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000
Benefits (excluding Retirement)	4,015,660	4,180,628	3,933,341	3,113,744	4,096,963	4,867,064	5,013,076	5,163,469	5,318,373	5,477,924	5,642,262	5,811,529	5,985,875	6,165,451
Total Labor	24,320,800	24,163,270	24,587,820	22,184,670	25,701,142	30,058,860	31,058,078	32,023,612	33,007,045	33,970,020	34,961,753	35,983,125	37,035,003	38,119,332
Operating Costs	7,401,712	6,698,864	8,400,861	7,236,186	8,380,730	8,632,152	7,980,139	8,219,543	8,466,130	8,720,114	8,981,717	9,251,169	9,528,704	9,814,565
Interest Expense			332,845	247,920	76,200	76,200	76,200	-	-	-	-	-	-	-
Line of Credit Principal Repayment			3,520,001	3,520,001	-	-	-	-	-	-	-	-	-	-
Transfers-Out		437,312	487,000	477,000	1,197,000	1,150,000	1,100,000	1,150,000	1,150,000	1,150,000	1,150,000	1,150,000	1,150,000	1,150,000
Auburn Blvd - Phase 2 City Match						4,000,000								
STREET REPAIRS	-	-	-	-	-	2,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000
TOTAL EXPENDITURES	\$ 31,722,512	\$ 33,316,148	\$ 37,328,527	\$ 33,665,777	\$ 35,355,072	\$ 45,917,212	\$ 44,214,417	\$ 45,393,156	\$ 46,623,174	\$ 47,840,133	\$ 49,093,470	\$ 50,384,293	\$ 51,713,706	\$ 53,083,896
NET OPERATING POSITION	\$ (413,184)	\$ 3,610,696	\$ (2,119,192)	\$ 3,037,878	\$ 6,780,050	\$ (3,013,064)	\$ 103,651	\$ 341,832	\$ 547,559	\$ 461,437	\$ 367,946	\$ 215,014	\$ (71,378)	\$ (258,693)
Line of Credit Draw for Operating Expenses		-												
Net Position After Line of Credit Draw														
Beginning Reserve Balance (Unassigned/Committed)			8,419,923	8,419,923	11,457,802	18,237,851	15,224,787	15,328,438	15,670,271	16,217,830	16,679,267	17,047,213	17,262,227	17,190,850
Ending Reserve Balance		\$ 8,419,923	\$ 6,300,731	\$ 11,457,802	\$ 18,237,851	\$ 15,224,787	\$ 15,328,438	\$ 15,670,271	\$ 16,217,830	\$ 16,679,267	\$ 17,047,213	\$ 17,262,227	\$ 17,190,850	\$ 16,932,157

June 2022 Forecast \$ 8,447,432 \$ 6,300,731 \$ 9,793,675 \$ 16,573,724 \$ 13,040,085 \$ 12,500,669 \$ 13,058,094 \$ 13,470,280 \$ 13,791,805 \$ 14,015,191 \$ 14,080,886 \$ 13,855,316 \$ 13,437,441

Minimum Reserve per Council Policy (17%) \$ 5,663,745 \$ 6,345,850 \$ 5,723,182 \$ 6,010,362 \$ 7,125,926 \$ 7,516,451 \$ 7,716,836 \$ 7,925,940 \$ 8,132,823 \$ 8,345,890 \$ 8,565,330 \$ 8,791,330 \$ 9,024,262

City Manager Target Reserve @25% \$ 8,329,037 \$ 9,332,132 \$ 8,416,444 \$ 8,838,768 \$ 11,479,303 \$ 11,053,604 \$ 11,348,289 \$ 11,655,794 \$ 11,960,033 \$ 12,273,368 \$ 12,596,073 \$ 12,928,427 \$ 13,270,974



CITY OF CITRUS HEIGHTS

CITY COUNCIL STAFF REPORT

MEMORANDUM

DATE: October 27, 2022

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

FROM: Susan Talwar, Administrative Services Director
Tammy Nossardi, Finance Manager
Brian Koski, Information Technology Manager

SUBJECT: **Request to Utilize American Rescue Plan Act Funds to Upgrade Major, Critical Information Technology Projects and Execute a Contract with Tyler Technologies**

Summary and Recommendation

At the May 10, 2022 Strategic Planning Meeting, the City Council established an objective to present to City Council for direction, options and recommendations on replacement of enterprise financial software system (Eden).

The City's Enterprise Resource Planning (ERP) system has become obsolete and will no longer be serviced by the vendor starting in 2024. The ERP system is the central software system for municipal operations. This item has long been identified as a need to be addressed. Tyler Munis is an excellent product when evaluated against other vendors and many cities are switching to this vendor at a much higher cost as they would need to migrate their data from another vendor. Fortunately, the city currently utilizes Tyler Eden who is offering the replacement Tyler Munis product. This is a one-time investment that should last a decade or more before needing to be revisited. There will be annual maintenance cost as with any system that will be ongoing.

Staff recommends the City Council adopt Resolution No. 2022 _____ a resolution of the City Council of the City of Citrus Heights, California authorizing the City Manager to utilize the American Rescue Plan Act (ARPA) Funds for Information Technology (IT) hardware and software critical projects.

Staff recommends the City Council adopt Resolution No. 2022 _____ a resolution of the City Council of the City of Citrus Heights, California authorizing the City Manager to execute a contract with Tyler Technologies (Attachment 3) for an Enterprise Resource Planning (ERP) system.

Subject: Request to Utilize American Rescue Plan Act Funds to Upgrade Major, Critical Information Technology Projects and Execute a Contract with Tyler Technologies

Date: October 27, 2022

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Fiscal Impact

Major components of the City's Information Technology hardware equipment and software is in need of updates due to its end-of-life cycle. Staff is requesting funding through ARPA of \$1,198,350. The FY 22-23 budget has allocated \$590,000 for IT replacements, which is not enough to catch up on updates to citywide technology. Staff discussed funding recommendations with the Finance Committee on October 19, 2022. The Finance Committee recommended use of ARPA funds as this is a one-time request, is part of a critical city need and is consistent with ARPA guidelines. The request fits within the ARPA limitations of "Technology infrastructure to improve access to and the user experience of government IT systems...", freeing up budgeted General Fund dollars for other projects/operating needs. Over the past decade, IT has deferred maintenance and/or replacements due to lack of funding. Annual maintenance cost in the following fiscal years of \$106,224 would be incorporated into the information systems software maintenance General Fund account. No fiscal impact to the General Fund is projected in FY22-23.

Table 1 – Cost Breakdown of Information Technology Upgrades

Item	qty	unit	cost
Tyler Enterprise ERP	1	\$ 860,350	\$ 860,350
Virtual Cluster - Servers and File Storage	2	\$ 80,000	\$ 160,000
Core/backbone switches	2	\$ 25,000	\$ 50,000
Data Backup system	1	\$ 65,000	\$ 65,000
Workstations - Desktop PC	60	\$ 530	\$ 32,000
Workstations - Laptops	26	\$ 1,170	\$ 31,000
Total Request:			\$ 1,198,350

Vendor	Operation	Annual Maintenance Cost		
		Current	Projected	Net Impact
Permit City	Building Permits	\$16,000		
MGO	Planning	\$8,640		
CitizenServe	Business Licenses	\$10,800		
Permit Soft	General Services Permits	\$13,000		
Tyler Eden	Finance	\$28,500		
Time and Attendance	Payroll	\$3,400		
Tyler Munis ERP	All of the above, plus HR & Payroll		\$186,564	
Net Impact to Budget				\$106,224

Subject: Request to Utilize American Rescue Plan Act Funds to Upgrade Major, Critical Information Technology Projects and Execute a Contract with Tyler Technologies

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Table 2 – History of ARPA Funding Allocations

ARPA Approved Committed Funds		
	Total Award	\$ 15,676,972
6/24/2021	Rehire Public Safety staff to pre-pandemic levels FY 21/22	\$ (1,568,805)
6/24/2021	Rehire Public Safety staff to pre-pandemic levels FY 22/23	\$ (2,811,775)
1/13/2022	Small Business COVID Recovery Grant	\$ (281,111)
6/23/2022	Beautification Crew Pilot Program	\$ (875,000)
6/23/2022	Police Fleet Vehicles & Equipment	\$ (1,400,000)
6/23/2022	Public Safety Communications Center Critical Needs	\$ (600,000)
6/23/2022	Block Party Trailer - Economic Development	\$ (50,000)
9/22/2022	Community Projects Grant Program	\$ (50,000)
	Remaining Balance	\$ 8,040,281
	<i>Proposed ERP System and Technology</i>	<i>\$ (1,198,350)</i>
	<i>Proposed Total Allocation Remaining</i>	<i>\$ 6,841,931</i>

Background and Analysis

Enterprise Resource Planning System

The City's Enterprise Resource Planning (ERP) system is a vital component of the City's operations and serves as the primary software platform to manage day-to-day activities including but not limited to accounts receivable, accounts payable, general ledger, costs, budgets, forecasting, payroll, benefits, employee data management, and operational and financial reports. The current Tyler Eden system was implemented in 2010, this older version of ERP system software is antiquated and will no longer be supported at the end of 2024. In addition, the City uses four separate third party payment processing systems (Permit City, MGO, CitizenServe and Permit Soft) to collect revenue for the City.

The cost to upgrade the existing financial module alone quoted an implementation cost of \$490,000 and an annual maintenance increase of \$90,000. Administrative Services staff met with key staff across City departments, including the Police Department, to better understand the needs with respect to the systems currently utilized and the needs in the next ERP system. It was clear the need for efficiencies in workflow, combining six existing systems onto one platform would save staff time and also provide an enhanced customer service experience. It will also avoid continually needing to renew licensing on other systems and greatly improve municipal service efficiencies. The Tyler Munis system is an upgrade of the existing Tyler Eden product that the city currently uses which will cost \$860,350 which is less costly than switching to an alternative vendor product that would require data migration.

Tyler Technologies is a leader in the municipal government ERP, with 37,000 installations in 12,000 locations. Tyler Munis ERP is being used by over 2,000 public agencies in California. Tyler Munis ERP is designed specifically for governments and integrates finance, purchasing,

Subject: Request to Utilize American Rescue Plan Act Funds to Upgrade Major, Critical Information Technology Projects and Execute a Contract with Tyler Technologies

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payroll, human resources, community development, code enforcement, project management and permitting. Tyler Munis continued to refine their platform during the pandemic allowing for better customer service interface for those that wish to utilize remote services.

The new version of the Munis software would centralize collection into one system and provide a modern, web-based graphical user interface, and additional functionality that can be leveraged to improve service delivery through streamlined business processes.

The implementation of Tyler Munis will be an extensive project spanning over multiple fiscal years. The implementation will be divided into phases, with each phase “going-live” before we move on to the next phase. Each phase includes: evaluating the City’s current workflows and business processes; identifying new processes to function within the new ERP; updating processes to current best practices enabled by the new ERP; testing the functionality and accuracy of the processes built into the new ERP and training all users. In authorizing a contract now, staff and the vendor will be able to start the process of transitioning to the new system in January 2023. The complete transition (including financials, procurement, Human Resources, Payroll, revenues, permitting and licensing) to Tyler Munis ERP/EnerGov is expected to be completed by Fiscal Year 23-24.

Hardware and Supporting Infrastructure

The replacement of the City’s virtual server platform, backbone switches and data backup system are coming to the end of its life cycle this fiscal year. This combined system provides 90% of the city and police client-server environment. The system saves on overall hardware, power consumption, and provides fault tolerance for uptime and redundancy. The system components were purchased in late 2015, several of these servers have had multiple warranty extensions and will be out of warranty, or unable to be covered further under warranty due to lack of parts or age of the system itself. Industry standard replacement cycle for hardware such as servers and workstations are generally five years.

Attachments

1. Resolution No. 2022 _____ a resolution of the City Council of the City of Citrus Heights, California authorizing the City Manager to utilize the American Rescue Plan Act (ARPA) Funds for Information Technology (IT) hardware and software critical projects.
2. Resolution No. 2022 _____ a resolution of the City Council of the City of Citrus Heights, California authorizing the City Manager to execute a contract with Tyler Technologies for the use of and implementation of Enterprise Resource Planning (ERP) system software, service and maintenance agreement.

RESOLUTION NO. 2022- ____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CITRUS HEIGHTS,
CALIFORNIA, AUTHORIZING THE CITY MANAGER TO UTILIZE THE AMERICAN
RESCUE PLAN ACT FUNDS FOR INFORMATION TECHNOLOGY HARDWARE AND
SOFTWARE CRITICAL PROJECTS**

WHEREAS, the City of Citrus Heights has determined a need to update technology to meet the City's operational needs; and

WHEREAS, at the Strategic Planning Workshop on May 10, 2022 a strategic Objective was defined to present to City Council for direction, options, and recommendations on replacement of enterprise financial software; and

WHEREAS, the hardware and software replacement schedules have lagged beyond normal cycles and is in need of updates and replacements; and

WHEREAS, the City will utilize the funds to replace and update information technology hardware and software determined to be outdated; and

WHEREAS, the City Council wishes to authorize staff to utilize American Rescue Plan Act funds for the information technology replacement project.

NOW THEREFORE BE IT RESOLVED AND ORDERED by the City of Citrus Heights that the City Council hereby authorizes the City Manager to acquire and install the necessary information technology hardware and software in the amount not to exceed \$1,198,350.

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

PASSED AND ADOPTED by the City Council of the City of Citrus Heights, California, this 27th day of October 2022 by the following vote, to wit:

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

Porsche Middleton, Mayor

ATTEST:

Amy Van, City Clerk

RESOLUTION NO. 2022- ____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CITRUS HEIGHTS,
CALIFORNIA, AUTHORIZING THE CITY MANAGER TO EXECUTE A CONTRACT
WITH TYLER TECHNOLOGIES FOR AN ENTERPRISE RESOURCE PLANNING SYSTEM**

WHEREAS, the City of Citrus Heights is to replace its current Enterprise Resource Planning (ERP) System; and

WHEREAS, at the Strategic Planning Workshop on May 10, 2022 a strategic Objective was defined to present to City Council a for direction, options, and recommendations on replacement of enterprise financial software; and

WHEREAS, the City determined that the MUNIS and Energov products proposed by Tyler Technologies are the best products to meet the City's operational needs; and

WHEREAS, the City wishes to enter into an Agreement with Tyler Technologies, Inc. to implement an Enterprise Resource Planning System in the amount of \$860,350; and

WHEREAS, the ERP replacement project is to be funded through the American Rescue Plan Act; and

WHEREAS, the City Council wishes to authorize the City Manager, with consultation from the City Attorney, to execute a License and Services Agreement with terms favorable to the City.

NOW THEREFORE BE IT RESOLVED AND ORDERED by the City of Citrus Heights that the City Council hereby authorizes the City Manager, with consultation from the City Attorney, to execute a License and Services Agreement with Tyler Technologies for \$860,350. The City Manager and City Attorney are given authority to execute an Agreement in the best interest of the City.

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

PASSED AND ADOPTED by the City Council of the City of Citrus Heights, California, this 27th day of October 2022 by the following vote, to wit:

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

Porsche Middleton, Mayor

ATTEST:

Tyler Munis Energov Contract Services

Amy Van, City Clerk