

**CITY OF CITRUS HEIGHTS
CITY COUNCIL
Special / Regular Meeting of Thursday, January 26, 2023
City Hall Council Chambers, 6360 Fountain Square Dr., Citrus Heights, CA
Special Meeting 5:00 p.m.
Regular Meeting 6:00 p.m.**

HOW TO PARTICIPATE:

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

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

Regular Meeting 6:00 p.m. Zoom Meeting –Webinar link: <https://zoom.us/j/97269926778>

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January 20, 2023


Amy Van, City Clerk

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

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

PUBLIC COMMENT**CLOSED SESSION**

2. CONFERENCE WITH REAL PROPERTY NEGOTIATORS
Pursuant to Government Code Section 54956.8
Property: 7137 Auburn Blvd., Citrus Heights, CA (APN 211-0020-025-0000)
Agency Negotiator: City Manager Ashley J. Feeney and City Attorney Ryan Jones
Negotiating Parties: Woodside Homes
Under Negotiation: Both price and terms of payment
3. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION
Pursuant to Government Code Section 54956.9(1)(d)
Name of case: City of Citrus Heights v. Ho, Case No. 2021-00292266-CU-PT, Sacramento Superior Court (complaint filed on 1/12/2021)
4. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION
Pursuant to Government Code Section 54956.9(1)(d)
Name of case: Burhans v. City of Citrus Heights, et al., Case No. 34-2021-00295431, Sacramento Superior Court (complaint filed on 3/2/2021)
5. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION
Pursuant to Government Code Section 54956.9(1)(d)
Name of case: Richards v. City of Citrus Heights, et al., Case No. 2:20-CV-02159-KJM-JDP, United States District Court Eastern District of California (complaint filed on 10/28/2020)

REPORT OUT OF CLOSED SESSION**ADJOURNMENT****REGULAR CITY COUNCIL MEETING
6:00 PM****CALL REGULAR MEETING TO ORDER**

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

3. Video Statement

APPROVAL OF AGENDA

COMMENTS BY COUNCIL MEMBERS AND REGIONAL BOARD UPDATES

PUBLIC COMMENT

CONSENT CALENDAR

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

4. **SUBJECT:** Approval of Minutes
RECOMMENDATION: Approve the Minutes of the Regular Meeting of January 12, 2023
5. **SUBJECT:** Amendment to the City's Permanent Local Housing Allocation Funding Application
STAFF: C. Kempenaar/ N. Piva
RECOMMENDATION: Adopt Resolution No. 2023-____, A Resolution of the City Council of the City of Citrus Heights, California, Authorizing the Application and Adopting the Amended Five Year Plan for the Permanent Local Housing Allocation Program
6. **SUBJECT:** Participation in the Public Risk Innovation, Solutions, and Management (PRISM) Dental Program
STAFF: S. Talwar/ M. Alejandrez/ M. Dippert
RECOMMENDATION: Adopt Resolution No. 2023-____, A Resolution of the City Council of the City of Citrus Heights, California, Authorizing the City to Become a Member of the Public Risk Innovation, Solutions, and Management (PRISM) Joint Powers Authority and Authorizing the City Manager and Human Resources Manager to Act on Behalf of the City Citrus Regarding the PRISM Dental MOU and Future Matters Relating to the MOU., Exhibit A and B
7. **SUBJECT:** Auburn Blvd. Complete Streets Revitalization Project – Phase 2 Federal Project CML 5475 (038) Approval of Contract Amendment No. 2
STAFF: R. Cave/ L. Blomquist/ H. Young
RECOMMENDATION: Adopt Resolution No. 2023 - _____, A Resolution of the City Council of the City of Citrus Heights, California, Authorizing the City Manager to Execute Amendment No. 2 to the Agreement for Professional Services with Bennett Engineering Services, Inc. for the Auburn Blvd. Complete Streets Revitalization Project – Phase 2
8. **SUBJECT:** Drainage Master Plan (Neighborhood Areas 8, 9, & 10) Project Approval of Contract Amendment No. 2
STAFF: R. Cave/ L. Blomquist/ D. Kehrer
RECOMMENDATION: Adopt Resolution No. 2023 - _____, A Resolution of the City Council of the City of Citrus Heights, California, Authorizing the City Manager to Execute Amendment No. 2 to the Agreement for Professional Services with Dokken Engineering for Drainage Master Plan (Neighborhood Areas 8, 9, & 10) Project

9. **SUBJECT:** Resolution Authorizing the Application/Receipt of Funds for the Prohousing Incentive Pilot Award
STAFF: C. Kempenaar/ A. Bermudez
RECOMMENDATION: Adopt Resolution No. 2023 - _____, A Resolution of the City Council of the City of Citrus Heights, California, Authorizing Application for, and Receipt of, Prohousing Incentive Pilot Program Funds

REGULAR CALENDAR

10. **SUBJECT:** Approval of Economic Development Support Fund Grant Request by the Citrus Heights Chamber of Commerce
STAFF: M. Huber
RECOMMENDATION: Adopt Resolution No. 2023 - _____, A Resolution of the City Council of the City of Citrus Heights, California, Approving a \$14,848 Grant to the Citrus Heights Chamber of Commerce from the Economic Development Support Fund – Part I
11. **SUBJECT:** Authorization for Issuance of an RFP for Professional Services Related to Consideration of Potential Annexation Areas
STAFF: C. Kempenaar
RECOMMENDATION: Authorize the City Manager to issue a Request for Proposals (RFP) for Consultant Support to Evaluate the Fiscal Impact or Benefits and Community Support/Outreach for Four Potential Annexation Areas
12. **SUBJECT:** Patriotic Event Considerations – Professional Fireworks
STAFF: A. Feeney
RECOMMENDATION: Adopt Resolution No. 2023-_____, A Resolution of the City Council of the City of Citrus Heights, California, Approving a Not to Exceed Allocation of \$80,000 of American Rescue Plan Act Funds for a Patriotic Community Event in Recognition of Independence Day and Finding the Event Categorically Exempt from the California Environmental Quality Act

DEPARTMENT REPORTS

13. **SUBJECT:** Overview of New State Housing Laws 2023
DEPARTMENT: Community Development Department

CITY MANAGER ITEMS

ITEMS REQUESTED BY COUNCIL MEMBERS/ FUTURE AGENDA ITEMS

ADJOURNMENT

**CITY OF CITRUS HEIGHTS
CITY COUNCIL
MINUTES
Regular Meeting of Thursday, January 12, 2023
City Hall Council Chambers
6360 Fountain Square Drive, Citrus Heights, CA**

CALL REGULAR MEETING TO ORDER

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

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

APPROVAL OF AGENDA

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

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

PRESENTATIONS

4. Recognition of Outgoing Mayor

Mayor Schaefer presented Council Member Middleton with a plaque in recognition of her service as Mayor in 2022.

5. Presentation by Republic Services – Poster Contest Awards

Brandon Calldeweih with Republic Services recognized the following student winners who submitted artwork for the annual Republic Services Calendar in partnership with the San Juan Unified School District and Citrus Heights schools: Romina O., Sarahi R., Graycee K., Teryn C., Milana S., Alessandra A., Alzaliah W., Anastasiia R., Anna B., Jocelyn M., Antoinette V., and Milana L.

COMMENTS BY COUNCIL MEMBERS AND REGIONAL BOARD UPDATES

Vice Mayor Daniels provided an update from the Sacramento Regional County Sanitation District and Sacramento Area Sewer District Board meeting. He stated that he, along with Mayor Schaefer, met with the Sacramento County Voter Registration and Elections Department.

Mayor Schaefer provided an update from the Sacramento Library Board meeting. He commented on the meeting with the Sacramento County Voter Registration and Elections Department he attended along with Vice Mayor Daniels. He thanked General Services Department staff for their response during the recent storms.

PUBLIC COMMENT

Rhett Reess expressed concerns regarding the need to repave San Juan Avenue between Madison Avenue and Greenback Lane, as well as Dewey Drive between Madison Avenue and Greenback Lane.

Bill Shirly stated the City Council has the responsibility and the authority to nominate candidates to serve on the Planning Commission. This should not be taken lightly. Your decisions should not be based on political motives, political favors, 'what is best for me', friendships or close working associates. Your decision tonight should be based on who can best serve the City, the Council and the Planning Commission. He urged the City Council to consider their nominees carefully and vote for what is best for Citrus Heights.

Natalee Price, President of Neighborhood Association Area 10, shared a brief video highlighting the Association's partnership with Meels-on-Wheels to deliver shelf stable food, warm blankets and necessities to senior residents in need.

Albert Fox spoke as a member of the Citrus Heights Police Department Foundation and on behalf of the Police Department Honor Guard. He stated the Honor Guard represents the City and Police Department at several functions, from celebrations to memorials. To support the Honor Guard, he announced they now have a Challenge Coin that has been made for use as a fundraiser; they are \$20 each to support the Police Department Honor Guard.

Karen DeMarco expressed concerns regarding the current state of the Antelope Road corridor, between Interstate 80 and Sunrise Boulevard, including traffic noise, speed, drainage, garbage, weeds and debris.

John Kane urged the City to begin looking at the possibility of creating our own school district.

City Clerk Van read the following comment submitted by Peter Ho, "My Citrus Heights home has been Health Safety Receivership for 20 months, since April 2021. The Receivership was obtained unlawfully, and abusively. I want to address the council so they are aware of the situation and criminal misconduct I have been up against. I want to save my home, and not lose it unjustly and abusively due to unreasonable unlawful crimes committed against me.. Looking for further discussion, assistance, and resoltuion, to end wrongful receivership caused by abusive characters."

CONSENT CALENDAR

6. **SUBJECT:** Approval of Minutes
RECOMMENDATION: Approve the Minutes of the Regular Meeting of December 8, 2022
7. **SUBJECT:** Approve Resolution for Continued Remote Meetings in Accordance with AB 361
STAFF REPORT: A. Van / R. Jones
RECOMMENDATION: Adopt Resolution No. 2023-001, A Resolution of the City Council of the City of Citrus Heights, California, Making the Legally Required Findings to Continue to Authorize the Conduct of Remote "Telephonic" Meetings During the State of Emergency

8. Pulled for discussion.

9. **SUBJECT:** Amendments to the City Council Handbook

STAFF REPORT: A. Van

RECOMMENDATION: Adopt Resolution No. 2023-006, A Resolution of the City Council of the City of Citrus Heights, California, Approving Amendments to the City of Citrus Heights City Council Handbook

ACTION: On a motion by Vice Mayor Daniels, seconded by Council Member Middleton, the City Council adopted Consent Calendar Items 6, 7 and 9.

AYES: Karpinski-Costa, Lopez-Taff, Middleton, Daniels, Schaefer

NOES: None

ABSENT: None

CONSENT CALENDAR ITEMS PULLED FOR DISCUSSION

8. **SUBJECT:** Appointments to Regional Boards and Committees

STAFF REPORT: A. Van

RECOMMENDATION: The following is recommended;

- a. Adopt Resolution No. 2023-002, A Resolution of the City Council of the City of Citrus Heights, California, Appointing a Citrus Heights Member to Serve as the Representative on the Sacramento Metropolitan Air Quality Management District (SMAQMD) Board of Directors, and Appointing a Member to Serve as the Alternate
- b. Adopt Resolution No. 2023-003, A Resolution of the City Council of the City of Citrus Heights, California, Appointing a Citrus Heights Member to Serve as the Representative on the Sacramento Regional County Sanitation District (SRCSD) and Sacramento Area Sewer District (SASD) Board of Directors, and Appointing a Member to Serve as the Alternate
- c. Adopt Resolution No. 2023-004, A Resolution of the City Council of the City of Citrus Heights, California, Appointing a Citrus Heights Member to Serve as the Representative on the Sacramento Transportation Authority (STA), and Appointing a Member to Serve as the Alternate
- d. Adopt Resolution No. 2023-005, A Resolution of the City Council of the City of Citrus Heights, California, Appointing a Citrus Heights Member to Serve as a Director to the Sacramento Area Council of Governments (SACOG) Board of Directors, and Appointing a Member to Serve as the Alternate

Vice Mayor Daniels pulled Item 8 and requested the City Clerk read the City Council appointments to the Regional Boards and Commissions.

Regional Boards and Commissions

Sacramento Metropolitan Cable Television
Commission

Porsche Middleton
MariJane Lopez-Taff (Alternate)

Sacramento Public Library Authority	MariJane Lopez-Taff Porsche Middleton (Alternate)
Sacramento Area Sewer District	Jayna Karpinski-Costa Bret Daniels (Alternate)
Sacramento Regional County Sanitation District	Bret Daniels Jayna Karpinski-Costa (Alternate)
Sacramento Transportation Authority	Jayna Karpinski-Costa Bret Daniels (Alternate)
Sacramento Area Council of Governments	Tim Schaefer Porsche Middleton (Alternate)
Regional Transit	Bret Daniels Tim Schaefer (Alternate)
Sacramento Metropolitan Air Quality Management District	Bret Daniels Porsche Middleton (Alternate)
Sacramento Steps Forward Homeless Policy Council	MariJane Lopez-Taff Porsche Middleton (Alternate)

Liaisons to Local Entities

Education & Community Programs	Bret Daniels MariJane Lopez-Taff
Sacramento Metropolitan Fire District	MariJane Lopez-Taff Porsche Middleton
Sunrise MarketPlace	Bret Daniels MariJane Lopez-Taff

Council Ad Hoc Subcommittees

Finance & Administration	Bret Daniels Jayna Karpinski-Costa
Quality of Life	Tim Schaefer Jayna Karpinski-Costa

ACTION: On a motion by Vice Mayor Daniels, seconded by Council Member Lopez-Taff, the City Council adopted Consent Calendar Item 8.

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

ABSENT: None

REGULAR CALENDAR

10. **SUBJECT:** City Board and Commission Appointments
STAFF REPORT: A. Van / H. Reid-Hildebrand
RECOMMENDATION: The following is recommended:

- a. Council Members MariJane Lopez-Taff, Jayna Karpinski-Costa, and Porsche Middleton Nominate One Regular Member to Serve on the Planning Commission
- b. Vice Mayor Daniels Nominate One Regular Member to Fill the Unexpired Term on the Planning Commission
- c. The City Council, by Majority Vote, Appoint Individuals for the Remaining At-Large Appointments to the Planning Commission and Construction Board of Appeals

Management Analyst II Reid-Hildebrand presented the staff report.

Public Comment

Steve Durham introduced himself to the Council and provided an overview of his experience and feels he could help the City as a Planning Commissioner.

ACTION: On a motion by Council Member Lopez-Taff, seconded by Vice Mayor Daniels, the City Council ratified Council Member Lopez-Taff's nomination of Marcelle Flowers to serve on the Planning Commission for the term on January 12, 2023 to December 31, 2026.

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

ACTION: On a motion by Council Member Karpinski-Costa, seconded by Vice Mayor Daniels, the City Council ratified Council Member Karpinski-Costa's nomination of Natalee Price to serve on the Planning Commission for the term on January 12, 2023 to December 31, 2026.

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

ACTION: On a motion by Council Member Middleton, seconded by Vice Mayor Daniels, the City Council ratified Council Member Middleton's nomination of Andrew Van Duker to serve on the Planning Commission for the term on January 12, 2023 to December 31, 2026.

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

ACTION: On a motion by Vice Mayor Daniels, seconded by Mayor Schaefer, the City Council ratified Vice Mayor Daniels' nomination of James Remick to serve on the Planning Commission to fill an unexpired term ending December 31, 2024.

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

ACTION: On a motion by Vice Mayor Daniels, seconded by Mayor Schaefer, the City Council appointed Max Semenenko and Oleg Shishko as at-large members of the Planning Commission for the term of January 12, 2023 to December 31, 2024.

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

ACTION: On a motion by Vice Mayor Daniels, seconded by Council Member Middleton, the City Council appointed Lance Gartner and Manuel Perez-Salazar to the Construction Board of Appeals for the term of January 12, 2023 to December 31, 2026.

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

11. **SUBJECT:** Presentation by San Juan Unified School District Regarding Safe Schools
PRESENTER: SJUSD Director Mike Jones

Mike Jones with the San Juan Unified School District provided an overview of the Safe Schools Program dedicated to improving campus safety and fostering an educational environment where students can learn, explore and succeed academically. The District employs Community Safety Specialists that have expertise in items such as school emergency response procedures, critical incident management and communication, crisis communication and de-escalation skills, behavior threat assessment, therapeutic crisis intervention, school vulnerability and safety assessment, and mandated reporter requirements. The District has conducted a Site Safety and Vulnerability Study at each of their schools focusing on four primary areas: school and surrounding community crime statistics; school campus physical security and vulnerability; safety planning, training and existing practices; and school culture and environment.

City Council questions and comments followed.

12. **SUBJECT:** Police Officers Assigned to Schools Discussion
STAFF: A. Turcotte/ C. Burnett
RECOMMENDATION: Receive Staff Presentation and Provide Further Direction if Needed

Police Chief Turcotte stated the City Council asked staff to conduct an initial analysis to see what it would potentially cost to place an armed police officer at each Citrus Heights school within the San Juan Unified School District. He provided an informational update and stated no action is required. Based on the initial analysis the program would require the addition of approximately 15 employees that would include police

officers, supervisors and administrative support. The fiscal impact is approximately \$1.8 million to stand up the equipment and materials and then an ongoing cost of \$2.58 million for annual operating costs.

City Council questions and comments followed.

Vice Mayor Daniels suggested the Council move forward with examining funding sources if we decide to move forward with this.

Council Member Karpinski-Costa stated she disagrees and said she is not sure we need to look at budgeting money. She stated the District needs to look at fixing up the security of their campuses.

Council Member Lopez-Taff stated it sounds like the Police Department has a great partnership with the District's Safe Schools and is not inclined to continue looking at what we can do to find money because the District has such an effort already underway.

Mayor Schaefer stated he believes in being more proactive in having too much security than not enough.

DEPARTMENT REPORTS

None

CITY MANAGER ITEMS

City Manager Feeney provided an overview of the 2022/23 storm response that included 460 service requests made to the General Services Department over a two-week period to address downed or damaged trees, street flooding/clogged drains, downed lines, and debris in the road. He commended the General Services Department staff for their response to storm.

ITEMS REQUESTED BY COUNCIL MEMBERS/ FUTURE AGENDA ITEMS

Mayor Schaefer requested a future agenda item to waive the fee for the rental of the Community Center for a future Residents Empowerment Association of Citrus Heights (REACH) potluck. Council Member Karpinski-Costa supported the request to add to a future agenda.

Mayor Schaefer requested a future agenda item to form a committee to examine Citrus Heights' own school district and would like to call this committee the Citrus Heights Education Committee. Vice Mayor Daniels supported the request to add to a future agenda.

ADJOURNMENT

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

Respectfully submitted,

Amy Van, City Clerk



CITY OF CITRUS HEIGHTS

CITY COUNCIL STAFF REPORT MEMORANDUM

DATE: January 26, 2023

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: **Amendment to the City's Permanent Local Housing Allocation Funding Application**

Summary and Recommendation

On July 9, 2020, the City Council approved the City's Permanent Local Housing Allocation (PLHA) application and five-year spending plan. The State of California, the Department of Housing and Community Development (HCD) accepted the City's PLHA funding application and five-year spending plan.

On August 17, 2022, the State of California's Department of Housing and Community Development released a Notice of Funding Availability (NOFA) under the PLHA Program. Funding for this notice is to allocate monies collected and deposited in the Fund, beginning calendar year 2020 and 2021 pursuant to Senate Bill (SB) 2.

PLHA is intended to be a continuous funding stream via HCD to assist with housing-related objectives. Staff has the opportunity to amend its five-year spending plan to include activities based on the City's current needs during HCD's NOFA period. Attachment 2 is an HCD program form that identifies various allowed uses for the PLHA funding; however staff recommends focusing on two primary activities which align with longstanding City objectives:

1. 301(a)(1) Predevelopment, development, acquisition, rehabilitation, and preservation of multifamily that is affordable to Extremely low-, Very low-, Low-, or Moderate-income households.
Funding will be used for pre-development and development costs associated to the Sayonara Drive Redevelopment Project. This project will provide approximately 26 units of a variety of ownership housing on Sayonara Drive to meet the City's replacement requirement.

2. 301(a)(6) Assisting persons who are experiencing or at-risk of homelessness.
Funding will be used to continue the City's Homeless Navigator Program, in addition funds will be used to provide housing deposits, motel stays, food, transportation, and essential services and resources to those experiencing homelessness.

Staff recommends the City Council:

1. Approve Resolution No. 2023-_____ authorizing the application and adopting the five-year plan amendment pursuant to the City's Permanent Local Housing Allocation Program.

Fiscal Impact

There is no anticipated impact on the City's General Fund associated with this action. The City's share of PLHA funds is estimated to be \$1,876,554 over a five-year period for housing related activities outlined in the amended PLHA Plan. In addition, the program allows for the City to be reimbursed for administrative costs up to 5% of the annual grant amount.

Background and Analysis

On February 26, 2020, the State of California's Department of Housing and Community Development (HCD) released a Notice of Funding Availability (NOFA). Funding for this NOFA is provided pursuant to Senate Bill (SB) 2 (Chapter 364, Statutes of 2017). SB 2 established the Building Homes and Jobs Trust Fund (Fund) and authorizes the Department to allocate 70 percent of monies collected and deposited in the Fund, beginning in calendar year 2019, to local governments for eligible housing and homelessness activities. The intent of the bill is to provide a permanent, on-going source of funding to local governments for housing-related projects and programs that assist in addressing the unmet housing needs of their local communities.

The funding available in this NOFA is for a five-year period based on the anticipated revenue and formula allocation. The City's five-year funding allotment is estimated to be \$1,876,554. There are a variety of eligible activities the city may choose to provide including:

1. The predevelopment, development, acquisition, rehabilitation, and preservation of affordable multifamily, residential live-work, and rental housing.
2. The predevelopment, development, acquisition, rehabilitation, and preservation of affordable rental and ownership housing, including Accessory Dwelling Units (ADUs).
3. Matching portions of funds placed into local or regional housing trust funds and the Low- and Moderate-Income Housing Asset Fund.
4. Capitalized reserves for services connected to the preservation and creation of new permanent supportive housing.
5. Assisting persons who are experiencing or at risk of homelessness, including, but not limited to, supportive/case management services that allow people to obtain and retain housing.
6. Accessibility modifications in lower-income owner-occupied housing.

7. Efforts to acquire and rehabilitate foreclosed or vacant homes and apartments.
8. Homeownership opportunities, including, but not limited to, down payment assistance.
9. Fiscal incentives made by a county to a city within the county to incentivize approval of one or more affordable housing projects.

Based on an analysis of existing needs as well as input from the City Council's Quality of Life Committee, the following activities were approved by City Council on July 9, 2020:

- Predevelopment, development, acquisition, rehabilitation, and preservation of affordable rental and ownership housing, including Accessory Dwelling Units (ADUs) that meet the needs of a growing workforce earning up to 120 percent of AMI.
- Assisting persons who are experiencing or at-risk of homelessness.
- Homeownership opportunities, including, but not limited to, down payment assistance.

Since the 2020 Council meeting authorizing the PLHA funding plan, two changes occurred necessitating a reallocation of the remaining PLHA funds. First, the portion of the funds designated for ADU's was funded via the Regional Early Action Planning (REAP) Grant. Second the current housing market (housing values) are not supportive of a down payment assistance program.

As a result, staff recommends applying for this NOFA to reallocate the funding to support ongoing programs including the City's Navigator program and the City's previous obligation for the redevelopment of housing on Sayonara Drive.

Opportunity for Citizen Participation for Amended PLHA Funding Application

The amendment to the City's Permanent Local Housing Allocation Funding Application was advertised in the *Citrus Heights Messenger* and made available for public review and comment beginning Tuesday, January 17, 2023 and will end at 5:00 PM Thursday, January 26, 2023.

See Attachment 2 for the City's PLHA application and five-year spending plan outlining how annual funding allocations will be spent. Future changes to activities and funding may be made by the City Council by future resolution. Staff will monitor the outlay of funds for the approved activities and update the Council if necessary.

Attachments

1. Resolution No. 2023- ____, Authorizing the Application and Adopting the Amended Five Year Plan for the Permanent Local Housing Allocation Program
2. Amendment to the City's Permanent Local Housing Allocation Funding Application and Five –Year Spending Plan

RESOLUTION NO. 2023-_____

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CITRUS HEIGHTS,
CALIFORNIA AUTHORIZING THE APPLICATION AND ADOPTING THE
AMENDED FIVE YEAR PLAN FOR THE PERMANENT LOCAL HOUSING
ALLOCATION PROGRAM**

WHEREAS, the Department is authorized to provide up to \$335 million under the SB 2 Permanent Local Housing Allocation Program Formula Component from the Building Homes and Jobs Trust Fund for assistance to Cities and Counties (as described in Health and Safety Code section 50470 et seq. (Chapter 364, Statutes of 2017 (SB 2)));

WHEREAS, the State of California (the “State”), Department of Housing and Community Development (“Department”) issued a Notice of Funding Availability (“NOFA”) dated 8/17/2022 under the Permanent Local Housing Allocation (PLHA) Program;

WHEREAS, the City of Citrus Heights is an eligible Local government who has applied for program funds to administer one or more activities, or a Local or Regional Housing Trust Fund to whom an eligible Local government delegated its PLHA formula allocation;

WHEREAS, the Department may approve funding allocations for PLHA Program, subject to the terms and conditions of the Guidelines, NOFA, Program requirements, the Standard Agreement, and other contracts between the Department and PLHA grant recipients;

NOW, THEREFORE, BE IT RESOLVED THAT:

1. If Applicant receives a grant of PLHA funds from the Department pursuant to the above referenced PLHA NOFA, it represents and certifies that it will use all such funds in a manner consistent and in compliance with all applicable state and federal statutes, rules, regulations, and laws, including without limitation all rules and laws regarding the PLHA Program, as well as any and all contracts Applicant may have with the Department.
2. Applicant is hereby authorized and directed to receive a PLHA grant, in an amount not to exceed the five-year estimate of the PLHA formula allocations, as stated in Appendix C of the current NOFA (\$1,876,554) in accordance with all applicable rules and laws.
3. Applicant hereby agrees to use the PLHA funds for eligible activities as approved by the Department and in accordance with all Program requirements, Guidelines, other rules and laws, as well as in a manner consistent and in compliance with the Standard Agreement and other contracts between the Applicant and the Department.
4. Pursuant to section 302(c)(4) of the Guidelines, Applicant’s PLHA Plan for the 2019-2023 Allocations is attached to this resolution, and Applicant hereby adopts this PLHA Plan and certifies compliance with all public notice, public comment, and hearing requirements in accordance with the Guidelines.
5. Applicant certifies that it has or will sub-grant some or all of its PLHA funds to another entity or entities. Pursuant to Guidelines Section 300(c)(3), “entity” means a housing

developer or program operator, but does not mean an administering Local government to whom a Local government may delegate its PLHA allocation

6. Applicant certifies that its selection process of these sub-grantees was or will be accessible to the public and avoided or shall avoid any conflicts of interest.
7. Pursuant to Applicant's certification in this resolution, the PLHA funds will be expended only for eligible Activities and consistent with all program requirements.
8. Applicant certifies that, if funds are used for the acquisition, construction or rehabilitation of for-sale housing projects or units within for-sale housing projects, the grantee shall record a deed restriction against the property that will ensure compliance with one of the requirements stated in Guidelines Section 302(c)(6)(A),(B) and (C).
9. Applicant certifies that, if funds are used for the development of an Affordable Rental Housing Development, the Local government shall make PLHA assistance in the form of a low-interest, deferred loan to the Sponsor of the Project, and such loan shall be evidenced through a Promissory Note secured by a Deed of Trust and a Regulatory Agreement shall restrict occupancy and rents in accordance with a Local government-approved underwriting of the Project for a term of at least 55 years.
10. Applicant shall be subject to the terms and conditions as specified in the Standard Agreement, the PLHA Program Guidelines and any other applicable SB 2 Guidelines published by the Department.
11. The Community Development Director or designee, is/are authorized to execute the PLHA Program Application, the PLHA Standard Agreement and any subsequent amendments or modifications thereto, as well as any other documents which are related to the Program or the PLHA grant award to Applicant, as the Department may deem appropriate.

PASSED AND ADOPTED by the City Council of the City of Citrus Heights the 26th day of January 2023, by the following roll call vote:

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

Signature of Approving Officer

Tim Schaefer, Mayor

CERTIFICATE OF THE ATTESTING OFFICER

The undersigned, Officer Amy Van, does hereby attest and certify that the Resolution is a true, full and correct copy of a resolution duly adopted at a meeting of the City of Citrus Heights which was duly convened and held on the date stated thereon, and that said document has not been amended, modified, repealed or rescinded since its date of adoption and is in full force and effect as of the date hereof.

ATTEST:

Amy Van, City Clerk

PLHA Formula 5-year Plan - Amendment		Rev. 5/7/21
Eligible Activities, §301		
§301(a) Eligible activities are limited to the following:	Included?	
§301(a)(1) The predevelopment, development, acquisition, rehabilitation, and preservation of multifamily, residential live-work, rental housing that is affordable to Extremely low-, Very low-, Low-, or Moderate-income households, including necessary operating subsidies.	<input checked="" type="checkbox"/> YES	
§301(a)(2) The predevelopment, development, acquisition, rehabilitation, and preservation of affordable rental and ownership housing, including Accessory Dwelling Units (ADUs), that meets the needs of a growing workforce earning up to 120 percent of AMI, or 150 percent of AMI in high-cost areas. ADUs shall be available for occupancy for a term of no less than 30 days.	<input type="checkbox"/> YES	
§301(a)(3) Matching portions of funds placed into Local or Regional Housing Trust Funds.	<input type="checkbox"/> YES	
§301(a)(4) Matching portions of funds available through the Low- and Moderate-Income Housing Asset Fund pursuant to subdivision (d) of HSC Section 34176.	<input type="checkbox"/> YES	
§301(a)(5) Capitalized Reserves for services connected to the preservation and creation of new permanent supportive housing.	<input type="checkbox"/> YES	
§301(a)(6) Assisting persons who are experiencing or At-risk of homelessness, including, but not limited to, providing rapid re-housing, rental assistance, supportive/case management services that allow people to obtain and retain housing, operating and capital costs for navigation centers and emergency shelters, and the new construction, rehabilitation, and preservation of permanent and transitional housing.	<input checked="" type="checkbox"/> YES	
§301(a)(7) Accessibility modifications in Lower-income Owner-occupied housing.	<input type="checkbox"/> YES	
§301(a)(8) Efforts to acquire and rehabilitate foreclosed or vacant homes and apartments.	<input type="checkbox"/> YES	
§301(a)(9) Homeownership opportunities, including, but not limited to, down payment assistance.	<input type="checkbox"/> YES	
§301(a)(10) Fiscal incentives made by a county to a city within the county to incentivize approval of one or more affordable housing Projects, or matching funds invested by a county in an affordable housing development Project in a city within the county, provided that the city has made an equal or greater investment in the Project. The county fiscal incentives shall be in the form of a grant or low-interest loan to an affordable housing Project. Matching funds investments by both the county and the city also shall be a grant or low-interest deferred loan to the affordable housing Project.	<input type="checkbox"/> YES	

§302(c)(4) Plan														Rev. 5/7/21
§302(c)(4)(A) Describe the manner in which allocated funds will be used for eligible activities. The City of Citrus Heights plans to use PLHA funds for the following activities: 1) the predevelopment and development of a low income housing project which may include a request for proposals for the affordable housing development project (Sayonara Drive Development Project), conceptual design work, environmental analysis, site work, development costs as well as other associated fees and cost; 2) to continue to expand the City's Homeless Navigator Program, to assist persons who are experiencing or at-risk of homelessness.														
§302(c)(4)(B) Provide a description of the way the Local government will prioritize investments that increase the supply of housing for households with incomes at or below 60 percent of Area Median Income (AMI). The affordable housing development project on Sayonara Drive to be assisted with various PLHA funding years. PLHA funds will be used by households earning no more than 60% AMI. When possible, the City will prioritize households earning at or below 60% AMI for PLHA funded activities.														
§302(c)(4)(C) Provide a description of how the Plan is consistent with the programs set forth in the Local Government's Housing Element. The City's Housing Element includes the following policies consistent with the City's PLHA plan: Goal #25: Provide adequate sites for a variety of housing opportunities to serve all residents, Goal #26: Develop, conserve, and improve the housing stock to ensure decent accommodations for all segments of the community, Goal #27, Policy F: Continue to implement strategies to redevelop Sayonara Drive with a goal of replacing housing units as per the Sayonara Redevelopment Plan, and Goal #28: Ensure housing opportunities for all segments of the community.														
Activities Detail (Activities Detail (Must Make a Selection on Formula Allocation Application worksheet under Eligible Activities, §301))														
§301(a)(1) The predevelopment, development, acquisition, rehabilitation, and preservation of multifamily, residential live-work, rental housing that is affordable to extremely low-,very low-, low-, or moderate-income households, including necessary Operating subsidies.														
§302(c)(4)(E)(i) Provide a detailed and complete description of how allocated funds will be used for each proposed Affordable Rental Housing Activity. A percentage of PLHA funds will be used for the affordable housing development project on Sayonara Drive for ownership by households earning 60% AMI on vacant city-owned land on Sayonara Drive in Citrus Heights. The City estimates serving between 20-26 households.														
Complete the table below for each proposed Affordable Rental Housing Activity to be funded with 2019-2023 PLHA allocations. If a single Activity will be assisting households at more than one level of Area Median Income, please list the Activity as many times as needed to capture all of the AMI levels that will be assisted, but only show the percentage of annual funding allocated to the Activity one time (to avoid double counting).														
Funding Allocation Year	2019	2020	2021	2022	2023									
§302(c)(4)(E)(i) Percentage of Funds Allocated for the Proposed Affordable Rental Housing Activity	70.0%	60.0%	60.0%	50.0%	50.0%									
§302(c)(4)(E)(ii) Area Median Income Level Served	60%	60%	60%	60%	60%									TOTAL
§302(c)(4)(E)(ii) Unmet share of the RHNA at the AMI Level Note: complete for year 2019 & 2020 only	100	100	0	0	0									200
§302(c)(4)(E)(ii) Projected Number of Households Served	0	0	0	0	26									26
§302(c)(4)(E)(iv) Period of Affordability for the Proposed Affordable Rental Housing Activity (55 years required for rental housing projects)	55 Years	55 Years	55 Years	55 Years	55 Years	55 Years	55 Years	55 Years	55 Years	55 Years	55 Years	55 Years	55 Years	55 Years
§302(c)(4)(E)(iii) A description of major steps/actions and a proposed schedule for the implementation and completion of the Activity. The affordable housing ownership development on Sayonara Drive to be assisted by a variety of funding allocation years. Years 2019, 2020 and 2021 is ready to begin predevelopment work. The City owns the vacant land and intends to use the PLHA funds to begin predevelopment work and has identified Habitat for Humanity Sacramento as the developer. The estimated construction date for this construction project will begin mid 2023/early 2024.														

§301(a)(2) The predevelopment, development, acquisition, rehabilitation, and preservation of Affordable rental and ownership housing, including Accessory Dwelling Units (ADUs), that meets the needs of a growing workforce earning up to 120 percent of AMI, or 150 percent of AMI in high-cost areas. ADUs shall be available for occupancy for a term of no less than 30 days.

§301(a)(3) Matching portions of funds placed into Local or Regional Housing Trust Funds

§301(a)(4) Matching portions of funds available through the Low- and Moderate-Income Housing Asset Fund pursuant to subdivision (d) of HSC Section 34176

§301(a)(5) Capitalized Reserves for Services connected to the preservation and creation of new permanent supportive housing

\$301(a)(6) Assisting persons who are experiencing or At risk of homelessness, including, but not limited to, providing rapid rehousing, rental assistance, supportive/case management services that allow people to obtain and retain housing, operating and capital costs for navigation centers and emergency shelters, and the new construction, rehabilitation, and preservation of permanent and transitional housing.

§302(c)(4)(E)(i) Provide a detailed and complete description of how allocated funds will be used for the proposed Activity

A percentage of PLHA funds will be used to provide supportive/case management services to persons at-risk or currently experiencing homelessness. The funds will be used to fund homeless navigation staff to provide services that enable people to obtain and retain housing. Given the demand for services, the City intends to fund this activity in all funding years (2019-2023).

Complete the table below for each proposed Activity to be funded with 2019-2023 PLHA allocations. If a single Activity will be assisting households at more than one level of Area Median Income, please list the Activity as many times as needed to capture all of the AMI levels that will be assisted, but only show the percentage of annual funding allocated to the Activity one time (to avoid double counting).

[illegible]

§302(c)(4)(E)(iii) A description of major steps/actions and a proposed schedule for the implementation and completion of the Activity

The City currently has a Homeless Navigator Program in place; however, the current capacity doesn't meet the community's increasing needs. During funding year 2019, the City developed and implemented a plan to increase the current level of homeless services to meet the current need. These funds will be used to build on the current program and provide additional staffing and services to connect people experiencing homelessness with resources to assist in obtaining permanent housing.

§301(a)(7) Accessibility modifications in Lower-income Owner-occupied housing

§301(a)(8) Efforts to acquire and rehabilitate foreclosed or vacant homes and apartments

§301(a)(9) Homeownership opportunities, including, but not limited to, down payment assistance

§301(a)(10) Fiscal incentives made by a county to a city within the county to incentivize approval of one or more affordable housing Projects, or matching funds invested by a county in an affordable housing development Project in a city within the county, provided that the city has made an equal or greater investment in the Project. The county fiscal incentives shall be in the form of a grant or low-interest loan to an affordable housing Project. Matching funds investments by both the county and the city also shall be a grant or low-interest deferred loan to the affordable housing Project.

Permanent Local Housing Allocation, 5-Year Plan AMENDMENT

Funding Allocation Year 2019		\$ 312,759.00	
2019 Allocation for 2020 NOFA			
Activity	Funding Percentage	Estimated Amount	Notes
Predevelopment and development of approximately 26 units of a variety of ownership housing on Sayonara Drive to meet the city's replacement requirement - 301 (a)(1)	70%	\$ 218,931.30	Sayonara Drive Redevelopment Project: Specific use of funds includes the pre-development and development of a low-income housing project which may include a request for proposals for an affordable housing project, conceptual design work, environmental analysis, site work, development costs as well as other associated fees and costs.
Continue and expand the city's Homeless Navigator Program that will serve those making less than 30% of AMI 301 (a)(6)	25%	\$ 78,189.75	Naviatgor Services Contract w/Sacramento Self-Help Housing. Citrus Heights Navigator(s) provide housing counseling services and resources for those at-risk or currently homeless.
Administration	5%	\$ 15,637.95	
TOTAL	100%	\$ 312,759.00	
Funding Allocation Year 2020		\$ 486,125.00	
2020 Allocation for 2021 NOFA			
Activity	Funding Percentage	Estimated Amount	Notes
Predevelopment and development of approximately 26 units of a variety of ownership housing on Sayonara Drive to meet the city's replacement requirement - 301 (a)(1)	60%	\$ 291,675.00	Sayonara Drive Redevelopment Project: Specific use of funds includes the pre-development and development of a low-income housing project which may include a request for proposals for an affordable housing project, conceptual design work, environmental analysis, site work, development costs as well as other associated fees and costs.
Assisting persons who are at risk or currently experiencing homelessness 301 (a)(6)	19%	\$ 92,363.75	Supplemental Navigaor funds will be used to provide housing deposits, motel stays, food, transporation, and essential services for people experiencing homelessness.
Continue and expand the city's Homeless Navigator Program that will serve those making less than 30% of AMI - 301 (a)(6)	16%	\$ 78,189.75	Naviatgor Services Contract w/Sacramento Self-Help Housing. Citrus Heights Navigator(s) provide housing counseling services and resources for those at-risk or currently homeless.
Administration	5%	\$ 24,306.25	
TOTAL	100%	\$ 486,534.75	
Funding Allocation Year 2021		\$ 534,966.00	
2021 Allocation for 2022 NOFA			
Activity	Funding Percentage	Estimated Amount	Notes
Predevelopment and development of approximately 26 units of a variety of ownership housing on Sayonara Drive to meet the city's replacement requirement - 301 (a)(1)	60%	\$ 320,979.60	Sayonara Drive Redevelopment Project: Specific use of funds includes the pre-development and development of a low-income housing project which may include a request for proposals for an affordable housing project, conceptual design work, environmental analysis, site work, development costs as well as other associated fees and costs.
Assisting persons who are at risk or currently experiencing homelessness 301 (a)(6)	20%	\$ 106,993.20	Supplemental Navigaor funds will be used to provide housing deposits, motel stays, food, transporation, and essential services for people experiencing homelessness.
Continue and expand the city's Homeless Navigator Program that will serve those making less than 30% of AMI 301(a)(6)	15%	\$ 80,244.90	Naviatgor Services Contract w/Sacramento Self-Help Housing. Citrus Heights Navigator(s) provide housing counseling services and resources for those at-risk or currently homeless.
Administration	5%	\$ 26,748.30	
TOTAL	100%	\$ 534,966.00	
Funding Allocation Year 2022		\$ 271,147.13	
2022 Allocation for 2023 NOFA			
Activity	Funding Percentage	Estimated Amount	Notes
Predevelopment and development of approximately 26 units of a variety of ownership housing on Sayonara Drive to meet the city's replacement requirement - 301 (a)(1)	50%	\$ 135,573.57	Sayonara Drive Redevelopment Project: Specific use of funds includes the pre-development and development of a low-income housing project which may include a request for proposals for an affordable housing project, conceptual design work, environmental analysis, site work, development costs as well as other associated fees and costs.
Assisting persons who are at-risk or currently experiencing homelessness 301 (a)(6)	15%	\$ 40,672.07	Supplemental Navigaor funds will be used to provide housing deposits, motel stays, food, transporation, and essential services for people experiencing homelessness.
Continue and expand the city's Homeless Navigator Program that will serve those making less than 30% of AMI 301(a)(6)	30%	\$ 81,344.14	Naviatgor Services Contract w/Sacramento Self-Help Housing. Citrus Heights Navigator(s) provide housing counseling services and resources for those at-risk or currently homeless.
Administration	5%	\$ 13,557.36	
TOTAL	100%	\$ 271,147.13	
Funding Allocation Year 2023		\$ 271,147.12	
2023 Allocation for 2024 NOFA			
Activity	Funding Percentage	Estimated Amount	Notes
Predevelopment and development of approximately 26 units of a variety of ownership housing on Sayonara Drive to meet the city's replacement requirement - 301 (a)(1)	50%	\$ 135,573.56	Sayonara Drive Redevelopment Project: Specific use of funds includes the pre-development and development of a low-income housing project which may include a request for proposals for an affordable housing project, conceptual design work, environmental analysis, site work, development costs as well as other associated fees and costs.
Assisting persons who are at-risk or currently experiencing homelessness 301 (a)(6)	15%	\$ 40,672.07	Supplemental Navigaor funds will be used to provide housing deposits, motel stays, food, transporation, and essential services for people experiencing homelessness.
Continue and expand the city's Homeless Navigator Program that will serve those making less than 30% of AMI 301(a)(6)	30%	\$ 81,344.14	Naviatgor Services Contract w/Sacramento Self-Help Housing. Citrus Heights Navigator(s) provide housing counseling services and resources for those at-risk or currently homeless.
Administration	5%	\$ 13,557.36	
TOTAL	100%	\$ 271,147.12	
		1,876,554.00	
Sayonara Drive Redevelopment Project	\$	1,102,733.03	
Supplemental Navigator Program	\$	280,701.09	
Self-Help Housing Navigator Staff Time	\$	399,312.68	
Administration	\$	93,807.21	
Total	\$	1,876,554.00	



CITY OF CITRUS HEIGHTS

CITY COUNCIL STAFF REPORT MEMORANDUM

DATE: January 26, 2023

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

FROM: Macy Dippert, Senior Management Analyst
Monica Alejandrez, Human Resources Manager
Susan Talwar, Administrative Services Director

SUBJECT: **Participation in the Public Risk Innovation, Solutions, and Management (PRISM) Dental Program**

Summary and Recommendation

The City provides dental insurance to full-time benefited employees and their dependents, and pro-rated amount of dental insurance for part-time benefited employees. As part of an annual review, Human Resources staff requested the benefits broker Alliant conduct a market comparison on dental rates.

The findings of the market comparison resulted with cost savings to the City through the Public Risk Innovation, Solutions, and Management (PRISM) and allowing the City to continue with the City's existing Delta Dental provider and plan structure. To participate the city would need to join PRISM, a joint powers authority comprised of county and local government entities. It is common for government entities to participate in a large group dental pools providing an advantage of lower premium rates. The requested action is necessary to for participation in the PRISM Dental program.

Staff recommends the City Council adopt Resolution No. 2023-____, A Resolution Authorizing the City to become a member of the Public Risk Innovation, Solutions, and Management (PRISM) Joint Powers Authority and Authorizing the City Manager and Human Resources Manager to Act on Behalf of the City Regarding the PRISM Dental MOU and future matters relating to the MOU, Exhibit A and B.

Fiscal Impact

Participation in PRISM Dental will save the City's benefits budget \$16,746.00 per year on dental premiums with no change to coverage or plan structure.

Background and Analysis

The City requested Alliant, our broker of benefits conduct a market rate analysis on our Dental premiums, to better serve the employees of the City with cost effective benefit options.

The City currently participates in PRISM through the California Intergovernmental Risk Authority (CIRA) for excess liability insurance. The City must formally join PRISM by adopting a resolution, approving the Dental Memorandum of Understanding and the Joint Powers Agreement (JPA), and delegating day-to-day authority for human resources staff to act on matters related to the City's participation in PRISM. Approval of the MOU and JPA contemplated herein would make the City a direct member of PRISM.

PRISM requests that the City Council include in the resolution delegation of authority to staff to act in day-to-day matters. It is recommended that the City Manager and Human Resources Manager be designated to act on matters relating to the JPA and PRISM Dental. As is current practice, any agreements or formal documents requiring action will be submitted to the City Attorney for review prior to staff executing the documents. Certain actions of the JPA can only be executed by formal action of the City Council regardless of delegation of authority of staff; any item meeting this criterion will be brought to Council for consideration and direction.

Attachments

1. Resolution Delegating Authority to the Human Resources Manager to Act on Behalf of the City Citrus Regarding the PRISM Dental MOU and Joint Powers Authority Amended
2. Exhibit A - PRISM Dental MOU
3. Exhibit B - PRISM Joint Powers Agreement

RESOLUTION NO. 2023 -__

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CITRUS HEIGHTS, CALIFORNIA, AUTHORIZING THE CITY TO BECOME A MEMBER OF THE PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT (PRISM) JOINT POWERS AUTHORITY AND AUTHORIZING THE CITY MANAGER AND HUMAN RESOURCES MANAGER TO ACT ON BEHALF OF THE CITY REGARDING THE PRISM DENTAL MOU AND FUTURE MATTERS RELATING TO THE MOU, EXHIBIT A & B

WHEREAS, the City will become a member of the Public Risk Innovation, Solutions, and Management Joint Powers Authority to participate in the Dental Program.

WHEREAS, the Public Risk Innovation, Solutions, and Management “PRISM” (Authority) has determined that it is necessary for each member of the Authority to delegate the City Manager and Human Resources Manager authority to act on the member’s behalf in matters relating to the member and the Authority; and

WHEREAS, except as to those actions that must be approved by the City Council of the City of Citrus Heights, such delegation of authority is necessary in order to carry out the purposes and functions of the Authority with its members; and

WHEREAS, in order to ensure the City Manager and Human Resources Manager is delegated with authority to act on the member’s behalf in matters relating to the member and the Authority, action by the member’s governing body is necessary; and

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

To become a member of the Public Risk Innovation, Solutions, and Management (PRISM) Joint Powers Authority; and

Except as to actions that must be approved by the City Council of the City of Citrus Heights, the City Manager and Human Resources Manager is hereby appointed to act in all matters relating to the member and the Authority.

These changes will become effective March 1, 2023.

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 26th day of January 2023 by the following vote, to wit:

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

Tim Schaefer, Mayor

ATTEST:

Amy Van, City Clerk

EXHIBIT A – PRISM Dental MOU Final

EXHIBIT B – PRISM JPA Final



MEMORANDUM OF UNDERSTANDING DENTAL PROGRAM

This Memorandum of Understanding (hereinafter “Memorandum”) is entered into by and between the Public Risk Innovation, Solutions, and Management (hereinafter “PRISM”) and the participating members of the Dental Program (hereinafter “Members”) that are signatories to this Memorandum.

1. **CREATION OF THE PROGRAM.** There is hereby created by this Memorandum the Dental Program (hereinafter “Program”).
2. **JOINT POWERS AGREEMENT.** Except as otherwise provided herein, all terms used herein shall be as defined in Article 1 of the Joint Powers Agreement Creating PRISM (hereinafter “Agreement”), and all other provisions of the Agreement not in conflict with this Memorandum shall be applicable.
3. **PROGRAM COVERAGE SEGMENTS.** The Program is formed for the purpose of establishing dental coverage under the following Program coverage segments:
 - a. Self-Insured Segment
 - b. Fixed-Rate Preferred Provider Organization (PPO) Pooled Segment
 - c. Fully-Insured Dental Health Maintenance Organization (DHMO) Segment
4. **PROGRAM COMMITTEE.** The Employee Benefits Committee (hereinafter “Committee”) shall consist of nine (9) members. Except as otherwise provided herein, said Committee shall have full authority to determine all matters affecting the Program and its Members, including but not limited to, approval of new Members, premium/rate setting, addition of new Program segments and/or services, claims review, and amending the Memorandum. A majority of members of the Committee must be Members of the Program.

A majority of the members of the Committee shall constitute a quorum for the transaction of business. All actions of the Committee shall require the affirmative vote of a majority of the members of the Committee.

Except as otherwise provided herein, the Committee shall be authorized to do such acts as are reasonably necessary to further the purposes of this Memorandum and implement its provisions. The Committee may delegate any or all of this authority as deemed appropriate.

The Committee, when necessary to fulfill the purposes of this Memorandum, shall meet at the call of the Chair of the Committee as provided in Article 12 of the Agreement and Article VI of the Bylaws of PRISM (hereinafter referred to as the “Bylaws”). Any meeting of the Committee shall be subject to the applicable

provisions of Government Code §54950 et seq., commonly known as the “Brown Act.”

5. **PREMIUM.** Participating Member rates/premiums shall be established by Delta Dental of California (hereinafter “Delta Dental”) in consultation with the Program underwriters, actuaries, and the Committee. The participating Members, in accordance with the Program premium provisions of Article 14 of the Agreement, shall be assessed an annual premium for the purpose of funding the Program in which they participate. Premiums will vary based on Member segment participation, benefit plan coverage, Member employee/retiree participation, and claims experience.
6. **MEMBERSHIP.** Membership in the Program consists of participation in one or more of the following:
 - a. A “Self-Insured” Member is defined as a Member who participates in the group purchase Program for administrative services only and is fully responsible for their own dental program; and/or
 - b. A “Fixed-Rate PPO” Member is defined as a Member who joins the Program and is part of the self-insured Fixed-Rate PPO pool; and/or
 - c. A “Fully-Insured DHMO” Member is defined as a Member who joins the Program and is part of the fully insured DHMO pool.
7. **PROGRAM PARTICIPATION.** Adoption of this Memorandum by a Member allows for participation in the Program. Participation in the Program may be in one or more of the following segments; the Self-Insured Pool, the Fixed-Rate PPO Pool, and/or the DHMO pool. A Member shall be entitled to participate in the Program until they have withdrawn in accordance with the provisions of paragraph 16 of this Memorandum.
8. **RENEWALS.** All Program renewal rate action will be approved by the Committee with assistance from Program underwriters, actuaries, and Delta Dental. Fixed-Rate PPO Pool Members that have Legacy Premium Stabilization Funds (see paragraph 10.a.) may use those funds to offset renewal rate increases.
9. **BILLINGS AND LATE PAYMENTS.** Billing dates, payment due dates, and any late fees and/or penalties will be set by the Committee. All Members will receive separate notification of any changes in due dates and/or penalty fees at least thirty (30) days prior to the effective date of any such change.

Notwithstanding any other provisions to the contrary regarding late payment of invoices or cancellation from a Program, at the discretion of the Committee, any Member that fails to pay an invoice when due and as billed may be given a ten (10) day written notice of cancellation.

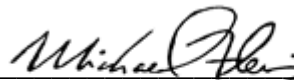
10. **PREMIUM STABILIZATION FUNDS.** Premium Stabilization Funds as set forth apply only to Fixed-Rate PPO segment Members.
 - a. Legacy Premium Stabilization Fund. Delta Dental Members who are fully insured with Delta Dental are required to have their stabilization funds (if any) transferred to PRISM upon entry into the Fixed-Rate PPO Program segment. These funds will be accounted for individually for the Member's use. The Member may use their Legacy Premium Stabilization Funds to buy down their renewal or request a full disbursement from PRISM. If the Member leaves the Program with a fund balance remaining, those funds remain in the Program and the Member has no equity rights to those funds
 - b. Program Premium Stabilization Fund. The Program Stabilization Fund shall consist of accumulated excess reserves (in excess of the required Incurred But Not Reported (IBNR) and Claims Fluctuation Margin (CFM) requirements) generated by the Program with all years combined on a go forward basis. The Committee shall have authority to determine the use of these funds. These funds are not Member specific and they are separate from the Legacy Premium Stabilization Funds.
11. **STABILIZATION INTEREST.** Interest generated by both premium stabilization funds are available for the Committee to use for any purpose, including administrative fees, rate offsets, or claim payments.
12. **DIVIDENDS AND ASSESSMENTS (Applicable to Fixed-Rate PPO Members Only).** Should the Fixed-Rate PPO Program segment not be adequately funded for any reason, pro-rata assessments to the Members may be utilized to ensure the approved funding level for applicable policy periods. Any assessments, which are deemed necessary to ensure approved funding levels, shall be made upon the approval of the Committee in accordance with the following:
 - a. Any dividends or assessments shall be based upon the preceding three (3) years' of percentage of contributions for losses for Fixed-Rate PPO Pooled Members only.
 - b. Self-Insured and DHMO segments are not eligible for dividends or assessments.
13. **APPROVAL OF NEW MEMBERS – APPLICATION TO THE PROGRAM.** Any public entity wishing to become a Member of the Program shall make application to and be approved by a majority vote of the Committee in a manner prescribed by them. The Committee has developed underwriting guidelines that outline specific criteria for accepting new Members. Program underwriting guidelines are available by request to PRISM.

14. **COVERAGE DOCUMENTS.** Coverage documents shall be issued by Delta Dental to each individual Member. Coverage shall be governed in accordance with these documents. Any changes to the benefits, as determined by the Member, are subject to Delta Dental, Committee, actuarial, and/or other consultants' pricing requirements.
15. **CLAIMS ADMINISTRATION.** The Committee shall authorize the retention of the services of Delta Dental to provide claims services for the Program.
16. **WITHDRAWAL.** Withdrawal of a Member from the Program shall be as follows:
 - a. Fixed-Rate PPO and DHMO Pool Members. After becoming a participant in the Program, a Fixed-Rate PPO and/or DHMO Pool Member may withdraw from the Program at the end of a policy year only if they provide PRISM with sixty (60) days written notice prior to the end of the policy year.
 - b. Self-Insured Member. After becoming a participant in the Program, a Self-Insured Member may withdraw from the Program at the end of their specific policy year by giving PRISM sixty (60) days written notice prior to the end of their specific policy year.
17. **LIASION WITH THE AUTHORITY.** Each Member shall maintain staff to act as a liaison with PRISM and Delta Dental and between the Member and PRISM's and Delta Dental's designated representative.
18. **RESOLUTION OF DISPUTES.** The Committee shall first determine any question or dispute with respect to the rights and obligations of the parties to this Memorandum; however, all final determinations shall be in accordance with Article 31 of the "Agreement."
19. **ADMINISTRATION COSTS.** PRISM shall be entitled to assess annual administration costs associated with the Program. Administrative costs for the Program shall be determined through PRISM's budget process. The source of the funds for the Program will be administrative charges, interest earnings, or a combination of both.
20. **COMPLETE AGREEMENT.** Except as otherwise provided herein, this Memorandum constitutes the full and complete agreement of the Members.
21. **SEVERABILITY.** Should any provision of this Memorandum be judicially determined to be void or unenforceable, such determination shall not affect any remaining provision.

22. **AMENDMENT OF MEMORANDUM.** This Memorandum may be amended by a majority vote of the Committee upon ninety (90) days advance written notice of the proposed amendments to the Members and county counsels. Each Member shall approve of any amendment by signature on the Memorandum by a Member's designated representative, or alternate, who shall have authority to execute this Memorandum. Should a Member of the Program fail to execute any amendment to this Memorandum within the time provided by the Committee, the Member will be deemed to have withdrawn from the Program on the next annual renewal date.
23. **EFFECTIVE DATE OF AGREEMENT.** This Memorandum shall become effective on the first effective date of coverage for the Member, or upon approval by the Employee Benefits Committee of any amendment, whichever is later.
24. **EXECUTION IN COUNTERPARTS.** This Memorandum may be executed in several counterparts, each of which shall be an original, all of which shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the undersigned have executed the Memorandum as of the date set forth below.

Dated: 4/9/19



Public Risk Innovation, Solutions, and Management
Michael Fleming, Chief Executive Officer

Dated: _____

Name (printed)

Signature

Member Entity



Adopted: October 5, 1979
 Amended: May 12, 1980
 Amended: January 23, 1987
 Amended: October 7, 1988
 Amended: March 1993
 Amended: November 18, 1996
 Amended: October 4, 2005
 Amended: February 28, 2006
 Amended: June 30, 2020

JOINT POWERS AGREEMENT PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT

This Agreement is executed in the State of California by and among those counties and public entities organized and existing under the Constitution of the State of California, which are parties signatory to this Agreement. Public Risk Innovation, Solutions, and Management (referred to herein as PRISM), formerly known as CSAC Excess Insurance Authority, was formed under the sponsorship of CSAC. California counties, hereinafter called member counties, and public entities, hereinafter called member public entities, (collectively "members") shall be listed in Appendix A, which shall be attached hereto and made a part hereof.

RECITALS

WHEREAS, Article 1, Chapter 5, Division 7, Title 1 of the California Government Code (Section 6500 et seq.) permits two or more public agencies by agreement to exercise jointly powers common to the contracting parties; and

WHEREAS, Article 16, Section 6 of the California Constitution provides that insurance pooling arrangements under joint exercise of power agreements shall not be considered the giving or lending of credit as prohibited therein; and

WHEREAS, California Government Code Section 990.4 provides that a local public entity may self-insure, purchase insurance through an authorized carrier, or purchase insurance through a surplus line broker, or any combination of these; and

WHEREAS, pursuant to California Government Code Section 990.6, the cost of insurance provided by a local public entity is a proper charge against the local public entity; and

WHEREAS, California Government Code Section 990.8 provides that two or more local entities may, by a joint powers agreement, provide insurance for any purpose by any one or more of the methods specified in Government Code Section 990.4 and such pooling of self-insured claims or losses is not considered insurance nor subject to regulation under the Insurance Code; and

WHEREAS, the counties and public entities executing this Agreement desire to join together for the purpose of jointly funding and/or establishing excess and other insurance programs as determined;

NOW THEREFORE, the parties agree as follows:

ARTICLE 1 DEFINITIONS

"CSAC" shall mean the County Supervisors Association of California, dba California State Association of Counties.

"Board of Directors" or **"Board"** shall mean the governing body of PRISM.

"Claim" shall mean a claim made against a member arising out of an occurrence, which is covered by an excess or primary insurance program of PRISM in which the member is a participant.

"Executive Committee" shall mean the Executive Committee of the Board of Directors of PRISM.

"Fiscal year" shall mean that period of twelve months which is established by the Board of Directors as the fiscal year of PRISM.

"Government Code" shall mean the California Government Code.

"Insurance program" or **"program"** shall mean a program which has been designated as a major program of PRISM under which participating members are protected against designated losses, either through joint purchase of primary or excess insurance, pooling of self-insured claims or losses, purchased insurance or any other combination as determined by the Board of Directors. The Board of Directors, the Executive Committee, or a program's governing committee may determine applicable criteria for determining eligibility in any insurance program, as well as establishing program policies and procedures.

"Joint powers law" shall mean Article 1, Chapter 5, Division 7, Title 1 (commencing with Section 6500) of the Government Code.

"Loss" shall mean a liability or potential liability of a member, including litigation expenses, attorneys' fees and other costs, which is covered by an insurance program of PRISM in which the member is a participant.

"Member county" shall mean any county in the State of California which has executed this Agreement and become a member of PRISM. "Member County" shall also include those entities or other bodies set forth in Article 3 (c).

"Member Public Entity" shall mean any California public entity, which is not a California county, which has executed this Agreement, and become a member of PRISM, "Member Public Entity" shall also include those entities or other bodies set forth in Article 3(c).

"Miscellaneous Program" is an insurance program of PRISM that does not involve pooling of self-insured claims or losses and may be made available to members as well as non-member public entities that are not a party to this Agreement.

"Occurrence" shall mean an event which is more fully defined in the memorandums of coverage and/or policies of an insurance program in which the participating county or participating public entity is a member.

"Participating county" shall mean any member county which has entered into a program offered by PRISM pursuant to Article 14 of this Agreement and has not withdrawn or been canceled therefrom pursuant to Articles 20 or 21.

"Participating public entity" shall mean any member public entity which has entered into a program offered by PRISM pursuant to Article 14 of this Agreement and has not withdrawn or been canceled therefrom pursuant to Articles 20 or 21.

"Self-insured retention" shall mean that portion of a loss resulting from an occurrence experienced by a member, which is retained as a liability or potential liability of the member and is not subject to payment by PRISM.

"Reinsurance" shall mean insurance purchased by PRISM as part of an insurance program to cover that portion of any loss, which exceeds the joint funding capacity of that program.

ARTICLE 2 PURPOSES

This Agreement is entered into by the member counties and member public entities in order to jointly develop and fund insurance programs as determined. Such programs may include, but are not limited to, the creation of joint insurance funds, including primary and excess insurance funds, the pooling of self-insured claims and losses, purchased insurance, including reinsurance, and the provision of necessary administrative services. Such administrative services may include, but shall not be limited to, risk management consulting, loss prevention and control, centralized loss reporting, actuarial consulting, claims adjusting, and legal defense services.

ARTICLE 3 PARTIES TO AGREEMENT

- (a) There shall be two classes of membership of the parties pursuant to this Agreement consisting of one class designated as Member Counties and another class designated as Member Public Entities.
- (b) Each member county and member public entity, as a party to this Agreement, certifies that it intends to and does contract with all other members as parties to this Agreement and, with such other members as may later be added as parties to this Agreement pursuant to Article 19 as to all programs of which it is a participating member. Each member also certifies that the removal of any party from this Agreement, pursuant to Articles 20 or 21, shall not affect this Agreement or the member's obligations hereunder.
- (c) A member for purposes of providing insurance coverage under any program of PRISM, may contract on behalf of, and shall be deemed to include:

Any public entity as defined in Government Code § 811.2 which the member requests to be added and from the time that such request is approved by the Executive Committee of PRISM.

Any nonprofit entity, including a nonprofit public benefit corporation formed pursuant to Corporations Code §§ 5111, 5120 and, 5065, which the member requests to be added and from the time that such request is approved by the Executive Committee.

- (d) Any public entity or nonprofit so added shall be subject to and included under the member's SIR or deductible, and when so added, may be subject to such other terms and conditions as determined by the Executive Committee.
- (e) Such public entity or nonprofit shall not be considered a separate party to this Agreement. Any public entity or nonprofit so added, shall not affect the member's representation on the Board of Directors and shall be considered part of and represented by the member for all purposes under this Agreement.
- (f) The Executive Committee shall establish guidelines for approval of any public entity or nonprofit so added in accordance with Article 3(c) and (d).
- (g) Should any conflict arise between the provisions of this Article and any applicable Memorandum of Coverage or other document evidencing coverage, such Memorandum of Coverage or other document evidencing coverage shall prevail.

ARTICLE 4 TERM

This Agreement shall continue in effect until terminated as provided herein.

ARTICLE 5 CREATION OF PRISM

Pursuant to the joint powers law, there is hereby created a public entity separate and apart from the parties hereto, to be known as Public Risk Innovation, Solutions, and Management ("PRISM"), with such powers as are hereinafter set forth.

ARTICLE 6 POWERS OF PRISM

PRISM shall have all of the powers common to General Law counties in California, such as Alpine County and all additional powers set forth in the joint powers law, and is hereby authorized to do all acts necessary for the exercise of said powers. Such powers include, but are not limited to, the following:

- (a) To make and enter into contracts.
- (b) To incur debts, liabilities, and obligations.
- (c) To acquire, hold, or dispose of property, contributions and donations of property, funds, services, and other forms of assistance from persons, firms, corporations, and government entities.
- (d) To sue and be sued in its own name, and to settle any claim against it.
- (e) To receive and use contributions and advances from members as provided in Government Code Section 6504, including contributions or advances of personnel, equipment, or property.
- (f) To invest any money in its treasury that is not required for its immediate necessities, pursuant to Government Code Section 6509.5.
- (g) To allow non-member public entities and non-member counties to participate in Miscellaneous Programs and for risk management services to be provided to non-member counties and non-member public entities including out-of-state participants in a PRISM program.
- (h) To carry out all provisions of this Agreement.

Said powers shall be exercised pursuant to the terms hereof and in the manner provided by law.

ARTICLE 7 BOARD OF DIRECTORS

PRISM shall be governed by the Board of Directors, which shall be composed as follows:

- (a) One director from each member county, appointed by the member county board of supervisors and serving at the pleasure of that body. Each member county board of supervisors shall also appoint an alternate director who shall have the authority to attend, participate in and vote at any meeting of the Board of Directors when the director is absent. A director or alternate director shall be a county supervisor, other county official, or staff person of the member county, and upon termination of office or employment with the county, shall automatically terminate membership or alternate membership on the Board of Directors.
- (b) Ten directors consisting of seven directors and three alternate directors chosen in the manner specified in the Bylaws from those participating as public entity members. A director or alternate public entity director shall be an official, or staff person of the public

entity member, and upon termination of office or employment with the public entity, shall automatically terminate membership or alternate membership on the Board of Directors.

- (c) Member county directors shall consist of a minimum of 80% of the eligible voting members on the Board of Directors. The public entity member directors shall be reduced accordingly to ensure at least 80% of the Board of Directors consists of county director members (By way of example, if the number of county members is reduced from the current 54 by member withdrawals to a level of 28, then county members would be at the 80% level, 28/35. If the county members go to 27, then the public entity members would lose one seat and would only have 6 votes).

Any vacancy in a county director or alternate director position shall be filled by the appointing county's board of supervisors, subject to the Provisions of this Article. Any vacancy in a public entity director position shall be filled by vote of the public entity members.

A majority of the membership of the Board of Directors shall constitute a quorum for the transaction of business. Each member of the Board of Directors shall have one vote. Except as otherwise provided in this Agreement or any other duly executed agreement of the members, all actions of the Board of Directors shall require the affirmative vote of a majority of the members; provided, that any action which is restricted in effect to one of PRISM's insurance programs, shall require the affirmative vote of a majority of those Board of Directors members who represent counties and public entities participating in that program. For purposes of an insurance program vote, to the extent there are public entity members participating in a program, the public entity Board of Directors members as a whole shall have a minimum of one vote. The public entity Board of Directors members may in no event cast more votes than would constitute 20% of the number of total county members in that program (subject to the one vote minimum). Should the number of public entity Board of Directors votes authorized herein be less than the number of public entity Board of Directors members at a duly noticed meeting, the public entity Board of Directors members shall decide among themselves, which Board of Directors member shall vote. Should they be unable to decide, the President of PRISM shall determine which director(s) shall vote.

ARTICLE 8 POWERS OF THE BOARD OF DIRECTORS

The Board of Directors shall have the following powers and functions:

- (a) The Board of Directors shall exercise all powers and conduct all business of PRISM, either directly or by delegation to other bodies or persons unless otherwise prohibited by this Agreement, or any other duly executed agreement of the members or by law.
- (b) The Board of Directors may adopt such resolutions as deemed necessary in the exercise of those powers and duties set forth herein.
- (c) The Board of Directors shall form an Executive Committee, as provided in Article 11. The Board of Directors may delegate to the Executive Committee and the Executive Committee may discharge any powers or duties of the Board of Directors except adoption of PRISM's annual budget. The powers and duties so delegated shall be specified in resolutions adopted by the Board.
- (d) The Board of Directors may form, as provided in Article 12, such other committees as it deems appropriate to conduct the business of PRISM. The membership of any such other committee may consist in whole or in part of persons who are not members of the Board of Directors.

- (e) The Board of Directors shall elect the officers of PRISM and shall appoint or employ necessary staff in accordance with Article 13.
- (f) The Board of Directors shall cause to be prepared, and shall review, modify as necessary, and adopt the annual operating budget of PRISM. Adoption of the budget may not be delegated.
- (g) The Board of Directors shall develop, or cause to be developed, and shall review, modify as necessary, and adopt each insurance program of PRISM, including all provisions for reinsurance and administrative services necessary to carry out such program.
- (h) The Board of Directors, directly or through the Executive Committee, shall provide for necessary services to PRISM and to members, by contract or otherwise, which may include, but shall not be limited to, risk management consulting, loss prevention and control, centralized loss reporting, actuarial consulting, claims adjusting, and legal services.
- (i) The Board of Directors shall provide general supervision and policy direction to the Chief Executive Officer.
- (j) The Board of Directors shall receive and act upon reports of the committees and the Chief Executive Officer.
- (k) The Board of Directors shall act upon each claim involving liability of PRISM, directly or by delegation of authority to the Executive Committee or other committee, body or person, provided, that the Board of Directors shall establish monetary limits upon any delegation of claims settlement authority, beyond which a proposed settlement must be referred to the Board of Directors for approval.
- (l) The Board of Directors may require that PRISM review, audit, report upon, and make recommendations with regard to the safety or claims administration functions of any member, insofar as those functions affect the liability or potential liability of PRISM. The Board of Directors may forward any or all such recommendations to the member with a request for compliance and a statement of potential consequences for noncompliance.
- (m) The Board of Directors shall receive, review and act upon periodic reports and audits of the funds of PRISM, as required under Articles 15 and 16 of this Agreement.
- (n) The Board of Directors may, upon consultation with a casualty actuary, declare that any funds established for any program has a surplus of funds and determine a formula to return such surplus to the participating counties and participating public entities, which have contributed, to such fund.
- (o) The Board of Directors shall have such other powers and duties as are reasonably necessary to carry out the purposes of PRISM.

ARTICLE 9 MEETINGS OF THE BOARD OF DIRECTORS

- (a) The Board of Directors shall hold at least one regular meeting each year and shall provide for such other regular meetings and for such special meetings as it deems necessary.
- (b) The Chief Executive Officer of PRISM shall provide for the keeping of minutes of regular and special meetings of the Board of Directors, and shall provide a copy of the minutes to each member of the Board of Directors at the next scheduled meeting.
- (c) All meetings of the Board of Directors, the Executive Committee and such committees as established by the Board of Directors pursuant to Article 12 herein, shall be called,

noticed, held and conducted in accordance with the provisions of Government Code Section 54950 et seq.

ARTICLE 10 OFFICERS

The Board of Directors shall elect from its membership a President and Vice President of the Board, to serve for one-year terms.

The President, or in his or her absence, the Vice President, shall preside at and conduct all meetings of the Board of Directors and shall chair the Executive Committee.

ARTICLE 11 EXECUTIVE COMMITTEE

The Board of Directors shall establish an Executive Committee of the Board of Directors, which shall consist of eleven members: the President and Vice President of the Board of Directors, and nine members elected by the Board of Directors from its membership.

The terms of office of the nine non-officer members shall be as provided in the Bylaws of PRISM.

The Executive Committee shall conduct the business of PRISM between meetings of the Board of Directors, exercising all those powers as provided for in Article 8, or as otherwise delegated to it by the Board.

ARTICLE 12 COMMITTEES

The Board of Directors may establish committees, as it deems appropriate to conduct the business of PRISM. Members of the committees shall be appointed by the Board of Directors, to serve two year terms, subject to reappointment by the Board of Directors. The members of each committee shall annually select one of their members to chair the Committee.

Each committee shall be composed of at least five members and shall have those duties as determined by the Board of Directors, or as otherwise set forth in the Bylaws.

Each committee shall meet on the call of its chair, and shall report to the Executive Committee and the Board of Directors as directed by the Board of Directors.

ARTICLE 13 STAFF

- (a) **Principal Staff.** The **Chief Executive Officer** shall be appointed by and serve at the pleasure of the Board of Directors. The Chief Executive Officer shall serve as the Board Secretary and administer the business and activities of PRISM, subject to the general supervision and policy direction of the Board of Directors and Executive Committee; shall be responsible for all minutes, notices and records of PRISM and shall perform such other duties as are assigned by the Board and Executive Committee.
- (b) **Treasurer and Auditor.** Pursuant to Government Code Section 6505.6, the Chief Financial Officer shall serve as the Treasurer/Auditor. The duties of the Treasurer are set forth in Article 16 of this Agreement. The Chief Financial Officer shall draw warrants to pay demands against PRISM. The Chief Financial Officer shall comply with the provisions of Government Code Section 6505.5 (a-d) and shall be appointed by and serve at the pleasure of the Chief Executive Officer.
- (c) **Other Staff.** The Board of Directors, Executive Committee or Chief Executive Officer shall provide for the appointment of such other staff as may be necessary for the administration of PRISM.

**ARTICLE 14
DEVELOPMENT, FUNDING AND IMPLEMENTATION
OF INSURANCE PROGRAMS**

- (a) **Program Coverage.** Insurance programs of PRISM may provide coverage, including excess insurance coverage for:

- (1) Workers' compensation;
- (2) Comprehensive liability, including but not limited to general, personal injury, contractual, public officials errors and omissions, and incidental malpractice liability;
- (3) Comprehensive automobile liability;
- (4) Hospital malpractice liability;
- (5) Property and related programs;

and may provide any other coverages authorized by the Board of Directors. The Board of Directors shall determine, for each such program, a minimum number of participants required for program implementation and may develop specific program coverages requiring detailed agreements for implementation of the above programs.

- (b) **Program and PRISM Funding.** The members developing or participating in an insurance program shall fund all costs of that program, including administrative costs, as hereinafter provided. Costs of staffing and supporting PRISM, hereinafter called PRISM general expenses, shall be equitably allocated among the various programs by the Board of Directors, and shall be funded by the members developing or participating in such programs in accordance with such allocations, as hereinafter provided. In addition, the Board of Directors may, in its discretion, allocate a share of such PRISM general expense to those members, which are not developing or participating in any program, and require those counties and public entities to fund such share through a prescribed charge.

- (1) **Annual Premium.** Except as provided in (2) below, all post-development costs of an insurance program shall be funded by annual premiums charged to the members participating in the program each policy year, and by interest earnings on the funds so accumulated. Such premiums shall be determined by the Board of Directors or the program's governing committee upon the basis of a cost allocation plan and rating formula developed by PRISM with the assistance of a casualty actuary, risk management consultant, or other qualified person. The premium for each participating member shall include that participant's share of expected program losses including a margin for contingencies as determined by the Board of Directors, program reinsurance costs, and program administrative costs for the year, plus that participant's share of PRISM general expense allocated to the program by the Board of Directors.

- (2) **Premium Surcharge**

- (i) If PRISM experiences an unusually large number of losses under a program during a policy year, such that notwithstanding reinsurance coverage for large individual losses, the joint insurance funds for the program may be exhausted before the next annual premiums are due, the Board of Directors or the program's governing committee may, upon consultation with a casualty actuary, impose premium surcharges on all participating members; or

- (ii) If it is determined by the Board of Directors or the program's governing committee, upon consultation with a casualty actuary, that the joint insurance funds for a program are insufficient to pay losses, fund known estimated losses, and fund estimated losses, which have been incurred but not reported, the Board of Directors or the program's governing committee may impose a surcharge on all participating members.
- (iii) Premium surcharges imposed pursuant to (i) and/or (ii) above shall be in an amount which will assure adequate funds for the program to be actuarially sound; provided that the surcharge to any participating member shall not exceed an amount equal to three (3) times the member's annual premium for that year, unless otherwise determined by the Board of Directors or the program's governing committee.

Provided, however, that no premium surcharge in excess of three times the member's annual premium for that year may be assessed unless, ninety days prior to the Board of Directors taking action to determine the amount of the surcharge, PRISM notifies the governing body of each participating member in writing of its recommendations regarding its intent to assess a premium surcharge and the amount recommended to be assessed each member. PRISM shall, concurrently with the written notification, provide each participating member with a copy of the actuarial study upon which the recommended premium surcharge is based.

- (iv) A member which is no longer a participating member at the time the premium surcharge is assessed, but which was a participating member during the policy year(s) for which the premium surcharge was assessed, shall pay such premium surcharges as it would have otherwise been assessed in accordance with the provisions of (i), (ii), and (iii) above.
- (c) **Program Implementation and Effective Date.** Upon establishment of an insurance program by the Board of Directors, PRISM shall determine the manner of program implementation and shall give written notice to all members of such program, which shall include, but not be limited to: program participation levels, coverages and terms of coverage of the program, estimates of first year premium charges, effective date of the program (or estimated effective date) and such other program provisions as deemed appropriate.
- (d) **Late Entry Into Program.** A member which does not elect to enter an insurance program upon its implementation, pursuant to (c) above, or a county or public entity which becomes a party to this Agreement following implementation of the program, may petition the Board of Directors for late entry into the program. Such request may be granted upon a majority vote of the Board of Directors members, plus a majority vote of those board members who represent participants in the program. Alternatively, a county or public entity may petition the Executive Committee for late entry into the program, or a program committee, when authorized by an MOU governing that specific program, may approve late entry into that program. Such request may be granted upon a majority vote of the Executive Committee or program committee.
- (e) **Reentry Into A Program.** Except as otherwise provided in a Program Memorandum of Understanding, any county or public entity that is a member of an insurance program of PRISM who withdraws or is cancelled from an insurance program under Articles 21 and 22, may not reenter such insurance program for a period of three years from the effective date of withdrawal or cancellation.

ARTICLE 15 ACCOUNTS AND RECORDS

- (a) **Annual Budget.** PRISM shall annually adopt an operating budget pursuant to Article 8 of this Agreement, which shall include a separate budget for each insurance program under development or adopted and implemented by PRISM.
- (b) **Funds and Accounts.** The Auditor of PRISM shall establish and maintain such funds and accounts as may be required by good accounting practices and by the Board of Directors. Separate accounts shall be established and maintained for each insurance program under development or adopted and implemented by PRISM. Books and records of PRISM in the hands of the Auditor shall be open to inspection at all reasonable times by authorized representatives of members.

PRISM shall adhere to the standard of strict accountability for funds set forth in Government Code Section 6505.
- (c) **Auditor's Report.** The Auditor, within one hundred and eighty (180) days after the close of each fiscal year, shall give a complete written report of all financial activities for such fiscal year to the Board and to each member.
- (d) **Annual Audit.** Pursuant to Government Code Section 6505, PRISM shall either make or contract with a certified public accountant to make an annual fiscal year audit of all accounts and records of PRISM, conforming in all respects with the requirements of that section. A report of the audit shall be filed as a public record with each of the members and also with the county auditor of the county where the home office of PRISM is located and shall be sent to any public agency or person in California that submits a written request to PRISM. The report shall be filed within six months of the end of the fiscal year or years under examination. Costs of the audit shall be considered a general expense of PRISM.

ARTICLE 16 RESPONSIBILITIES FOR FUNDS AND PROPERTY

- (a) The Treasurer shall have the custody of and disburse PRISM's funds. He or she may delegate disbursing authority to such persons as may be authorized by the Board of Directors to perform that function, subject to the requirements of (b) below.
- (b) Pursuant to Government Code Section 6505.6, the Treasurer shall:
 - (1) Receive and acknowledge receipt for all funds of PRISM and place them in the treasury of the Treasurer to the credit of PRISM.
 - (2) Be responsible upon his or her official bond for the safekeeping and disbursements of all PRISM funds so held by him or her.
 - (3) Pay any sums due from PRISM, as approved for payment by the Board of Directors or by any body or person to whom the Board of Directors has delegated approval authority, making such payments from PRISM funds upon warrants drawn by the Auditor.
- (c) Pursuant to Government Code Section 6505.1, the Chief Executive Officer, the Treasurer, and such other persons as the Board of Directors may designate shall have charge of, handle, and have access to the property of PRISM.
- (d) PRISM shall secure and pay for a fidelity bond or bonds, in an amount or amounts and in the form specified by the Board of Directors, covering all officers and staff of PRISM, and all officers and staff who are authorized to have charge of, handle, and have access to property of PRISM.

**ARTICLE 17
RESPONSIBILITIES OF MEMBERS**

Members shall have the following responsibilities under this Agreement.

- (a) The board of supervisors of each member county shall appoint a representative and one alternate representative to the Board of Directors, pursuant to Article 7.
- (b) Each member shall appoint an officer or employee of the member to be responsible for the risk management function for that member and to serve as a liaison between the member and PRISM for all matters relating to risk management.
- (c) Each member shall maintain an active risk control program, and shall consider and act upon all recommendations of PRISM concerning the reduction of unsafe practices.
- (d) Each member shall maintain its own claims and loss records in each category of liability covered by an insurance program of PRISM in which the member is a participant, and shall provide copies of such records to PRISM as directed by the Board of Directors or Executive Committee, or to such other committee as directed by the Board of Directors or Executive Committee.
- (e) Each member shall pay premiums and premium surcharges due to PRISM as required under Article 14. Penalties for late payment of such premiums and/or premium surcharges shall be as determined and assessed by the Board of Directors. After withdrawal, cancellation, or termination action under Articles 20, 21, or 23, each member shall pay promptly to PRISM any additional premiums due, as determined and assessed by the Board of Directors under Articles 22 or 23. Any costs incurred by PRISM associated with the collection of such premiums or other charges, shall be recoverable by PRISM.
- (f) Each member shall provide PRISM such other information or assistance as may be necessary for PRISM to develop and implement insurance programs under this Agreement.
- (g) Each member shall cooperate with and assist PRISM, and any insurer of PRISM, in all matters relating to this Agreement, and shall comply with all Bylaws, and other rules by the Board of Directors.
- (h) Each member shall have such other responsibilities as are provided elsewhere in this Agreement, and as are established by the Board of Directors in order to carry out the purposes of this Agreement.

**ARTICLE 18
ADMINISTRATION OF CLAIMS**

- (a) Subject to subparagraph (e), each member shall be responsible for the investigation, settlement or defense, and appeal of any claim made, suit brought, or proceeding instituted against the member arising out of a loss.
- (b) PRISM may develop standards for the administration of claims for each insurance program of PRISM so as to permit oversight of the administration of claims by the members.
- (c) Each participating member shall give PRISM timely written notice of claims in accordance with the provisions of the Bylaws and the applicable program Memorandum of Coverage.

- (d) A member shall not enter into any settlement involving liability of PRISM without the advance written consent of PRISM.
- (e) PRISM, at its own election and expense, shall have the right to participate with a member in the settlement, defense, or appeal of any claim, suit or proceeding, which, in the judgment of PRISM, may involve liability of PRISM.

ARTICLE 19 NEW MEMBERS

Any California public entity may become a party to this Agreement and participate in any insurance program in which it is not presently participating upon approval of the Board of Directors, by a majority vote of the members, or by majority vote of the Executive Committee.

ARTICLE 20 WITHDRAWAL

- (a) A member may withdraw as a party to this Agreement upon thirty (30) days advance written notice to PRISM if it has never become a participant in any insurance program pursuant to Article 14, or if it has previously withdrawn from all insurance programs in which it was a participant.
- (b) After becoming a participant in an insurance program, a member may withdraw from that program only at the end of a policy year for the program, and only if it gives PRISM at least sixty (60) days advance written notice of such action.

ARTICLE 21 CANCELLATION

- (a) Notwithstanding the provisions of Article 20, the Board of Directors may:
 - (1) Cancel any member from this Agreement and membership in PRISM, on a majority vote of the Board of Directors members. Such action shall have the effect of canceling the member's participation in all insurance programs of PRISM as of the date that all membership is canceled.
 - (2) Cancel any member's participation in an insurance program of PRISM, without canceling the member's membership in PRISM or participation in other programs, on a vote of two-thirds of the Board of Directors members present and voting who represent participants in the program.

The Board of Directors shall give sixty (60) days advance written notice of the effective date of any cancellation under the foregoing provisions. Upon such effective date, the member shall be treated the same as if it had voluntarily withdrawn from this Agreement, or from the insurance program, as the case may be.

- (b) Except as otherwise provided in a program Memorandum of Understanding, a member that does not enter one or more of the insurance programs developed and implemented by PRISM within the member's first year as a member of PRISM shall be considered to have withdrawn as a party to this Agreement at the end of such period, and its membership in PRISM shall be automatically canceled as of that time, without action of the Board of Directors.
- (c) A member which withdraws from all insurance programs of PRISM in which it was a participant and does not enter any program for a period of six (6) months thereafter shall be considered to have withdrawn as a party to the Agreement at the end of such period, and its membership in PRISM shall be automatically canceled as of that time, without action of the Board of Directors.

**ARTICLE 22
EFFECT OF WITHDRAWAL OR CANCELLATION**

- (a) If a member's participation in an insurance program of PRISM is canceled under Article 21, with or without cancellation of membership in PRISM, and such cancellation is effective before the end of the policy year for that program, PRISM shall promptly determine and return to that member the amount of any unearned premium payment from the member for the policy year, such amount to be computed on a pro-rata basis from the effective date of cancellation.
- (b) Except as provided in (a) above or as otherwise provided in a program Memorandum of Understanding, a member which withdraws or is canceled from this Agreement and membership in PRISM, or from any program of PRISM, shall not be entitled to the return of any premium or other payment to PRISM, or of any property contributed to PRISM. However, in the event of termination of this Agreement, such member may share in the distribution of assets of PRISM to the extent provided in Article 23 provided; however, that any withdrawn or canceled member, which has been assessed a premium surcharge pursuant to Article 14 (b) (3) (ii) shall be entitled to return of said member's unused surcharge, plus interest accrued thereon, at such time as the Board of Directors declares that a surplus exists in any insurance fund for which a premium surcharge was assessed.
- (c) Except as provided in (d) below, a member shall pay any premium charges, which the Board of Directors determines are due from the member for losses and costs incurred during the entire coverage year in which the member was a participant in such program regardless of the date of entry into such program. Such charges may include any deficiency in a premium previously paid by the member, as determined by audit under Article 14 (b) (2); any premium surcharge assessed to the member under Article 14 (b) (3); and any additional amount of premium, which the Board of Directors determines to be due from the member upon final disposition of all claims arising from losses under the program during the entire coverage year in which the member was a participant regardless of date of entry into such program. Any such premium charges shall be payable by the member in accordance with PRISM's invoice and payment policy.
- (d) Those members that have withdrawn or been canceled pursuant to Articles 20 and 21 from any program of PRISM during a coverage year shall pay any premium charges which the Board of Directors determines are due from the members for losses and costs which were incurred during the member's participation in any program.

**ARTICLE 23
TERMINATION AND DISTRIBUTION OF ASSETS**

- (a) A three-fourths vote of the total voting membership of PRISM, consisting of member counties, acting through their boards of supervisors, and the voting Board of Directors members from the member public entities, is required to terminate this Agreement; provided; however, that this Agreement and PRISM shall continue to exist after such election for the purpose of disposing of all claims, distributing all assets, and performing all other functions necessary to conclude the affairs of PRISM.
- (b) Upon termination of this Agreement, all assets of PRISM in each insurance program shall be distributed among those members which participated in that program in proportion to their cash contributions, including premiums paid and property contributed (at market value when contributed). The Board of Directors shall determine such distribution within six (6) months after disposal of the last pending claim or other liability covered by the program.
- (c) Following termination of this Agreement, any member which was a participant in an insurance program of PRISM shall pay any additional amount of premium, determined by the Board of Directors in accordance with a loss allocation formula, which may be

necessary to enable final disposition of all claims arising from losses under that program during the entire coverage year in which the member was a participant regardless of the date of entry into such program.

ARTICLE 24
LIABILITY OF BOARD OF DIRECTORS, OFFICERS, COMMITTEE MEMBERS
AND LEGAL ADVISORS

The members of the Board of Directors, Officers, committee members and legal advisors to any Board of Directors or committees of PRISM shall use ordinary care and reasonable diligence in the exercise of their powers and in the performance of their duties pursuant to this Agreement. They shall not be liable for any mistake of judgment or any other action made, taken or omitted by them in good faith, nor for any action taken or omitted by any agent, employee or independent contractor selected with reasonable care, nor for loss incurred through investment of PRISM funds, or failure to invest.

No Director, Officer, committee member, or legal advisor to any Board of Directors or committee shall be responsible for any action taken or omitted by any other Director, Officer, committee member, or legal advisor to any committee. No Director, Officer, committee member or legal advisor to any committee shall be required to give a bond or other security to guarantee the faithful performance of their duties pursuant to this Agreement.

The funds of PRISM shall be used to defend, indemnify and hold harmless PRISM and any Director, Officer, committee member or legal advisor to any committee for their actions taken within the scope of the authority of PRISM. Nothing herein shall limit the right of PRISM to purchase insurance to provide such coverage, as is hereinabove set forth.

ARTICLE 25
BYLAWS

The Board of Directors may adopt Bylaws consistent with this Agreement, which shall provide for the administration and management of PRISM.

ARTICLE 26
NOTICES

PRISM shall address notices, billings and other communications to a member as directed by the member. Each member shall provide PRISM with the address to which communications are to be sent. Members shall address notices and other communications to PRISM to the Chief Executive Officer of PRISM, at the office address of PRISM as set forth in the Bylaws.

ARTICLE 27
AMENDMENT

A two-thirds vote of the total voting membership of PRISM, consisting of member counties, acting through their boards of supervisors, and the voting Board of Directors members from member public entities, is required to amend this Agreement. However, the Executive Committee is authorized to make non-substantive, clerical amendments to the Agreement and does not need to obtain approval from the Board of Directors to make such amendments.

ARTICLE 28
EFFECTIVE DATE OF AMENDMENTS

Any amendment of this Agreement shall become effective upon the date specified by the Board of Directors and upon approval of any Amended Agreement as required in Article 27. Approval of any amendment by the voting boards of supervisors and public entity board members must take place no later than 30 days from the effective date specified by the Board of Directors.

**ARTICLE 29
PROHIBITION AGAINST ASSIGNMENT**

No member may assign any right, claim or interest it may have under this Agreement, and no creditor, assignee or third party beneficiary of any member shall have any right, claim or title to any part, share, interest, fund, premium or asset of PRISM.

**ARTICLE 30
AGREEMENT COMPLETE**

This Agreement constitutes the full and complete Agreement of the parties.

**ARTICLE 31
DISPUTE RESOLUTION**

When a dispute arises between PRISM and a member, the following procedures are to be followed:

- (a) Request for Reconsideration. The member will make a written request to PRISM for the appropriate Committee to reconsider their position, citing the arguments in favor of the member and any applicable case law that applies. The member can also, request a personal presentation to that Committee, if it so desires.
- (b) Committee Appeal. The committee responsible for the program or having jurisdiction over the decision in question will review the matter and reconsider PRISM's position. This committee appeal process is an opportunity for both sides to discuss and substantiate their positions based upon legal arguments and the most complete information available. If the member requesting reconsideration is represented on the committee having jurisdiction, that committee member shall be deemed to have a conflict and shall be excluded from any vote.
- (c) Executive Committee Appeal. If the member is not satisfied with the outcome of the committee appeal, the matter will be brought to the Executive Committee for reconsideration upon request of the member. If the member requesting reconsideration is represented on the Executive Committee, that Executive Committee member shall be deemed to have a conflict and shall be excluded from any vote.
- (d) Arbitration. If the member is not satisfied with the outcome of the Executive Committee appeal, the next step in the appeal process is arbitration. The arbitration, whether binding or non-binding, is to be mutually agreed upon by the parties. The matter will be submitted to a mutually agreed arbitrator or panel of arbitrators for a determination. If Binding Arbitration is selected, then the decision of the arbitrator is final. Both sides agree to abide by the decision of the arbitrator. The cost of arbitration will be shared equally by the involved member and PRISM.
- (e) Litigation. If, after following the dispute resolution procedure paragraphs a-d, either party is not satisfied with the outcome of the non-binding arbitration process, either party may consider litigation as a possible remedy to the dispute.

**ARTICLE 32
FILING WITH SECRETARY OF STATE**

The Chief Executive Officer of PRISM shall file a notice of this Agreement with the office of California Secretary of State within 30 days of its effective date, as required by Government Code Section 6503.5 and within 70 days of its effective date as required by Government Code Section 53051.

IN WITNESS WHEREOF, the undersigned party hereto has executed this Agreement on the date indicated below.

DATE: _____

MEMBER: _____
(Print Name of Member)

BY: _____
(Authorized signature of Member)

Seal:



CITY OF CITRUS HEIGHTS

CITY COUNCIL STAFF REPORT MEMORANDUM

DATE: January 26, 2023

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: **Auburn Blvd. Complete Streets Revitalization Project – Phase 2
Federal Project CML 5475 (038)
Approval of Contract Amendment No. 2**

Summary and Recommendation

On March 26, 2020, the City Council authorized an agreement for professional services (Agreement) with Bennett Engineering Services, Inc. (Bennett) to provide final design engineering and right-of-way acquisition services for Phase 2 of the Auburn Boulevard Complete Streets Revitalization Project (Project).

On October 14, 2021, the City Council authorized Contract Amendment No. 1 to the Agreement augmenting the budget to include additional storm drain design, real estate coordination, and utility coordination services. Since October 2021, the project team has completed storm drain design and maintained frequent contact with numerous property owners and utility providers. However, extensive utility coordination and additional right of way coordination above and beyond the initial scope of work included in Contract Amendment No. 1 is required in order to satisfy Caltrans grant requirements and ensure that all utility owners are prepared for the City's construction.

Remaining work includes on-going coordination meetings with key utility providers, coordination with Caltrans and the City of Roseville, and coordination with property owners related to real estate transactions, all of which is necessary before the Project can move forward into the construction phase. Staff negotiated the scope and fee of \$149,561.01 for Contract Amendment No. 2.

Staff recommends the City Council adopt Resolution No. 2023-____ A Resolution of the City Council of the City of Citrus Heights, California, Authorizing the City Manager to Execute

Amendment No. 2 to the Agreement for Professional Services with Bennett Engineering Services, Inc. for the Auburn Boulevard Complete Streets Revitalization Project – Phase 2.

City Council Strategic Goal/Objective

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

Fiscal Impact

The current not-to-exceed fee for the final design and right-of-way phases is \$1,702,248.69. Proposed amendment No. 2 will increase the not-to-exceed contract amount for professional services by \$149,561.01 to a total of \$1,851,809.70.

Proposed Amendment No. 2 will be funded by Measure A Pedestrian Safety funds (Fund 311). Although not programmed in the current CIP, there are sufficient funds available for this appropriation.

Background and Analysis

The Boulevard Plan, adopted in 2005, set the framework for developing the Auburn Boulevard Corridor from Sylvan Corners to the northern City limits. The Auburn Boulevard Project is the City’s largest public works projects with Phase 1 (Sylvan Corners to Rusch Park) completed in 2014. Similar to Phase 1, Phase 2 of the Project will encompass the following elements of work:

- Underground overhead utility lines
- Install bicycle lanes and wide sidewalks
- Upgrade traffic signals to meet current standards
- Increase safety and visibility through decorative street lighting
- Beautify the corridor with new landscaping and trees
- Replace old storm drain infrastructure
- Install a new asphalt layer for smooth driving
- Enhance transit stops for ADA compliance
- Provide a unique identity through the use of a welcome gateway structure

On March 26, 2020, the City Council awarded a professional services agreement to Bennett to provide final engineering design services. On October 14, 2021, the City Council authorized contract amendment No. 1 to the agreement augmenting the budget to include additional storm drain design, real estate coordination, and utility coordination.

The Bennett team continues to work diligently to complete the following tasks:

1. Design – preparation of construction plans and specifications to be used by a contractor during construction. Minor items remain to be completed upon City Council approval of

the proposed amendment, including updates to the utility plan sheets and coordination with the City of Roseville and/or Caltrans for improvements in their jurisdictions. Staff anticipate this work to be complete in spring 2023;

2. Right of Way Engineering – coordination with private property owners for the acquisition of necessary property and legal rights to construct the project. While this effort is almost complete, it is necessary to finalize transactions and close escrow to several properties; and
3. Utility Coordination – the Project utility coordination for undergrounding of overhead utility lines is nearing completion. Based on meetings with the Sacramento Municipal Utility District (SMUD), SMUD’s internal design for undergrounding work will require minor adjustments to the City’s construction documents before soliciting bids. The proposed amendment also includes scope for the design team’s participation in regularly scheduled utility coordination meetings in which all utility partners will participate between now and construction commencement anticipated in early 2024.

Amendment No. 2 to the Agreement (Attachment 2) with Bennett will provide the additional scope to complete the aforementioned items, and obtain the required right-of-way certification necessary to move the Project into construction.

Attachments

- 1) Resolution No. 2023-____ A Resolution of the City Council of the City of Citrus Heights, California, Authorizing the City Manager to Execute Amendment No. 2 to the Agreement for Professional Services with Bennett Engineering Services, Inc. for the Auburn Blvd. Complete Streets Revitalization Project – Phase 2.
- 2) Amendment No. 2 to the Agreement for Professional Services between the City of Citrus Heights and Bennett Engineering Services, Inc. for the Auburn Blvd. Complete Streets Revitalization Project – Phase 2.

RESOLUTION NO. 2023-_____

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

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

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

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

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

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

WHEREAS, the City wishes to amend the agreement to further provide professional services associated with the design, real estate transactions, and coordination with various stakeholders, including utility providers, Caltrans, and the City of Roseville;

WHEREAS, Amendment No. 2, in the amount of \$149,561.01 will increase the total not-to-exceed contract amount to \$1,851,809.70; and

WHEREAS, the proposed professional services will be paid for using Measure A Pedestrian Safety funds (Fund 311).

NOW, THEREFORE, BE IT RESOLVED AND ORDERED by the City Council of the City of Citrus Heights that the City Manager is hereby authorized to execute contract amendment No. 2, in the amount not to exceed \$149,561.01, for the Auburn Blvd. Complete Streets Revitalization Project Phase 2.

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 26th day of January, 2023 by the following vote, to wit:

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

Tim Schaefer, Mayor

ATTEST:

Amy Van, City Clerk

**AMENDMENT NO. 2 TO CONTRACT FOR PROFESSIONAL
SERVICES FOR THE AUBURN BLVD. COMPLETE STREETS REVITALIZATION
PROJECT PHASE 2 BETWEEN THE CITY OF CITRUS HEIGHTS AND BENNETT
ENGINEERING SERVICES, INC.**

This Amendment No. 2 (the "Contract Amendment No. 2") is entered into by and between the City of Citrus Heights ("City"), a municipal corporation in the State of California, and Bennett Engineering Services, Inc. ("Consultant"), as of _____, 2023.

RECITALS

WHEREAS, the City and Consultant previously entered into that Contract for Professional Design Services for the final design of the Auburn Blvd. Complete Streets Revitalization Project Phase 2 ("Project") dated May 8, 2020 (the "Agreement");

WHEREAS, on November 22, 2021, Contract Amendment No. 1, in the amount of \$419,890.27, was executed to perform additional professional services;

WHEREAS, the City and Consultant now wish to execute Contract Amendment No. 2 to provide additional professional services for the final design phase of the Project (the "Additional Work"); and

WHEREAS, the City and Consultant also agree to increase the maximum compensation allowed under the Agreement by one hundred forty-nine thousand, five hundred sixty-one dollars and one cent (\$149,561.01), for an amended not-to-exceed total compensation of one million, eight hundred fifty-one thousand, eight hundred nine dollars and seventy cents (\$1,851,809.70).

NOW, THEREFORE, the City and Consultant agree as follows:

1. Introduction. The City and Consultant agree to modify the Agreement to include the Additional Work. Article I, Section A of the Agreement, "INTRODUCTION," is hereby amended to read as follows:

"A. The work to be performed under this contract is described in Article II entitled Statement of Work and the approved CONSULTANT's Cost Proposals dated January 23, 2020, September 16, 2021, and December 16, 2022. The approved CONSULTANT's Cost Proposals are attached hereto as Exhibits A, A1, and A2, and incorporated by reference. If there is any conflict between the approved Proposal and this contract, the contract shall take precedence."

2. Statement of Work. The City and Consultant agree to modify the Agreement to include the Additional Work. The first paragraph of Article III, of the Agreement, "STATEMENT OF WORK," is hereby amended to read as follows:

"Subject to the terms and conditions set forth in this Agreement, CONSULTANT shall provide to CITY the services described in the Scope of Work attached as Exhibits A, A1, and A2, and incorporated herein, at the time and place and in the manner specified therein."

3. Performance Period. The City and Consultant agree to modify the Agreement to include the Additional Work. The first paragraph of Article IV, of the Agreement, "PERFORMANCE PERIOD," is hereby amended to read as follows:

"This AGREEMENT shall go into effect on April 16, 2020, contingent upon approval by LOCAL AGENCY, and CONSULTANT shall commence work after notification to proceed by LOCAL AGENCY'S Contract Administrator. The AGREEMENT shall end on December 31, 2026, unless extended by AGREEMENT amendment."

4. Compensation. City and Consultant also agree to increase the maximum compensation allowed under the Agreement by one hundred forty-nine thousand, five hundred sixty-one dollars and one cent (\$149,561.01). Article V of the Agreement "ALLOWABLE COSTS AND PAYMENTS", is hereby amended to read as follows:

"C. In addition to the allowable incurred costs, LOCAL AGENCY will pay CONSULTANT a fixed fee of \$63,195.69. The fixed fee is nonadjustable for the term of the AGREEMENT, except in the event of a significant change in the scope of work and such adjustment is made by AGREEMENT amendment."

"I. The total amount payable by LOCAL AGENCY including the fixed fee shall not exceed \$1,851,809.70."

5. Exhibits. The Additional Work described under Sections 1 and 2 of this Amendment and the fee estimate of such work described under Section 4 of this Amendment are attached hereto as Attachment 1 and shall become Exhibit A2 to the Agreement.
6. All other terms and conditions of the Agreement shall remain unchanged and in full force and effect, including but not limited to, the terms and conditions regarding timing of payment, insurance and indemnification, and standard of care.

CITY OF CITRUS HEIGHTS

By: _____
Ashley J. Feeney, City Manager

Date: _____

Attest

Amy Van, City Clerk

Approved as to Form

Ryan Jones, City Attorney

BENNETT ENGINEERING SERVICES, INC.

By: Leo Rubio

Date: 1/3/23

Title: President/CEO

ATTACHMENT 1

Note: Mark-ups are Not Allowed



Prime Consultant



Subconsultant



2nd Tier Subconsultant

Consultant: Bennett Engineering Services

Amendment No. 2

Project No. 20-14-004Contract No. Auburn Blvd Complete Streets Ph 2Date 12/15/2022**DIRECT LABOR**

Classification/Title	Name	Range	Hours	Actual Hourly Rate	Total
Principal Engineer	* Leo Rubio		82	\$ 84.00	\$ 6,888.00
Engineer IV	* Jorge Renteria		245	\$ 55.60	\$ 13,622.00
Engineer V	Staff		64	\$ 60.99	\$ 3,903.36
Engineer III	Staff	\$40 - \$50	0	\$ 46.96	\$ -
Engineer II	Staff	\$33 - \$45	0	\$ 37.00	\$ -
Engineer I	Staff	\$28 - \$35	52	\$ 32.46	\$ 1,687.92
Designer III	Staff	\$30 - \$45	262	\$ 42.36	\$ 11,098.32
Administration	Staff	\$22 - \$40	16	\$ 36.00	\$ 576.00

LABOR COSTS

a) Subtotal Direct Labor Costs

\$ 37,775.60

b) Anticipated Salary Increases (see page 2 for calculation)

\$ -

c) TOTAL DIRECT LABOR COSTS [(a) + (b)] \$ 37,775.60**INDIRECT COSTS**

d) Fringe Benefits (Rate: 84.98%)

e) Total Fringe Benefits [(c) x (d)] \$ 32,101.70

f) Overhead & G&A (Rate: 47.67%)

g) Overhead [(c) x (f)] \$ 18,007.63

h) General & Admin (Rate: 52.60%)

i) Gen & Admin [(c) x (h)] \$ 19,869.97

j) TOTAL INDIRECT COSTS [(e) + (g) + (i)] \$ 69,979.30**FIXED FEE****k) TOTAL FIXED FEE [(c) + (j)] x fixed fee: 10%** \$ 10,775.51**l) CONSULTANT'S OTHER DIRECT COSTS (ODC) - ITEMIZE (Add additional pages if necessary)**

Description of Item	Quantity	Unit	Unit Cost	Total
Travel / Mileage - IRS Rate		mile		
Reproduction / Binding				
Postage / Delivery				
Maps / Renderings				

l) TOTAL OTHER DIRECT COSTS \$ -**m) SUBCONSULTANTS' COSTS (Add additional pages if necessary)**

Subconsultant 1: Dokken \$ 24,158.97

Subconsultant 4: Interwest \$ 2,942.34

Subconsultant 9: Unico \$ 3,929.29

m) TOTAL SUBCONSULTANTS' COSTS \$ 31,030.60**n) TOTAL OTHER DIRECT COSTS INCLUDING SUBCONSULTANTS [(l) + (m)]** \$ 31,030.60**TOTAL COST [(c) + (j) + (k) + (n)]** \$ 149,561.01

- Key personnel must be marked with an asterisk (*) and employees that are subject to prevailing wage requirements must be marked with two asterisks (**). All costs must comply with the Federal cost principles. Subconsultants will provide their own cost proposals.
- The cost proposal format shall not be amended. Indirect cost rates shall be updated on an annual basis in accordance with the consultant's annual accounting period and established by a cognizant agency or accepted by Caltrans.
- Anticipated salary increases calculation (page 2) must accompany.

CALCULATIONS FOR ANTICIPATED SALARY INCREASES

Consultant Bennett Engineering Services

Project No. 20-14-004 Contract No. Auburn Blvd Complete Streets Ph 2 Date 10/25/2019

1. Calculate Average Hourly Rate for 1st year of the contract (Direct Labor Subtotal divided by total hours) Amendment No. 2

Direct Labor <u>Subtotal</u> per Cost Proposal	Total Hours per Cost Proposal		Avg Hourly Rate	5 Year Contract Duration
\$ 37,775.60	721	=	\$ 52.39	Year 1 Avg Hourly Rate

2. Calculate hourly rate for all years (Increase the Average Hourly Rate for a year by proposed escalation %)

	Avg Hourly Rate		Proposed Escalation			
Year 1	\$ 58.28	+	0%	=	\$ 58.28	Year 2 Avg Hourly Rate
Year 2	\$ 58.28	+	0%	=	\$ 58.28	Year 3 Avg Hourly Rate
Year 3	\$ 58.28	+	0%	=	\$ 58.28	Year 4 Avg Hourly Rate
Year 4	\$ 58.28	+	0%	=	\$ 58.28	Year 5 Avg Hourly Rate

3. Calculate estimated hours per year (Multiply estimate % each year by total hours)

	Estimated % Completed Each Year		Total Hours per Cost Proposal		Total Hours per Year	
Year 1	50.00%	*	721.0	=	360.5	Estimated Hours Year 1
Year 2	50.00%	*	721.0	=	360.5	Estimated Hours Year 2
Year 3	0.00%	*	721.0	=	0.0	Estimated Hours Year 3
Year 4	0.00%	*	721.0	=	0.0	Estimated Hours Year 4
Year 5	0.00%	*	721.0	=	0.0	Estimated Hours Year 5
Total	100%		Total	=	721.0	

4. Calculate Total Costs including Escalation (Multiply Average Hourly Rate by the number of hours)

	Avg Hourly Rate (calculated above)		Estimated hours (calculated above)		Cost per Year	
Year 1	\$ 58.28	*	361	=	\$ 21,009.94	Estimated Hours Year 1
Year 2	\$ 58.28	*	361	=	\$ 21,009.94	Estimated Hours Year 2
Year 3	\$ 58.28	*	0	=	\$ -	Estimated Hours Year 3
Year 4	\$ 58.28	*	0	=	\$ -	Estimated Hours Year 4
Year 5	\$ -	*	0	=	\$ -	Estimated Hours Year 5
Total Direct Labor Cost with Escalation				=	\$ 42,019.88	
Direct Labor Subtotal before Escalation				=		
Estimated total of Direct Labor Salary Increase				=		Transfer to Page 1

NOTES:

1. This is not the only way to estimate salary increases. Other methods will be accepted if they clearly indicate the % increase, the # of years of the contract, and a breakdown of the labor to be performed each year.
2. An estimation that is based on direct labor multiplied by salary increase % multiplied by the # of years is not acceptable. (i.e. \$250,000 x 2% x 5 yrs = \$25,000 is not an acceptable methodology).
3. This assumes that one year will be worked at the rate on the cost proposal before salary increases are granted.
4. Calculations for anticipated salary escalation must be provided.

Certification of Direct Costs:

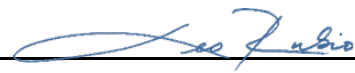
I, the undersigned, certify to the best of my knowledge and belief that all direct costs identified on the cost proposal(s) in this contract are actual, reasonable, allowable, and allocable to the contract in accordance with the contract terms and the following requirements:

1. Generally Accepted Accounting Principles (GAAP)
2. Terms and conditions of the contract
3. Title 23 United States Code Section 112 - Letting of Contracts
4. 48 Code of Federal Regulations Part 31 - Contract Cost Principles and Procedures
5. 23 Code of Federal Regulations Part 172 - Procurement, Management and Administration of Engineering and Design Related Service
6. 48 Ccode of Federal Regulations Part 9904 - Cost Accounting Standards Board (when applicable)

All costs must be applied consistently and fairly to all contracts. All documentation of compliance must be retained in the project files and be in compliance with applicable federal and state requirements. Costs that are noncompliant with the federal and state requirements are not eligible for reimbursement.

Local governments are responsible for applying only cognizant agency or Caltrans accepted Indirect Cost Rate(s).

Prime Consultant or Subconsultant Certifying:

Name:	<u>Leo Rubio</u>	Title *:	<u>President</u>
Signature:		Date of Certification:	<u>12/15/2022</u>
Email:	<u>lrubio@ben-en.com</u>	Phone number:	<u>916-783-4100</u>
Address:	<u>1082 Sunrise Avenue, Suite 100 Roseville, CA 95661</u>		

* An individual executive or financial officer of the consultant's or subconsultant's organization at a level no lower than a Vice President or a Chief Financial Officer, or equivalent, who has authority to represent the financial information utilized to establish the cost proposal for the contract.

List services the consultant is providing under the proposed contract:

Right of way, Utility coordination, PS&E

EXHIBIT 10-H1 COST PROPOSAL Page 1 of 3

ACTUAL COST-PLUS-FIXED FEE OR LUMP SUM (FIRM FIXED PRICE) CONTRACTS
(DESIGN, ENGINEERING AND ENVIRONMENTAL STUDIES)

Note: Mark-Ups are Not Allowed

☐ Prime Consultant☒ Subconsultant☐ 2nd Tier SubconsultantConsultant: DOKKEN ENGINEERINGProject No. _____ Contract No. _____ Date December 13, 2022Project Name Auburn Boulevard Complete Streets Revitalization Project Phase 2 - Amendment No. 5**DIRECT LABOR**

Classification/Title	Name	Range	Hours	Actual Hr Rate	Total
Right of Way Manager	STAFF	\$55.00 - \$75.00	14	\$ 65.00	\$ 910.00
Senior Right of Way Agent	STAFF	\$40.00 - \$60.00	16	\$ 51.00	\$ 816.00
Right of Way Agent	STAFF	\$29.00 - \$49.00	18	\$ 34.00	\$ 612.00
Right of Way Assistant	STAFF	\$15.00 - \$30.00	0	\$ 16.00	\$ -
Senior Engineer	STAFF	\$60.00 - \$100.00	24	\$ 61.00	\$ 1,464.00
Associate Engineer	STAFF	\$48.00 - \$68.00	40	\$ 55.00	\$ 2,200.00
Assistant Engineer	STAFF	\$34.00 - \$54.00	60	\$ 37.50	\$ 2,250.00
Senior CADD	STAFF	\$55.00 - \$75.00	0	\$ 67.00	\$ -
Engineering Technician	STAFF	\$20.00 - \$50.00	0	\$ 30.00	\$ -
			172		

LABOR COSTS

a) Subtotal Direct Labor Costs

\$ 8,252.00

b) Anticipated Salary Increases

\$0.00

c) **TOTAL DIRECT LABOR COSTS [(a) + (b)]** **\$ 8,252.00****INDIRECT COSTS**d) Fringe Benefits (Rate: 98.36%)

c) Total Fringe Benefits [(c) x (d)] \$ 8,116.67

f) Overhead (Rate: 0.00%)

g) Overhead [(c) x (f)] \$ -

h) General and Administrative (Rate: 67.79%)

i) Gen & Admin [(c) x (h)] \$ 5,594.03

j) **TOTAL INDIRECT COSTS [(e) + (g) + (i)]** **\$ 13,710.70****FIXED FEE**k) **TOTAL FIXED FEE [(c) + (j)] x fixed fee 10%** **\$ 2,196.27****l) CONSULTANT'S OTHER DIRECT COSTS (ODC) – ITEMIZE (Add additional pages if necessary)**

Description of Item	Quantity	Unit	Unit Cost	Total
				\$ -

i) **TOTAL OTHER DIRECT COSTS** **\$ -****m) SUBCONSULTANTS' COSTS (Add additional pages if necessary)**m) **TOTAL SUBCONSULTANTS' COSTS** **\$ -**n) **TOTAL OTHER DIRECT COSTS INCLUDING SUBCONSULTANTS [(l) + (m)]** **\$ -****TOTAL COST [(c) + (j) + (k) + (n)]** **\$ 24,158.97****NOTES:**

1. Key personnel must be marked with an asterisk (*) and employees that are subject to prevailing wage requirements must be marked with two asterisks (**). All costs must comply with the Federal cost principles. Subconsultants will provide their own cost proposals.
2. The cost proposal format shall not be amended. Indirect cost rates shall be updated on an annual basis in accordance with the consultant's annual accounting period and established by a cognizant agency or accepted by Caltrans.
3. Anticipated salary increases calculation (page 2) must accompany.

EXHIBIT 10-H1 COST PROPOSAL Page 2 of 3

ACTUAL COST-PLUS-FIXED FEE OR LUMP SUM (FIRM FIXED PRICE) CONTRACTS
(CALCULATIONS FOR ANTICIPATED SALARY INCREASES)**1. Calculate Average Hourly Rate for 1st year of the contract (Direct Labor Subtotal divided by total hours)**

Direct Labor <u>Subtotal</u> per Cost Proposal	Total Hours per Cost Proposal		Avg Hourly Rate	5 Year Contract Duration Year 1 Avg Hourly Rate
\$8,252.00	172	=	\$47.98	

1. Calculate hourly rate for all years (Increase the Average Hourly Rate for a year by proposed escalation %)

	Avg Hourly Rate		Proposed Escalation			
Year 1	\$47.98	+	3.0%	=	\$49.42	Year 2 Avg Hourly Rate
Year 2	\$49.42	+	3.0%	=	\$50.90	Year 3 Avg Hourly Rate
Year 3	\$50.90	+	3.0%	=	\$52.43	Year 4 Avg Hourly Rate
Year 4	\$52.43	+	3.0%	=	\$54.00	Year 5 Avg Hourly Rate

3. Calculate estimated hours per year (Multiply estimate % each year by total hours)

	Estimated % Completed Each Year		Total Hours per Cost Proposal		Total Hours per Year	
Year 1	100.0%	*	172	=	172	Estimated Hours Year 1
Year 2	0.0%	*	172	=	0	Estimated Hours Year 2
Year 3	0.0%	*	172	=	0	Estimated Hours Year 3
Year 4	0.0%	*	172	=	0	Estimated Hours Year 4
Year 5	0.0%	*	172	=	0	Estimated Hours Year 5
Total	100.000%		Total	=	172	

4. Calculate Total Costs including Escalation (Multiply Average Hourly Rate by the number of hours)

	Avg Hourly Rate (Calculated above)		Estimated hours (Calculated Above)		Cost Per Year	
Year 1	\$47.98	*	172	=	\$8,252.00	Estimated Hours Year 1
Year 2	\$49.42	*	0	=	\$0.00	Estimated Hours Year 2
Year 3	\$50.90	*	0	=	\$0.00	Estimated Hours Year 3
Year 4	\$52.43	*	0	=	\$0.00	Estimated Hours Year 4
Year 5	\$54.00	*	0	=	\$0.00	Estimated Hours Year 5
	Total Direct Labor Cost with Escalation			=	\$8,252.00	
	Direct Labor Subtotal before Escalation			=	\$8,252.00	
	Estimated total of Direct Labor Salary Increase			=	\$0.00	Transfer to Page 1

NOTES:

1. This is not the only way to estimate salary increases. Other methods will be accepted if they clearly indicate the % increase, the #
2. An estimation that is based on direct labor multiplied by salary increase % multiplied by the # of years is not acceptable.
3. This assumes that one year will be worked at the rate on the cost proposal before salary increases are granted.
4. Calculations for anticipated salary escalation must be provided.

EXHIBIT 10-H1 COST PROPOSAL Page 3 of 3

Certification of Direct Costs:

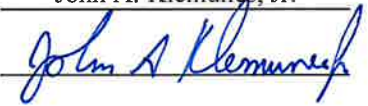
I, the undersigned, certify to the best of my knowledge and belief that all direct costs identified on the cost proposal(s) in this contract are actual, reasonable, allowable, and allocable to the contract in accordance with the contract terms and the following requirements:

1. Generally Accepted Accounting Principles (GAAP)
2. Terms and conditions of the contract
3. Title 23 United States Code Section 112 - Letting of Contracts
4. 48 Code of Federal Regulations Part 31 - Contract Cost Principles and Procedures
5. 23 Code of Federal Regulations Part 172 -
6. 48 Code of Federal Regulations Part 9904 - Cost Accounting Standards Board (when applicable)

All costs must be applied consistently and fairly to all contracts. All documentation of compliance must be retained in the project files and be in compliance with applicable federal and state requirements. Costs that are noncompliant with the federal and state requirements are not eligible for reimbursement.

Local governments are responsible for applying only cognizant agency approved or Caltrans accepted Indirect Cost Rate(s).

Prime Consultant or Subconsultant Certifying:

Name**:	<u>John A. Klemunes, Jr.</u>	Title**:	<u>President</u>
Signature:		Date of Certification (mm/dd/yyyy):	<u>12/14/2022</u>
Email**:	<u>jklemunes@dokkenengineering.com</u>	Phone Number:	<u>(916) 858-0642</u>
Address:	<u>110 Blue Ravine Road, Suite 200, Folsom, CA 95630-4713</u>		

**An individual executive or financial officer of the consultant's or subconsultant's organization at a level no lower than a Vice President or a Chief Financial Officer, or equivalent, who has authority to represent the financial information utilized to establish the cost proposal for the contract.

List services the consultant is providing under the proposed contract:

Professional Engineering and Right of Way Services

EXHIBIT 10-H1 COST PROPOSAL (Page 1 of 3)

COST-PLUS-FIXED FEE OR LUMP SUM OR FIRM FIXED PRICE CONTRACTS

(DESIGN, ENGINEERING, AND ENVIRONMENTAL STUDIES)

Note: Mark-ups are Not Allowed

☐ Prime Consultant☒ Subconsultant☐ 2nd Tier SubconsultantConsultant Interwest Consulting Group, Inc. (sub to Bennett Engineering)Project No. City of Citrus Heights - Auburn Blvd.Contract No. Right of Way ServicesDate 12/14/2022

DIRECT LABOR

Classification/Title	Name	Hours	Actual Hourly Rate	Total
Project Manager	John Almazan	20.5	\$ 69.71	\$ 1,429.06
				\$ -
		Total:	20.5	\$ 1,429.06

LABOR COSTS

a) Subtotal Direct Labor Costs

\$ 1,429.06

b) Anticipated Salary Increases (see page 2 for calculations)

\$ 21.44

c) TOTAL DIRECT LABOR COSTS [(a) + (b)] \$ 1,450.49

INDIRECT COSTS

d) Fringe Benefits

Rate: 47.48%

e) Total fringe benefits [(c) x (d)] \$ 688.69

f) Overhead

Rate: 15.53%

g) Overhead [(c) x (f)] \$ 225.26

h) General and Administrative

Rate: 21.40%

i) Gen & Admin [(c) x (h)] \$ 310.41

j) TOTAL INDIRECT COSTS [(e) + (g) + (i)] \$ 1,224.36

FIXED FEE

k) TOTAL FIXED FEE [(c) + (j)] x fixed fee 10.00% \$ 267.49

l) CONSULTANT'S OTHER DIRECT COSTS (ODC) - ITEMIZE (Add additional pages if necessary)

Description of Item	Quantity	Unit	Unit Cost	Total
Mileage Costs			\$ 0.625	\$ -
Equipment Rental and Supplies				\$ -
Permit Fees				\$ -
Plan Sheets				\$ -
Test				\$ -
l) TOTAL OTHER DIRECT COSTS				\$ -

m) SUBCONSULTANTS' COSTS (Add additional pages if necessary)

Subconsultant 1:		\$ -
Subconsultant 2:		
Subconsultant 3:		
Subconsultant 4:		\$ -
m) SUBCONSULTANTS' COSTS		\$ -

n) TOTAL OTHER DIRECT COSTS INCLUDING SUBCONSULTANTS [(l) + (m)] \$ -

TOTAL COST [(c) + (j) + (k) + (n)] \$ 2,942.34

NOTES:

- Key personnel must be marked with an asterisk (*) and employees that are subject to prevailing wage requirements must be marked with two asterisks (**). All costs must comply with the Federal cost principles. Subconsultants will provide their own cost proposals.
- The cost proposal format shall not be amended. Indirect cost rates shall be updated on an annual basis in accordance with the consultant's annual accounting period and established by a cognizant agency or accept by Caltrans.
- Anticipated salary increases calculations (page 2) must accompany.

EXHIBIT 10-H1 COST PROPOSAL (Page 2 of 3)**COST-PLUS-FIXED FEE OR LUMP SUM OR FIRM FIXED PRICE CONTRACTS**
(CALCULATIONS FOR ANTICIPATED SALARY INCREASES)**1. Calculate Average Hourly Rate for 1st year of the contract (Direct Labor Subtotal divided by total hours)**

Direct Labor Subtotal per Cost Proposal		Total Hours per Cost Proposal		Avg Hourly Rate	5 Year Contract Duration Year 1 Avg Hourly Rate
\$1,429.06	/	20.5	=	\$69.71	

2. Calculate hourly rate for all years (Increase the Average hourly rate for a year by proposed escalation %)

	Avg Hourly Rate		Proposed Escalation			
Year 1	\$69.71	+	3.0%	=	\$71.80	Year 2 Avg Hourly Rate
Year 2	\$71.80	+	3.0%	=	\$73.96	Year 3 Avg Hourly Rate
Year 3	\$73.96	+	3.0%	=	\$76.17	Year 4 Avg Hourly Rate
Year 4	\$76.17	+	3.0%	=	\$78.46	Year 5 Avg Hourly Rate

3. Calculate estimated hours per year (Multiply estimate % each year by total hours)

	Estimated % Completed Each Year		Total Hours per Cost Proposal		Total Hours per Year	
Year 1	50.0%	*	20.5	=	10.3	Estimated Hours Year 1
Year 2	50.0%	*	20.5	=	10.3	Estimated Hours Year 2
Year 3		*	20.5	=	0.0	Estimated Hours Year 3
Year 4		*	20.5	=	0.0	Estimated Hours Year 4
Year 5		*	20.5	=	0.0	Estimated Hours Year 5
Total	100%		Total	=	20.5	

4. Calculate Total Costs including Escalation (Multiply Average Hourly Rate by the number of hours)

	Avg Hourly Rate (calculated above)		Estimated hours (calculated above)		Cost per Year	
Year 1 \$	69.71	*	10.3	=	\$714.53	Estimated Hours Year 1
Year 2 \$	71.80	*	10.3	=	\$735.96	Estimated Hours Year 2
Year 3 \$	73.96	*	0.0	=	\$0.00	Estimated Hours Year 3
Year 4 \$	76.17	*	0.0	=	\$0.00	Estimated Hours Year 4
Year 5 \$	78.46	*	0.0	=	\$0.00	Estimated Hours Year 5
Total Direct Labor Cost with Escalation				=	\$1,450.49	
Direct Labor Subtotal before escalation				=	\$1,429.06	
Estimated total of Direct Labor Salary Increase				=	\$21.44	Transfer to Page 1

NOTES:

1. This is not the only way to estimate salary increases. Other methods will be accepted if they clearly indicate the % increase, the # of years of the contract, and a breakdown of the labor to be performed each year.
2. An estimation that is based on direct labor multiplied by salary increase % multiplied by the # of years is not acceptable. (i.e. \$250,000 x 2% x 5 yrs = \$25,000 is not an acceptable methodology)
3. This assumes that one year will be worked at the rate on the cost proposal before salary increases are granted.
4. Calculations for anticipated salary escalation must be provided.

EXHIBIT 10-H1 COST PROPOSAL (Page 3 of 3)**Certification of Direct Costs**

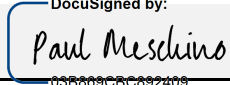
I, the undersigned, certify to the best of my knowledge and belief that all direct costs identified on the cost proposal(s) in this contract are actual, reasonable, allowable, and allocable to the contract in accordance with the contract terms and the following requirements:

1. Generally Accepted Accounting Principles (GAAP)
2. Terms and conditions of the contract
3. Title 23 United States Code Section 112 - Letting of Contracts
4. 48 Code of Federal Regulations Part 31 - Contract Cost Principles and Procedures
5. 23 Code of Federal Regulations Part 172 - Procurement, Management, and Administration of Engineering and Design Related Services
6. 48 Code of Federal Regulations Part 9904 - Cost Accounting Standards Board (when applicable)

All costs must be applied consistently and fairly to all contracts. All documentation of compliance must be retained in the project files and be in compliance with applicable federal and state requirements. Costs that are noncompliant with the federal and state requirements are not eligible for reimbursement.

Local governments are responsible for applying only cognizant agency approved or Caltrans accepted Indirect Cost Rate(s).

Prime Consultant or Suconsultant Certifying:

Name:	<u>Paul Meschino</u>	Title*:	<u>President</u>
Signature:	 <small>035869CB0892409...</small>	Date of Certification (mm/dd/yyyy):	<u>12/15/2022</u>
Email:	<u>pmeschino@interwestgrp.com</u>	Phone Number:	<u>619-372-9962</u>
Address:	<u>1 Jenner, Suite 160, Irvine, CA 92618</u>		

*An individual executive or financial officer of the consultant's or subconsultant's organization at a level no lower than a Vice President or a Chief Financial Officer, or equivalent, who has authority to represent the financial information utilized to establish the cost proposal for the contract.

List services the consultant is providing under this proposed contract:

Project Management, 3 waiver valuations, acquisition services, and prepare ROW Certification. Budget assume that the legal descriptions, plat maps and applicable environmental information (Phase I and Phase II as applicable) will be provided to Interwest.



110 BLUE RAVINE RD – SUITE 101
Folsom, CA 95630
916-900-6623
www.unicoengineering.com

UNICO ENGINEERING
Bennett

City of Citrus Heights
Auburn Blvd Complete Street Phase 2 Amendment 2

COST PROPOSAL

Task 3 - Right of Way Services (Plats and Legals)

<u>Name</u>	<u>Role</u>	<u>Hours</u>	<u>Rate</u>	<u>Total</u>	
Ryan Ming	Sr. Land Surveyor	12	\$67.00	\$804.00	
Roy Porter	Land Surveyor	12	\$38.50	\$462.00	
Rob Markes	Survey Manager	3	\$80.00	\$240.00	
				Total Direct Labor Task 1	\$1,506.00
				Total Direct Labor	\$1,506.00
Overhead Rate				137.19%	
				Total Indirect Labor	\$2,066.08
Fee				10%	
				Total Fee	\$357.21
				TOTAL UNICO Engineering	\$3,929.29

SAMPLE COST PROPOSAL 1

Certification of Direct Costs:

I, the undersigned, certify to the best of my knowledge and belief that all direct costs identified on the cost proposal(s) in this contract are actual, reasonable, allowable, and allocable to the contract in accordance with the contract terms and the following requirements:

- 1 Generally Accepted Accounting Principles (GAAP)
- 2 Terms and conditions of the contract
- 3 Title 23 United States Code Section 112 - Letting of Contracts
- 4 48 Code of Federal Regulations Part 31 - Contract Cost Principles and Procedures
- 5 23 Code of Federal Regulations Part 172 - Procurement, Management, and Administration of Engineering and Design Related Service
- 6 48 Code of Federal Regulations Part 9904 - Cost Accounting Standards Board (when applicable)

All costs must be applied consistently and fairly to all contracts. All documentation of compliance must be retained in the project files and be in compliance with applicable federal and state requirements. Costs that are noncompliant with the federal and state requirements are not eligible for reimbursement.

Local governments are responsible for applying only cognizant agency approved or Caltrans accepted Indirect Cost Rate(s).

Prime Consultant or Subconsultant Certifying:

Name: Cesar Montes de Oca Title *: President

Signature :  Date of Certification (mm/dd/yyyy) 12/15/2022

Email: cesar@unicoengineering.com Phone Number: 916-900-6623

Address: 110 Blue Ravine Rd. Ste 101, Folsom CA 95630

*An individual executive or financial officer of the consultant's or subconsultant's organization at a level no lower than a Vice President or a Chief Financial Officer, or equivalent, who has authority to represent the financial information utilized to establish the cost proposal for the contract.

List services the consultant is providing under the proposed contract:

Land Survey

**Auburn Blvd Complete Streets Project Phase 2
Amendment #2 - Scope of Services
December 16, 2022**

To complete the construction design plans for Phase 2 of the Citrus Heights Auburn Boulevard Complete Streets Revitalization Project, the Project Team is proposing the following Scope of Work for the additional scope items identified during the preparation of original contract:

TASK 1. Project Management

Subtask 1.1. Meetings, Field Review, and Project Coordination

BEN|EN, in coordination with City Project Manager, will develop the Project Development Team (PDT) with representatives from subconsultants and appropriate City staff. BEN|EN will setup and facilitate all PDT meetings and coordination.

BEN|EN anticipates additional coordination meetings with City (including PDT and other project meetings). This budget assumes twelve (12) meetings. Amendment 1 only included six (6) more meetings from last September (2021). The project team had monthly meetings since then.

Deliverables: Meeting agendas, minutes

TASK 3. Right of Way Services

Subtask 3.1. Prepare Plats & Legals

BEN|EN will coordinate with Unico Engineering to prepare updated plat and legal descriptions for a public utilities easement (PUE) at the proposed Starbucks site at 8550 Auburn Blvd.

Subtask 3.5. Design Coordination and preparation of RW exhibits

BEN|EN will coordinate with Starbucks developer, Dokken and City staff to identify project needs, review Starbucks plans and details, research and obtain available public utility easements, and prepare exhibits.

BEN|EN will coordinate with Interwest and City and update right of way exhibits per plat and legal changes due to coordination with property owners or City.

BEN|EN will assist Interwest and the City to coordinate with Riebes Auto Parts property owner and staff for access to site and onsite meetings with SMUD and City staff. BEN|EN will assist to obtain electrical panel quotes from various electrical contractors and meet with them onsite as necessary. Interwest will negotiate with the property owner, or their designee, to obtain the necessary legal rights.

BEN|EN will coordinate with Elite Bicycle and Interwest to reopen previously recorded contract from 2018 and amend it to meet the current project needs.

BEN|EN will assist with Citrus Grove shopping center coordination regarding shopping cart theft prevention and details.

TASK 6. Utility Coordination

Subtask 6.4. Additional Utility Coordination with SMUD, CCI, and Comcast

BEN|EN will coordinate with SMUD, Comcast, and CCI to facilitate receiving the project liability claim letters preparatory to Caltrans review of utility packages.

Subtask 6.6. CHWD Coordination, Impact Resolution and PS&E Design

BEN|EN will coordinate with Citrus Heights Water District (CHWD) to review project impacts to CHWD facilities that are 100% cost to CHWD. BEN|EN will review CHWD comments, develop cost estimates, and include details and notes, bid items and specifications. This information will be used to prepare the Utility Agreement between the City and CHWD.

Subtask 6.7. Monthly Utility Working Group Meetings

BEN|EN will coordinate with Dokken, SMUD, Comcast, CCI, SASD, CHWD, and PG&E to schedule and facilitate utility coordination and working group meetings starting prior to RW certification through construction. We anticipate twelve (12) meetings.

Deliverable: Coordination Meetings with all relocating utilities, meeting minutes. UUD exhibits in electronic format and CHWD PS&E

TASK 8. Joint Trench Plans, Specification, and Estimates (PS&E)

Subtask 8.3. Final PS&E

Dokken will incorporate and update Joint Trench plans and estimates based on city comments.

Subtask 8.4. Allowance for PS&E Updates Post SMUD Commitment Drawings

Dokken will incorporate and update Joint Trench plans, specifications, and estimates as a result of SMUD's final design and production of commitment drawings. SMUD anticipates providing their final design by March 2023.

TASK 9. Roadway Plans, Specifications, and Estimates (PS&E)

Subtask 9.3. Caltrans Encroachment Permit

BEN|EN will prepare and submit a brand new Caltrans encroachment permit application with supporting documents. The new package will include design edits from Caltrans' prior review requesting ADA and striping modifications within the City of Roseville.

Subtask 9.4. Final PS&E

BEN|EN will coordinate with the design team to provide updated plans, specifications, and estimates based on city, utility provider, or other third party provided comments.

BEN|EN will coordinate with the city to relocate and incorporate a commercial sign and other signs into the plans. BEN|EN will conduct ATP bike and ped counts before and after construction per LAPM/ATP guidelines. This task includes preparation of draft and final report, and any coordination with Caltrans to confirm methodology.

Subtask 9.8. Roseville Encroachment Permit

BEN|EN will prepare separate exhibits for City of Roseville encroachment permit reviews and approvals. This scope includes four (4) rounds of comments from Roseville staff in order to secure the approved permit.



CITY OF CITRUS HEIGHTS

CITY COUNCIL STAFF REPORT MEMORANDUM

DATE: January 26, 2023

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

FROM: Regina Cave, General Services Director
Leslie Blomquist, City Engineer
Daniel Kehrer, Senior Civil Engineer

SUBJECT: **Drainage Master Plan (Neighborhood Areas 8, 9, & 10) Project
Approval of Contract Amendment No. 2**

Summary and Recommendation

On March 9, 2017, the City Council authorized an agreement for professional services (Agreement) with Dokken Engineering (Dokken) for professional engineering services related to implementation of the Drainage Master Plan (Neighborhood Areas 8, 9, & 10).

On January 5, 2018, the City Council authorized Amendment No. 1 to the Agreement augmenting the budget to include additional project locations and scope of work. Recently, the City identified the need for additional professional engineering services for the design and permitting of creek and drainage repairs within Cripple Creek at Mel Court (located in Neighborhood 10). Staff negotiated a scope and fee of \$95,574 for the additional work needed. Utilizing an existing \$57,374 in contract savings from the original scope, Amendment No. 2 will increase the not-to-exceed contract amount by \$38,200 to a total of \$545,000.

Staff recommends the City Council adopt Resolution No. 2023-_____. A resolution of the City of Citrus Heights, California, Authorizing the City Manager to Execute Amendment No. 2 to the Agreement for Professional Design Services with Dokken Engineering for the Drainage Master Plan (Neighborhoods 8, 9, & 10) Project.

City Council Strategic Goal/Objective

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

Fiscal Impact

The current not-to-exceed fee for the contract is \$506,800. Project costs to date, which include design, bid assistance services, construction, construction management and inspection services total \$449,426 (\$57,374 remaining from prior tasks).

Amendment No. 2 will be paid for utilizing Stormwater Utility Funds (Fund 209). Although not programmed in the current CIP, there are sufficient funds available for this appropriation.

Background and Analysis

Dokken was contracted by the City on March 9, 2017 to address storm water system deficiencies as noted in the Storm Drain Master Plan for Neighborhoods 8, 9, and 10. The original Agreement included three locations: Glenacre/Sylvan Valley Way, Bonita Way/Dow Avenue, and Sunrise Boulevard/Sayonara Drive.

On January 5, 2018, Amendment No. 1 was approved by City Council and the contract value was increased from \$502,000 to \$506,800. Since execution of Amendment No. 1, three additional locations have been added to the project scope of services without requiring fee increases, due to cost savings realized during the contract.

Recently, staff identified additional professional engineering services needed for the design of creek and drainage repairs within Cripple Creek at Mel Court (located in Neighborhood 10). Staff negotiated a scope and fee for professional engineering and environmental services in the amount of \$95,574 for this additional location. Utilizing the unspent funds remaining in the contract, Amendment No. 2 will increase the not-to exceed contract amount by \$38,200 to \$545,000.

In order to complete the additional work, the contract expiration date will be extended from 12/31/2022 to 04/01/2024.

Attachments

1. Resolution No. 2023-_____ A resolution of the City of Citrus Heights, California, Authorizing the City Manager to Execute Amendment No. 2 to the Agreement for Professional Design Services with Dokken Engineering for the Drainage Master Plan (Neighborhoods 8, 9, & 10) Project.
2. Amendment No. 2 to the agreement for professional services between the City of Citrus Heights and Dokken Engineering related to implementation of the Drainage Master Plan (Neighborhoods 8, 9, & 10).

RESOLUTION NO. 2023-_____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CITRUS HEIGHTS,
CALIFORNIA, AUTHORIZING THE CITY MANAGER TO EXECUTE
AMENDMENT NO. 2 TO THE AGREEMENT FOR PROFESSIONAL SERVICES
WITH DOKKEN ENGINEERING FOR DRAINAGE MASTER PLAN
(NEIGHBORHOOD AREAS 8, 9, & 10) PROJECT**

WHEREAS, on March 9, 2017, City Council authorized execution of an agreement with Dokken Engineering in the amount of \$502,000 for preliminary engineering, environmental, final design, and construction support services for the Drainage Master Plan (Neighborhoods Areas 8, 9, & 10) Project;

WHEREAS, on January 5, 2018, City Council authorized execution of amendment No. 1 to the agreement with Dokken Engineering in the amount of \$4,800 for additional environmental and engineering design services increasing the total not-to-exceed contract amount to \$506,800;

WHEREAS, the City wishes to amend the agreement to provide design and environmental services for repairs at an additional location along Cripple Creek near Mel Court and extend the duration of the agreement to March 1, 2024;

WHEREAS, Amendment No. 2, in the amount of \$38,200 will increase the total not-to-exceed contract amount to \$545,000; and

WHEREAS, the proposed professional services will be paid for utilizing Stormwater Utility Funds (Fund 209).

NOW, THEREFORE, BE IT RESOLVED AND ORDERED by the City Council of the City of Citrus Heights that the City Manager is hereby authorized to execute contract amendment No. 2, in the amount not to exceed \$38,200, for the Drainage Master Plan (Neighborhood Areas 8, 9, & 10) Project.

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

PASSED AND ADOPTED by the City Council of the City of Citrus Heights, California, this 26th day of January, 2023 by the following vote, to wit:

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

Tim Schaefer, Mayor

ATTEST:

Amy Van, City Clerk

**AMENDMENT NO. 2 TO CONTRACT FOR PROFESSIONAL DESIGN
SERVICES FOR DRAINAGE MASTER PLAN FOR
NEIGHBORHOOD AREAS 8, 9, & 10
BETWEEN THE CITY OF CITRUS HEIGHTS AND
DOKKEN ENGINEERING**

This Amendment (the “Amendment”) is entered into by and between the City of Citrus Heights (“City”), a municipal corporation in the State of California, and Dokken Engineering, (Consultant), as of January 26, 2023.

RECITALS

WHEREAS, the City and Consultant previously entered into that Contract for Professional Design Services Drainage Master Plan for Neighborhood Areas 8, 9, & 10 dated March 9, 2017 (the “Agreement”);

WHEREAS, on January 5, 2018, Contract Amendment No. 1 in the amount of \$4,800.00, was executed to prepare environmental permits for Location 12 and Location Aux 2 (Wonder Street) of the City’s Drainage Master Plan;

WHEREAS, City and Consultant now wish to execute Contract Amendment 2 to amend the Scope of Services of the Agreement to provide design and environmental clearance services for repairs in the erosion-prone area of Cripple Creek near Mel Court (the “Additional Work”); and

WHEREAS, City and Consultant also wish to extend the duration of the agreement, resulting in a new termination date of March 1, 2024; and

WHEREAS, City and Consultant also agree to increase the maximum compensation allowed under the Agreement by thirty eight thousand two hundred dollars (\$38,200) for an amended total compensation not-to-exceed amount of five-hundred forty five thousand dollars (\$545,000).

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

1. Scope of Services. The City and Consultant agree to modify the Scope of Services to include the Additional Work. The first sentence of Section 1 of the Agreement, “SERVICES,” is hereby amended to read as follows:

“Subject to the terms and conditions set forth in this Agreement, Consultant shall provide to the City the services described in the Scope of Work attached as Exhibit A, Exhibit A1, and Exhibit A2 attached hereto and incorporated herein, at the time and place and manner specified therein.

1.1 Term of Services. The term of this Agreement shall begin on the Effective Date and shall end on **March 1, 2024** or the date the Consultant completes the services specified in Exhibit A2, whichever occurs first, unless the term of the Agreement is otherwise terminated or extended, as referenced herein.”

2. Compensation. City and Consultant also agree to increase the maximum compensation allowed under the Agreement by thirty eight thousand two hundred dollars (\$38,200), for an

amended total compensation of not-to-exceed five-hundred forty five thousand dollars (\$545,000). Section 2 of the Agreement, "COMPENSATION" is hereby amended to read as follows:

"City hereby agrees to pay Consultant a sum not to exceed five-hundred forty five thousand dollars (\$545,000), as set forth in Exhibit B, Exhibit A1, and Exhibit A2, attached hereto and incorporated herein for services to be performed and reimbursable expenses incurred under this Agreement. This dollar amount is not a guarantee that the City will pay the full amount to the Consultant, but is merely a limit of potential City expenditures under this Agreement."

3. Exhibits. The Additional Work described under Section 1 of this Amendment and the fee estimate of such work described under Section 2 of this Amendment are attached hereto as Attachment 1 and shall become Exhibit A2 to the Agreement.

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

CITY OF CITRUS HEIGHTS

By: _____
Ashley J. Feeney, City Manager

Date: _____

Attest

Amy Van, City Clerk

Approved as to Form

Ryan R. Jones, City Attorney

DOKKEN ENGINEERING

By: _____

Date: _____

Title: _____



ATTACHMENT 1

January 10, 2023

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

Attn: Daniel Kehrer, PE | Senior Civil Engineer

RE: Revised Proposal for Mel Court Project Location

Dear Mr. Kehrer:

We understand the City wishes to procure design and environmental clearance services to repair erosion-prone area near Mel Court.

The repairs should ideally be completed as soon as possible to prevent further damage from occurring along the creek banks and to adjacent properties. Permitting for this project (estimated 6 months) will be the longest lead item due to processing time with the agencies. While the resource agencies are processing the permits, Dokken's design team will work concurrently to finalize the bid set plans, specifications, and engineer's estimate, so the project is ready to bid once the permit conditions have been received. Our design will be consistent with the limitations imposed by the City's Streambed Alteration Agreement for the Routine Maintenance of Stream Channels and Drainage (RMA) and its associated coverage under the California Environmental Quality Act (CEQA). Based on our review of the project scope, we anticipate only minimal environmental permitting is needed with biological resources study, archeological pedestrian survey, 401 permit, and 1600 Verification Request Form required.

The project location is within the regulated Federal Emergency Management Agency (FEMA) floodplain and floodway. As such, improvements should be limited to repairs that will not impact the hydraulics of the channel. Based on our preliminary design review of the Arcade Creek location, failed concrete lining should be removed and replaced in kind and supplemented with additional rock slope protection.

Our engineering and environmental staff have delivered many similar projects throughout the local area and State. Dokken project environmental lead Scott Salembier also led the effort to obtain the City's RMA permit and has worked on technical studies and permit packages for other City projects. Within the last year, we have successfully designed and constructed several repair projects locally (including for the City at Twin Oaks Avenue and City of Rancho Cordova) under RMAs. Design lead, Ashley Orsaba-Finders has designed many drainage and erosion repair projects including locally for the City (Bonita Way Storm Drain (SD) Improvements, Garry Oak Drive SD, Twin Oaks SD, Mariposa Ave SD at Arcade Creek), City of Rancho Cordova (American River Outfall 4 Repairs), Arcade Creek Recreation and Park District/Sacramento Area Sewer District (Pedestrian Bridge and Erosion Repairs over Arcade Creek).

Our proposal is limited to the scope presented herein but additional scope may be negotiated at a later date should additional studies, permits, or scope elements be warranted.

Total **\$95,574**

We thank you for the opportunity to submit our scope and fee for the project and we look forward to the prospect of working with the City.



DOKKEN ENGINEERING

Transportation Solutions from Concept to Construction

Sincerely,

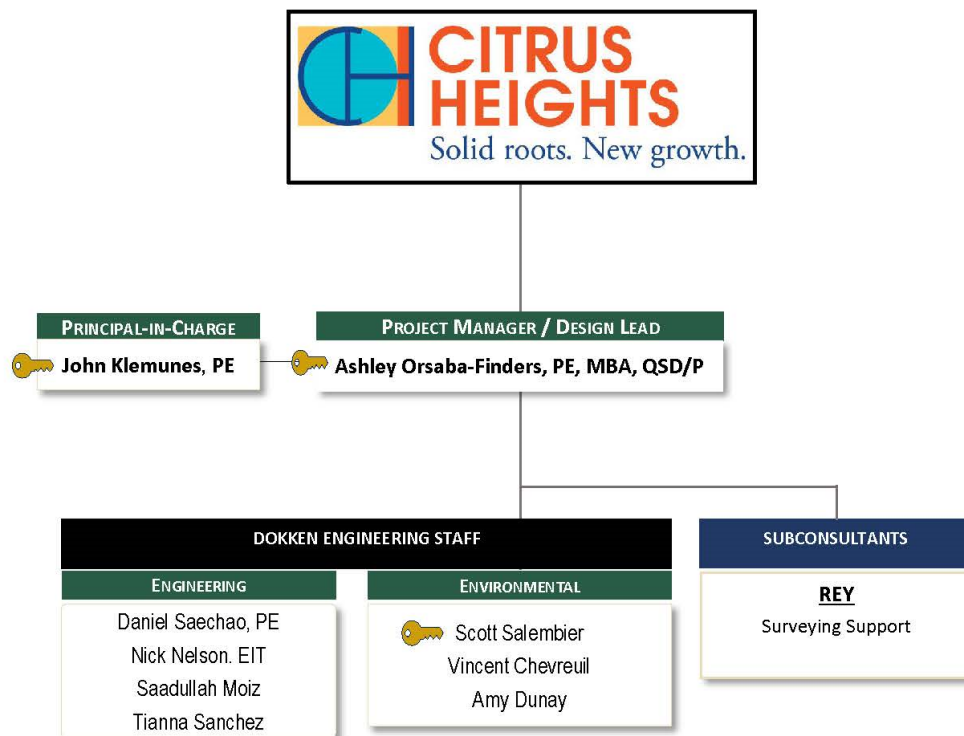
DOKKEN ENGINEERING, INC.

Ashley OrsabaFinders

Ashley Orsaba-Finders, PE | Project Manager

aorsabafinders@dokkenengineering.com

Cell: 916-260-3041

PROJECT TEAM**SCOPE OF WORK****Task 1 – Project Management****Task 1.1 – Project Management**

Dokken's Project Manager will plan, organize, direct, and monitor project work and will plan activities and resources in accordance with contracted scope, schedule, and budget and will report to the City's Project Manager.

This task includes performing ongoing general project management with the client, subconsultants, and stakeholders, including preparing contract paperwork, memos, letters, and email, making phone calls, and maintaining project files.

Dokken will prepare progress reports to record the progress of the project and as supporting data for invoices presented monthly to the City. The progress report will include recently accomplished tasks, anticipated progress for the next month, pending issues, and schedule completion target dates. The progress report will consist of a brief (1 page) summary of work, and a more detailed description of project status.

The detailed project status will include progress status and budget status for each task. This activity commences with receiving the Notice-To-Proceed, continues through submittal of the key final project deliverables, and concludes when the project is advertised for construction. This task assumes a 13-month duration.

Task 1.1 Deliverables

- ✓ Monthly Invoices and Progress Reports

Task 1.2 – Meetings and Coordination

The project team meetings will serve as the primary forum for reviewing the status of the project and identifying and resolving project issues. Attendees will include Dokken's Project Manager, designers as needed, City staff and other stakeholders, as necessary. This task assumes one monthly project team meeting for a 13-month duration.

CITY OF CITRUS HEIGHTS

Mel Court Repair Project

Task 1.2 Deliverables

- ✓ Meetings Agendas and Minutes

Task 1.3 – QA/QC

Dokken's QA/QC manager will prepare a Quality Control Plan and provide independent reviews of the preliminary and construction documents. Quality Control reviews will be performed for the following deliverables as part of the task for said deliverables:

- 60% Project Plans and Estimate
- 90% Plans, Specifications, and Estimate
- Final Plans, Specifications, and Estimates

Task 2 – Survey and Base Mapping

Task 2.1 - Surveying

Dokken's subconsultant REY Engineers will provide surveying services for the project. REY will establish a minimum of three control points will be established at each site sufficient for future surveys and staking.

The horizontal datum will be based on an assumed coordinate system and the vertical datum will be based on a County of Sacramento Benchmark. A topographic survey will be performed for each site based a conventional field survey. The surveys will consist of mapping the visible surface improvements within the areas outlined above and will include trees 6 inches in diameter and above, channel flowlines, toes, tops and grade breaks. The topography will be mapped at a 1" = 30' scale, a 1-foot contour interval and spot elevations will be shown. Sufficient centerline monumentation will be recovered in the vicinity of each surveyed area to establish the record boundary of the adjacent parcels sufficient for planning purposes. If monuments cannot be found in the adjacent areas, improvements will be split, and fences tied sufficient to orient record boundary lines. The record boundary lines should not be relied upon for setbacks or staking improvements along property lines.

Task 2.1 Deliverables

- ✓ Topographic survey in AutoCAD Civil3D.dwg format for each site.
- ✓ Hardcopy plot of the topographic survey plat for each site.

Task 3 – Environmental Documentation

Task 3.1 – Biological Resources Memorandum

Dokken Engineering will complete a general biological survey, jurisdictional delineation, and tree survey to document existing biological conditions on site. The results of the survey will be compiled into a Biological Resources Memorandum that will assess impacts to biological resources from both project locations. The Biological Report will be used as supporting documentation for the regulatory permitting.

Task 3.1 Deliverable

- ✓ Biological Resources Memorandum

Task 3.2 – Archaeological Resources Memorandum

The projects are in an area of elevated archaeological sensitivity. Dokken Engineering's archaeologists will obtain cultural record searches from the North Central Information Center and the Native American Heritage Commission Sacred Lands File and notify the local Native American Tribes of the project to identify any previously surveyed cultural or tribal resources that may be affected by the projects. Dokken Engineering's archaeologists will then complete a pedestrian survey of the areas to search for surface evidence of archaeological resources. The results of these data collection efforts will be compiled into an Archaeological Resources Memorandum.

Task 3.2 Deliverable

Task 3.3 - §401 Water Quality Certification

Portions of the proposed projects extend below the Ordinary High-Water Mark of Arcade and Cripple Creeks (Waters of the United States) and fall within the jurisdiction of the Central Valley Regional Water Quality Control Board (Regional Board). Dokken Engineering will prepare an application for a Clean Water Certification under §401 of the Clean Water Act. Under the September 2020 Final Rule, a pre-application meeting is required prior to submitting the permit application. Dokken Engineering will coordinate with the Regional Board before, during, and after submittal of the application to ensure consistent communication with the Regional Board and minimal permitting delays. This scope assumes that the City will be responsible for paying the permit application fee and the project fee that will be assessed by the Regional Board.

Task 3.3 Deliverable

- ✓ 401 Application

Task 3.4 - §1600 Verification Request Form

The project is consistent with the City's existing Routine Maintenance Agreement (RMA) and a Verification Request Form (VRF) is required to fully document project features and verify compliance with permit conditions listed in the RMA. A standalone §1600 permit is not expected to be required. The VRF will include a thorough project description with attached engineering plans and the Biological Technical Memorandum described in Task 2.1.

Task 3.4 Deliverable

- ✓ Verification Request Form

Task 4 – Engineering

Task 4.1 - Engineering Permitting Support

Dokken's design team will provide exhibits for the permitting packages, attend field meetings with resource agencies, and general support aiding in the permitting of the project.

Task 4.1 Deliverables

- ✓ Exhibits for permit packages

Task 4.2 - Preparation of Final Plans, Specifications, and Quantities

Task 4.2.1 - 60% Plans and Estimate (P&E)

Dokken will prepare 60% plans and estimate for the project.

Dokken will prepare an engineer's estimate of construction costs, based on detailed quantity takeoffs and current unit prices. A reasonable upward adjustment shall be applied to all bid quantities that may vary during construction to allow for any necessary design adjustments. Quantities for all contract items, including cost of lump sum items, shall be substantiated by calculations. All quantity calculations shall be independently checked and substantiated with independent calculations.

This task also includes the development of design alternatives for the repairs. While we have provided our preliminary approach, we will revisit the strategy as part of the development of the 60% construction package.

Task 4.2.1 Deliverable

Task 4.2.2 - 90% Plans, Specifications, and Estimate (PS&E)

Dokken will prepare 90% plans and estimates based on the 60% plans and review comments. Dokken will prepare a response to comments matrix with each comment received and response regarding how the comment was addressed/incorporated.

Dokken will prepare an engineer's estimate of construction costs, based on detailed quantity takeoffs and current unit prices. A reasonable upward adjustment shall be applied to all bid quantities that may vary during construction to allow for any necessary design adjustments. Quantities for all contract items, including cost of lump sum items, shall be substantiated by calculations. Quantity calculations shall be neat and orderly and shall show all sketches, diagrams and dimensions necessary to allow them to be independently used by field engineers. All quantity calculations shall be independently checked and substantiated with independent calculations.

Dokken will prepare draft special provisions based on Caltrans, County, and City standard special provisions. The special provisions will include all environmental mitigation and permitting measures required for the project.

Task 4.2.2 Deliverables

- ✓ 90% Plans, Estimate, Special Provisions, Response to Comment Matrix

Task 4.2.3 – Final Plans, Specifications, and Estimate (PS&E)

Dokken will prepare Final Contract Documents ready for advertisement. The Final Contract Documents will incorporate comments received on the 90% PS&E.

Task 4.2.3 Deliverables

- ✓ Final Plans, Special Provisions, and Estimate

Task 5 – Bidding Assistance

Task 5.1 – Bid Support

Dokken will be available to assist the City with preparation of the bid package, project description for advertisement and provide responses to bidder inquiries either directly or through the City as determined by the City. Dokken will also be available to attend a Pre-Bid Meeting, at the City's discretion and will support the City giving an overview of the project to the bidders. Dokken will be available during bidding to respond to questions and request for information specifically related to the design plans and specifications and provide clarification when requested by the City. Dokken will be available to assist the City with preparations of Bid Addendum, if needed.

Task 5.1 Deliverable

- ✓ Attend Pre-Bid meeting

Task 6 – Construction Assistance

Task 6.1 – Construction Support

Dokken will attend the City scheduled pre-construction meeting. Dokken will support the City giving an overview of the project to the contractor, prepare meeting minutes, and an action item list. The Dokken team will be available during construction to respond to questions and request for information and provide clarification when requested by the City. Record drawing plans will be developed at the end of each construction project as needed.

Task 6.1 Deliverables

- ✓ Attend Pre-Construction meeting, Pre-Construction meeting minutes and action item list
- ✓ Record drawings

Task 6.2 - Pre-Construction Nesting Bird Survey

Dokken biologists will complete a pre-construction nesting bird survey of the project footprint plus an approximate 100-ft buffer. The survey will be completed by a team of two biologists who will scan the ground surface, trees, and vegetation for signs of nesting birds. If any active nests are found, the species and nest phase will be determined to help guide management decisions. Nest locations will be recorded with GPS and a survey memorandum will be prepared documenting the nest locations and proposed protective measures. The survey memorandum will be provided to the City to document compliance with this environmental condition. If necessary, Dokken will coordinate with CDFW on reduced protective buffers.

Task 6.2 Deliverable

- ✓ Nesting Bird Survey Memorandum

Task 6.3 - Environmental Awareness Training

Dokken will develop a training program to educate all personnel involved in construction of the sensitive environmental resources that are present onsite, and the protective measures that must be adhered. The training program will include handouts and an oral presentation provided by Dokken staff. Trainees will sign in and receive a hard hat sticker to document they have been trained. This scope assumes up to three training sessions may be required as the contractor brings on additional personnel throughout construction. The sign in sheet will be provided to the City at the end of construction as part of the completed Environmental Commitments Record (ECR).

Task 6.3 Deliverable

- ✓ Worker Training Sign-In Sheet

Task 6.4 - Environmental Construction Monitoring

Dokken biologists will inspect the project site weekly during construction to verify and document that the contractor is complying with all environmental commitments. The biologist will notify the City or Construction Management Firm of any corrective actions that are required to stay in compliance. During each site visit, the biologist will document compliance with environmental commitments in the ECR and photo document the site. This scope of work

At the end of construction, the completed ECR will be provided to the City.

Task 6.4 Deliverable

- ✓ Completed ECR

Task 6.5 - Environmental Permit Notifications & Closeouts

Environmental permits that will be secured for these projects will have specific notification requirements before, during, and post construction. Dokken Engineering will provide the following anticipated notifications to regulatory agencies:

California Department of Fish and Wildlife (1602 Permit)

- Submit resumes of designated biologists for approval (30 days prior to construction)
- Start of work notification (2 days prior to construction)
- Post construction photos (within 15 days of project completion)

Central Valley Regional Water Quality Control Board (401 Permit)

- Commencement of Construction Report (7 days prior to construction)
- Monthly reporting (1st day of each month)
- Notice of Completion of Discharge Letter (within 30 days of project completion)
- Notice of Project Complete Letter (following the 2023/2024 winter season)



COST PROPOSAL - HOURS BREAKDOWN BY TASK
CITY OF CITRUS HEIGHTS
MEL COURT
January 10, 2023

TASK DESCRIPTION	DOKKEN ENGINEERING														
	JOHN A. KLEMUNES, JR. Principal in Charge	ASHLEY ORSABA-FINDERS Project Manager	Senior Engineer 1	Associate Engineer 1	Assistant Engineer 2	Assistant Engineer 1	Environmental Manager	Senior Environmental Planner	Associate Environmental Planner	Environmental Planner	Right of Way Manager	Senior Right of Way Agent	TOTAL HOURS	OTHER DIRECT COST	TOTAL COST
	\$375	\$215	\$215	\$155	\$135	\$115	\$225	\$180	\$140	\$100	\$195	\$155			
TASK 1 - PROJECT MANAGEMENT	10	22		5		3					2	4	46		\$10,610
1.1 - Project Management		12											12		\$2,580
1.2 - Meetings and Coordination	2	10		5		3					2	4	26		\$5,030
1.3 - QA/QC	8												8		\$3,000
TASK 2 - SURVEY AND BASE MAPPING		1		2		5							8	\$4,000	\$5,100
TASK 3 - ENVIRONMENTAL DOCUMENTATION							8	44	64	100			216		\$28,680
3.1 Biological Resources Memorandum							2		24	32			58		\$7,010
3.2 Archaeological Resources Memorandum							2	36		20			58		\$8,930
3.3 401 Water Quality Certification							2	8	28	32			70		\$9,010
3.4 Verification Request Form							2		12	16			30		\$3,730
TASK 4 - ENGINEERING		4	13	23	25	128							193	\$1,709	\$27,024
4.1 - Engineering Permitting Support		2	3	3		8							16		\$2,460
4.2 - Plans, Specifications, and Estimate		2	10	20	25	120							177	\$1,709	\$24,564
TASK 5 - BIDDING ASSISTANCE		2	4			8							14		\$2,210
TASK 6 - CONSTRUCTION ASSISTANCE		1	4			15	6		50	108			184		\$21,950
6.1 - Construction Support		1	4			15							20		\$2,800
6.2 - Pre-Construction Nesting Bird Survey									10	40			50		\$5,400
6.3 - Environmental Awareness Training							1		12	16			29		\$3,505
6.4 - Environmental Construction Monitoring							3		12	36			51		\$5,955
6.5 - Environmental Permit Notifications & Closeouts							2		16	16			34		\$4,290
TOTAL HOURS	10	30	21	30	25	159	14	44	114	208	2	4	661		
TOTAL COST	\$3,750	\$6,450	\$4,515	\$4,650	\$3,375	\$18,285	\$3,150	\$7,920	\$15,960	\$20,800	\$390	\$620		\$5,709	\$95,574

Amendment 2 Budget Allocation for Dokken Engineering - Storm Drain Master Plan Neighborhoods 8, 9, and 10

Task Description	Budget (Existing)	Billed To-Date	Budget (Remaining)	Proposed Requested Transfer	Budget (Revised)	Proposed Remaining	Additional Explanation
Location 6/10 - GlenAcre/Sylvan/Mariposa	\$ 186,665	\$ 154,475	\$ 32,190	\$ (32,190)	\$ -	\$ -	Project Completed - Transfer Remaining Funds
Task 1 - Project Management	\$ 10,829	\$ 10,036	\$ 793	\$ (793)	\$ -	\$ -	
Task 2 - Survey and Base Mapping	\$ 24,563	\$ 24,563	\$ -	\$ -	\$ -	\$ -	
Task 3 - Public Outreach	\$ 7,759	\$ 7,759	\$ -	\$ -	\$ -	\$ -	
Task 4 - Engineering Analysis	\$ 34,275	\$ 28,015	\$ 6,260	\$ (6,260)	\$ -	\$ -	
Task 5 - Environmental Compliance	\$ 72,128	\$ 63,852	\$ 8,276	\$ (8,276)	\$ -	\$ -	
Task 6 - Utility Coordination	\$ 8,859	\$ 6,167	\$ 2,692	\$ (2,692)	\$ -	\$ -	
Task 7 - Plans, Specifications, and Estimate	\$ 21,779	\$ 14,083	\$ 7,696	\$ (7,696)	\$ -	\$ -	
Task 8 - Bidding Assistance	\$ 2,420	\$ -	\$ 2,420	\$ (2,420)	\$ -	\$ -	
Task 9 - Construction Assistance	\$ 4,053	\$ -	\$ 4,053	\$ (4,053)	\$ -	\$ -	
Location 11 - Bonita	\$ 208,569	\$ 197,809	\$ 10,760	\$ (10,760)	\$ -	\$ -	Project Completed - Transfer Remaining Funds
Task 1 - Project Management	\$ 14,332	\$ 12,007	\$ 2,325	\$ (2,325)	\$ -	\$ -	
Task 2 - Survey and Base Mapping	\$ 16,272	\$ 16,272	\$ -	\$ -	\$ -	\$ -	
Task 3 - Public Outreach	\$ 3,534	\$ 3,534	\$ -	\$ -	\$ -	\$ -	
Task 4 - Engineering Analysis	\$ 57,538	\$ 57,538	\$ -	\$ -	\$ -	\$ -	
Task 5 - Utility Coordination	\$ 31,208	\$ 28,905	\$ 2,303	\$ (2,303)	\$ -	\$ -	
Task 6 - Plans, Specifications, and Estimate	\$ 72,740	\$ 74,542	\$ (1,802)	\$ 1,802	\$ -	\$ -	
Task 7 - Bidding Assistance	\$ 4,839	\$ 1,221	\$ 3,618	\$ (3,618)	\$ -	\$ -	
Task 8 - Construction Assistance	\$ 8,106	\$ 3,790	\$ 4,316	\$ (4,316)	\$ -	\$ -	
Sayonara Drive	\$ 33,013	\$ 33,013	\$ -	\$ -	\$ -	\$ -	Project Completed - No Funds to Transfer
Task 1 - Project Management	\$ 2,646	\$ 2,646	\$ -	\$ -	\$ -	\$ -	
Task 2 - Survey and Base Mapping	\$ 10,979	\$ 10,979	\$ -	\$ -	\$ -	\$ -	
Task 3 - Utility Coordination	\$ 4,064	\$ 4,064	\$ -	\$ -	\$ -	\$ -	
Task 4 - Plans, Specifications, and Estimate	\$ 14,898	\$ 14,898	\$ -	\$ -	\$ -	\$ -	
Task 5 - Bidding Assistance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Task 6 - Construction Assistance	\$ 426	\$ 426	\$ -	\$ -	\$ -	\$ -	
Budget Transfer #1							
Garry Oak Drive	\$ 46,036	\$ 38,196	\$ 7,840	\$ (7,840)	\$ -	\$ -	Project Completed - Transfer Remaining Funds
Task 1 - Project Management	\$ 1,924	\$ -	\$ 1,924	\$ (1,924)	\$ -	\$ -	
Task 2 - Survey and Base Mapping	\$ 14,591	\$ 10,971	\$ 3,620	\$ (3,620)	\$ -	\$ -	
Task 3 - Engineering Analysis	\$ 10,785	\$ 10,536	\$ 249	\$ (249)	\$ -	\$ -	
Task 4 - Plans, Specifications, and Estimate	\$ 15,523	\$ 14,836	\$ 687	\$ (687)	\$ -	\$ -	
Task 5 - Bidding Assistance	\$ 645	\$ 1,161	\$ (516)	\$ 516	\$ -	\$ -	
Task 6 - Construction Assistance	\$ 1,923	\$ 692	\$ 1,231	\$ (1,231)	\$ -	\$ -	
Task 7 - Environmental Documentation	\$ 645	\$ -	\$ 645	\$ (645)	\$ -	\$ -	
Budget Transfer #2							
Mitchell Farms Stormwater Support	\$ 1,550	\$ 1,550	\$ -	\$ -	\$ -	\$ -	Project Completed - No Funds to Transfer
Task 1 - Project Management	\$ 332	\$ 332	\$ -	\$ -	\$ -	\$ -	
Task 2 - Design	\$ 995	\$ 995	\$ -	\$ -	\$ -	\$ -	
Task 3 - Environmental	\$ 223	\$ 223	\$ -	\$ -	\$ -	\$ -	
Twin Oaks	\$ 32,000	\$ 24,383	\$ 7,617	\$ (7,617)	\$ -	\$ -	Project Completed - Transfer Remaining Funds
Task 1 - Project Management	\$ 3,500	\$ 1,919	\$ 1,581	\$ (1,581)	\$ -	\$ -	
Task 2 - Survey and Base Mapping	\$ 7,000	\$ -	\$ 7,000	\$ (7,000)	\$ -	\$ -	
Task 3 - Engineering Analysis	\$ 7,000	\$ 4,047	\$ 2,953	\$ (2,953)	\$ -	\$ -	
Task 4 - Plans, Specifications, and Estimate	\$ 12,000	\$ 10,336	\$ 1,664	\$ (1,664)	\$ -	\$ -	
Task 5 - Bidding Assistance	\$ 1,000	\$ 5,258	\$ (4,258)	\$ 4,258	\$ -	\$ -	
Task 6 - Construction Assistance	\$ 1,500	\$ 2,823	\$ (1,323)	\$ 1,323	\$ -	\$ -	
Unallocated Funds	\$ (1,033)	\$ -	\$ (1,033)	\$ 1,033	\$ -	\$ -	Transfer Unallocated Funds
Additional Locations - Amendment 2	\$ 506,800	\$ 449,426	\$ 57,374	\$ (57,374)	\$ 38,200	\$ 95,574	
Mel Court	\$ -	\$ -	\$ -	\$ 95,574	\$ 95,574	\$ 95,574	New Location - Budget Transfer & Increase (Amend #2)
Task 1 - Project Management	\$ -	\$ -	\$ -	\$ 10,610	\$ 10,610	\$ 10,610	
Task 2 - Survey and Base Mapping	\$ -	\$ -	\$ -	\$ 5,100	\$ 5,100	\$ 5,100	
Task 3 - Environmental Documentation	\$ -	\$ -	\$ -	\$ 28,680	\$ 28,680	\$ 28,680	
Task 4 - Engineering	\$ -	\$ -	\$ -	\$ 27,024	\$ 27,024	\$ 27,024	
Task 5 - Bidding Assistance	\$ -	\$ -	\$ -	\$ 2,210	\$ 2,210	\$ 2,210	
Task 6 - Construction Assistance	\$ -	\$ -	\$ -	\$ 21,950	\$ 21,950	\$ 21,950	
Total Contract	\$ 545,000	\$ 449,426	\$ 95,574	N/A	\$ (38,200)	\$ 95,574	



CITY OF CITRUS HEIGHTS

CITY COUNCIL STAFF REPORT MEMORANDUM

DATE: January 26, 2023

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

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

SUBJECT: **Resolution Authorizing the Application/Receipt of Funds for the Prohousing Incentive Pilot Award**

Summary and Recommendation

On December 15, 2022, the State Department of Housing and Community Development (HCD) announced that the City of Citrus Heights was one of the seven cities statewide awarded the Prohousing Designation. This designation recognizes Citrus Heights for its commitment to policies and practices in removing barriers to housing production.

Concurrent with the designation announcement, HCD launched the new Prohousing Incentive Pilot (PIP) grant program. The grant program is open only to jurisdictions which hold the Prohousing Designation. According to the program guidelines, Citrus Heights is eligible for over \$800,000 in funding and the application is due by March 15, 2023. The PIP program requires City Council authorization to submit the application and funds are awarded on a first-come first-serve basis.

If Citrus Heights is awarded the funds (projected to be \$810,000) the funds will be used for the development of housing and associated programs. The funds could be used towards the development of new for-sale housing units on Sayonara Drive, a long-term housing goal for the City and/or other homeownership opportunities including down payment assistance.

As a result, Staff recommends the City Council Adopt Resolution No. 2023-___, a resolution of the City Council of the City of Citrus Heights Authorizing staff to submit an application for Prohousing Incentive Pilot (PIP) Award.

City Council Strategic Goal/Objective

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

Goal: Maintain and Enhance Fiscal Stability

Objective: Funding Plan for the Redevelopment of Sayonara Drive

Fiscal Impact

If successful, the grant application would provide up to \$810,000 to support the planning or implementation activities related to housing and community development. The grant does not require any matching funds and disbursement of funds are on a reimbursement basis.

Background and Analysis

The California Department of Housing and Community Development (HCD), announced the release of a Notice of Funding Availability (NOFA) for the Prohousing Incentive Pilot Program (PIP). The PIP Program will have nearly \$26 million dollars available for disbursement to those cities and counties who have received the Prohousing designation. The PIP Program is funded through Chapter 364, Statutes of 2017 (SB 2, Atkins), which established the Building Homes and Jobs Trust Fund.

On December 15, 2022, HCD announced seven jurisdictions within the State were awarded the designation, which included Citrus Heights. The City is now eligible to apply for these grant funds. If awarded, the City would utilize the funding to facilitate the City's statutory requirement to replace affordable housing units on Sayonara Drive which were demolished as part of the Sayonara Drive Project in 2010. While these grant funds will be a significant funding boost for the Sayonara Project, the Project requires additional funding sources. Within the next few months, staff will present to the City Council for review and approval, the complete funding plan for the Project. Any remaining funds after the Sayonara Drive project will be allocated for other homeownership opportunities including down payment assistance or similar efforts.

Attachments

1. Resolution No. 2023-__ a resolution of the City Council of the City of Citrus Heights Authorizing staff to submit an application for, and receipt of, Prohousing Incentive Pilot Program Funds.

RESOLUTION NO. 2023-_____**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CITRUS HEIGHTS,
CALIFORNIA, AUTHORIZING APPLICATION FOR, AND RECEIPT OF,
PROHOUSING INCENTIVE PILOT PROGRAM FUNDS**

WHEREAS, pursuant to Health and Safety Code 50470 et. Seq, the Department of Housing and Community Development (Department) is authorized to issue Guidelines as part of an incentive program (hereinafter referred to by the Department as the Prohousing Incentive Pilot Program or “PIP”); and

WHEREAS, the City Council of the City of Citrus Heights desires to submit a PIP grant application package (“Application”), on the forms provided by the Department, for approval of grant funding for eligible activities toward planning and implementation activities related to housing and community development as a result of meeting eligibility criteria including but not limited to Prohousing Designation; and

WHEREAS, the Department has issued Guidelines and Application on December 15, 2022 in the amount of \$25,705,545.65 for PIP;

NOW, THEREFORE, the City Council of the City of Citrus Heights (“Applicant”) resolves as follows:

SECTION 1. The City Manager is hereby authorized and directed to submit an Application to the Department in response to the NOFA, and to apply for the PIP grant funds in a total amount not to exceed \$810,000;

SECTION 2. In connection with the PIP grant, if the Application is approved by the Department, the City Manager of the City of Citrus Heights is authorized and directed to enter into, execute, and deliver on behalf of the Applicant, a State of California Agreement (Standard Agreement) for the amount of \$810,000, and any and all other documents required or deemed necessary or appropriate to evidence and secure the PIP grant, the Applicant’s obligations related thereto, and all amendments thereto; and

SECTION 3. The Applicant shall be subject to the terms and conditions as specified in the Guidelines, and the Standard Agreement provided by the Department after approval. The Application and any and all accompanying documents are incorporated in full as part of the Standard Agreement. Any and all activities funded, information provided, and timelines represented in the Application will be enforceable through the fully executed Standard Agreement. Pursuant to the Guidelines and in conjunction with the terms of the Standard Agreement, the Applicant hereby agrees to use the funds for eligible uses and allowable expenditures in the manner presented and specifically identified in the approved Application.

PASSED AND ADOPTED by the City Council of the City of Citrus Heights this 26th day of January, 2023 by the following vote:

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

ABSTAIN: Council Members:

Tim Schaefer, Mayor

ATTEST:

Amy Van, City Clerk



CITY OF CITRUS HEIGHTS

CITY COUNCIL STAFF REPORT MEMORANDUM

DATE: January 26, 2023

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

FROM: Meghan Huber, Economic Development & Community Engagement
Director

SUBJECT: **Approval of Economic Development Support Fund grant request by the Citrus Heights Chamber of Commerce**

Summary and Recommendation

The City's Economic Development Support Fund – Part I provides grants and sponsorships to business associations, businesses, and other economic development-related organizations for events, marketing and promotions, studies to further economic development, and other economic development-related activities that promote the program goals. The Citrus Heights Chamber of Commerce has submitted an application request in the amount of \$14,848, broken down as follows:

\$10,000 – annual Chairman's Circle sponsorship

The City of Citrus Heights has been a Chairman's Circle sponsor of the Chamber of Commerce for the previous nine years (beginning in 2012)

\$4,848 – annual cost to rent Citrus Heights Community Center facilities to host monthly Chamber luncheons

The Chamber included this additional grant request for the first time last year (FY 21-22) to pilot hosting monthly chamber luncheons at this new location within city limits. Previously the Northridge Country Club in Fair Oaks event space and catering was utilized as it was the closest venue that could regularly accommodate this size of event. The Chamber has expressed gratitude and excitement to now be able to host events within Citrus Heights. Additionally, they have been able to support multiple local restaurants within Citrus Heights by utilizing them for catering services.

The sponsorship meets the goals of the Economic Development Support Fund including improving the perception of the City as business friendly and promoting commercial areas of

Citrus Heights. By supporting the Chamber of Commerce with an annual membership and the hosting of monthly luncheons, we are ensuring local businesses have a place to connect, generate referrals and new business, and be active in the community.

Economic Development staff reviewed the application for completeness per the program funding criteria. The application was then reviewed by the City Council Finance Committee who recommended the application for \$14,848 be forwarded to the City Council for consideration.

Staff and the City Council Finance Committee recommend the City Council approve Resolution No. 2023 ____, A Resolution of the City Council of the City of Citrus Heights, approving a \$14,848 Economic Development Grant for the Citrus Heights Chamber of Commerce from the Economic Development Support Fund – Part I.

City Council Strategic Goal/Objective

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

Goal: Diversify for a resilient economy

Fiscal Impact

In return for the Chairman’s Circle sponsorship, the City will receive the following:

<p>Monthly Luncheons - 4 seats per month</p> <p>Luncheon Sponsorship (City Manager Presentation) - June 5 minutes at the microphone Placement of brochures at each table setting Lunch for 2 additional seats (speaker’s meal complimentary) A display table to display brochures and flyers Name and logo on the luncheon flyer and eblasts as a sponsor</p> <p>Luncheon Sponsorship (Chief Presentation) – September 5 minutes at the microphone Placement of brochures at each table setting Lunch for 2 additional seats (speaker’s meal complimentary) A display table to display brochures and flyers Name and logo on the luncheon flyer and eblasts as a sponsor</p>	<p>Event Sponsorship Installation Dinner – 1 Table of 8</p> <p>Rotating Logo link on Website 16x20 Diamond Sponsor Plaque on the Chamber Wall Listing as Diamond Sponsor on all PPTs Diamond Level Tile on all e-blasts with logo link</p> <p>Newsletter – Logo with Link on all newsletters</p> <p>Four Feature articles in the Newsletter</p> <p>12+ Social Media postings.</p> <p>Total possible impressions = 148,200</p>
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As stated in the application, the Chamber estimates the value of this package to be \$15,000 based on event participation costs and marketing value.

Additionally, positive economic impact will be generated for local Citrus Heights restaurants via catering for monthly luncheons held at the Citrus Heights Community Center.

The Economic Development Support Fund has \$148,047 allocated for FY 2022-2023 (100-51-140-53450) with \$107,923.00 currently available. Should City Council approve this application, there will be \$93,075 remaining funds available for FY 2022-2023.

Background and Analysis

The City created the Economic Development Support Fund Part I and II to improve economic development in the City by providing funding for special events, marketing activities, sign and design assistance, and other related activities that provide a public benefit to the City. Part I of the program is available to business associations, individual businesses, and economic development-related organizations or efforts that meet the program goals for event sponsorships, grants for marketing and promotions, studies to further economic development, and other economic development-related activities that promote program goals.

For reference, the Economic Development Part II program offers design assistance and sign improvement grant resources for commercial properties.

To be considered for the Economic Development Support Fund Part I, interested parties submit an application along with any supporting documentation as appropriate. Upon receipt, staff reviews the application per the following funding criteria:

1. **Program Goals:** Meet one or more of the program goals.
2. **Targeted Areas:** Applications are not limited to specific geographical areas in the City, but applications benefiting Antelope Crossing, Auburn Boulevard Specific Plan Area, former Redevelopment Area, or the Sunrise MarketPlace are emphasized.
3. **Projected Outcome:** Each application must describe the expected outcome of the project, program or event (e.g., expect 1,000 attendees; increased awareness of area/city; expand trade zone).
4. **Leveraging Investment:** Funding from the City cannot be the sole funding source. Favorable applications will demonstrate how funds are affectively leveraging public or private investment (i.e., grant match).
5. **Sustainability:** Ability of the association, business, or group to carry out the described program, project or event over time without continuous financial support from the City.
6. **Public Benefit:** Description of how the proposed program, project, or event is a benefit to the city/community.

The Citrus Heights Chamber of Commerce applied for a \$14,848 Economic Development Support Grant Part I on December 7, 2022. Staff has determined the application adequately meets the program funding criteria. Please refer to Attachment 2 for a copy of the funding application.

The Finance Committee reviewed the funding request and recommended it for approval.

The City of Citrus Heights and the Citrus Heights Chamber of Commerce have benefited from a productive partnership over the past several years. The Chamber has supported and promoted City programs in addition to working on projects through its overall mission, and through the Community Affairs Committee and collaborative work with Auburn Blvd Business Association.

Attachments

1. Resolution No. 2023-__: A Resolution of the City Council of the City of Citrus Heights, Approving a \$14,848 Economic Development Grant to the Citrus Heights Chamber of Commerce from the Economic Development Support Fund – Part I
2. Citrus Heights Chamber of Commerce Part 1 Funding Application

RESOLUTION NO. 2023- ____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CITRUS HEIGHTS,
CALIFORNIA, APPROVING A \$14,848 GRANT TO THE CITRUS HEIGHTS CHAMBER OF
COMMERCE FROM THE ECONOMIC DEVELOPMENT SUPPORT
FUND – PART I**

WHEREAS, in March 2021, the City Council created a new three-year Strategic Goal entitled “Diversify for a resilient economy”;

WHEREAS, the City of Citrus Heights offers the Economic Development Support Program to provide funding for special events, marketing activities, or other economic development related activities that provide a public benefit to the City;

WHEREAS, \$148,047 was allocated for the Economic Development Support Fund for Fiscal Year 2022-2023;

WHEREAS, the Citrus Heights Chamber of Commerce has submitted an application for \$14,848 to the Economic Development Support Fund – Part I; and

WHEREAS, the \$14,848 request is comprised of a \$10,000 Chairman’s Circle Diamond sponsorship (a \$15,000 value) and \$4,848 to host monthly luncheons at the Citrus Heights Community Center,

WHEREAS, the Finance Committee reviewed the application and recommended to the City Council that the application be approved in the amount of \$14,848.

NOW THEREFORE BE IT RESOLVED AND ORDERED that the City of Citrus Heights does hereby approve a grant in the amount of \$14,848 for the Citrus Heights Chamber of Commerce from the Economic Development Support Fund (100-51-140-53450).

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 26th day of January 2023 by the following vote, to wit:

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

Tim Schaefer, Mayor

ATTEST:

Amy Van, City Clerk

APPLICATION FOR ECONOMIC DEVELOPMENT SUPPORT FUND – PART I FUNDING

Part One – General Information

Organization Name: Citrus Heights Chamber		Project Name: Chairman's Circle Sponsorship
Address:	7625 Sunrise Blvd., Suite 207 Citrus Heights CA 95610	Phone: 916-722-4545
Mailing Address	PO Box 191 Citrus Heights CA 95611	Website: chchamber.com
Contact Person (Name/Title):	Diane Ebbitt, Executive Director	Phone: 916-722-4545 Email: diane@chchamber.com
Amount of Funding Requested:		\$14,848

Part Two – Project Specifics

The Citrus Heights Chamber is requesting the city participate in the Chairman's Circle Sponsorship program. The city has participated as a sponsor for many years in the past. Support for the previous eight fiscal years is outlined below:

2021/22	\$14,848 Chairman's Circle Diamond Sponsorship awarded through the City's Economic Development Support Fund.
2020/21	\$10,000 Chairman's Circle Diamond Sponsorship awarded through the City's Economic Development Support Fund.
2018/19	\$10,000 Chairman's Circle Diamond Sponsorship awarded through the City's Economic Development Support Fund.
2017/18	\$10,000 Chairman's Circle Diamond Sponsorship awarded through the City's Economic Development Support Fund.
2016/17	\$10,000 Chairman's Circle Diamond Sponsorship awarded through the City's Economic Development Support Fund.
2015/16	\$10,000 Chairman's Circle Diamond Sponsorship awarded through the City's Economic Development Support Fund.
2014/15	\$10,000 Chairman's Circle Diamond Sponsorship awarded through the City's Economic Development Support Fund.
2013/14	\$10,000 Chairman's Circle Diamond Sponsorship awarded through the City's Economic Development Support Fund.
2012/13	\$7,500 Community Support Funding.

The City of Citrus Heights and the Citrus Heights Chamber of Commerce have benefited from a productive partnership over the past several years. The Chamber has supported and promoted City programs in addition to working on projects through its overall mission, and through the Economic Development Committee, and the Government Issues Committee. Those programs include:

- Continued efforts to support ABBA (Auburn Boulevard Business Association), and Sunrise MarketPlace.
- Board member of Citrus Heights HART
- Member of Mayor's Connect Citrus Heights
- Continue participation in Sunday Funday
- Host an Annual Elected Officials Reception in August
- Hosted VIP Mixer / Reception for State of the City Address
- Participate in P.I.T. (Public Information Team)
- Semi-monthly meetings with Economic Development and Communications Manager
- Assist with the City's "Love Local" Campaign, started "Love Local" videos October 2022
- Participated in "PAL's Annual Truck or Treat", Miracle Forrest and, "PAL's Cornhole Tournament" 2022
- Continue participation in the Holiday Referral Program
- City Manager and Chief of Police luncheon speakers

The Chamber is requesting the city participate as a Diamond Level Sponsor, valued at more than \$15,000. In exchange for the Sponsorship, the city will receive the following assets:

Monthly Luncheons - 4 seats per month

Luncheon Sponsorship (City Manager Fireside Chat) - June

5 minutes at the microphone

Placement of brochures at each table setting

Lunch for 2 additional seats (speaker's meal complimentary)

A display table to display brochures and flyers

Name and logo on the luncheon flyer and eblasts as a sponsor

Luncheon Sponsorship (Chief Presentation) – September

5 minutes at the microphone

Placement of brochures at each table setting

Lunch for 2 additional seats (speaker's meal complimentary)

A display table to display brochures and flyers

Name and logo on the luncheon flyer and eblasts as a sponsor

Event Sponsorship

Installation Dinner – 1 Table of 8

Rotating Logo link on Website
16x20 Diamond Sponsor Plaque on the Chamber Wall
Listing as Diamond Sponsor on all PPTs
Diamond Level Tile on all e-blasts with logo link

Newsletter – Logo with Link on all newsletters

Four Feature articles in the Newsletter

12+ Social Media postings.

Total possible impressions = 148,200

2). **PROGRAM PURPOSE:** Describe which of the following program objective your project meets. More than one project objective may be identified.

- **Increase Job Base:** Through the Chamber's programs, committees and activities, the Chamber supports business growth and expansion. The Chamber provides networking, education and business-to-business opportunities through its luncheons, breakfasts, and mixers. The Chamber hosted a Tabletop mixer at Green Acres to promote Chamber members.
- **Increase tax base:** Through our Community Affairs Committee, the Chamber supports local and state legislation that is business friendly and opposes measures that would provide obstacles to a business' success. Through the Economic Development Committee, the Chamber partners with the city to attract new business and retain existing business in the city. The Committee provides an open forum for elected officials, utilities, and service providers to update and share upcoming initiative and activities in the government arenas. New "Love Local" restaurant coupon program, objective is to bring customers from outside Citrus Heights to our City's restaurants.
- **Promote/Market specific commercial areas of the city:** The Chamber continues to support the local business associations; Auburn Boulevard Business Association and Sunrise MarketPlace. The Chamber works with the City to address concerns and issues affecting the business community and to help resolve issues.
- **Attract new shoppers and visitors to the city:** The Chamber partners with other Chambers in the area to provide venues for members to engage other members from outside the city limits. The quarterly Sunrise Corridor Chambers' Power Luncheon brings members from the Rancho Cordova, Carmichael, Fair Oaks, and Orangevale Chambers together. Selecting a city restaurant to host the event provides local businesses opportunities to showcase their services. This year Boston Pizza hosted the event.

- **Create or enhance a sense of place:** The Chamber will continue to work with the CHPD and City on managing those issues that concern and impact our businesses; homelessness, graffiti, illegal signs, and other quality of life issues. The Chamber will work closely with the Navigator Program and HART to help with the City's homeless issues. Executive Director is a Board member on Citrus Heights HART and volunteer with the Citrus Heights Police Department. The Chamber supports the City's Beautification program.
- **Improve perception and promote the city as business friendly:** The Chamber invites the City and CH Police department to be guest speakers at a monthly Chamber Luncheon so that the business community can hear about updates, ask questions and have access to the City's Mayor, City Council Members and City Manager. The Chamber also hosts an annual Elected Officials Reception which allows businesses to network directly with local, county and state officials. In summary, our active committees, regular and special events, along with established programs help make this an attractive location for regional businesses.

3) PROJECTED OUTCOME / BENEFIT. What is expected to result from this project? Describe how accurate record of this was obtained and will be maintained. Also, using the objectives listed in #2 above; describe how the proposed program, project or event is providing a benefit to the city / community? (No more than 1 page, typed).

In addition to the services outlined above, the Chamber will provide a strategic plan for 2023 Economic Development efforts to meet the overall goal of providing relevant and useful training and information to business owners. The Chamber commits to continue to be active with A.B.B.A. Every Friday, a newsletter is sent to over 800 email addresses with Classes listed and offered by SBA. Continue to meet with and work with SBDC – Small Business Development Center. The Chamber commits to continue Semi- monthly communication with the city and staff.

4) LEVERAGING OF FUNDS. What is the total project cost? How much of this is the City being asked to fund? Does your organization have any other funds or funding commitments to assist in the funding of the project?

The Chamber has a current operating budget of \$210,000. The Sponsorship requested is a small percentage of the overall funding sources. The Chamber receives a regular stream of revenue from membership dues, event sponsorships, luncheon fees, and Chairman's Circle sponsorship.

The Citrus Heights Chamber of Commerce should not be holding our monthly lunches outside of Citrus Heights. We prefer to use the Community Center and we are asking the City of Citrus Heights Economic Development Department to sponsor this location. By using the Community Center –

- It shows a strong partnership with the city
- It gives us the opportunity to use different restaurants and caterers in Citrus Heights
- We will bring people into the Center and the area

We are asking for \$10,000 for the Diamond sponsorship, and \$4,848 for the South Room ABC at the Community Center. 2022 example of caterers used: Panera Bread, Boston Pizza, Panda Express, Yummy Tummy, R Vida Cantina.

5) SUSTAINABILITY. In almost all cases the City's support of an outside organization should be considered a temporary or one-time commitment. Does your organization or event have a plan to become financially self-sustaining?

The Chamber activity pursues new corporate sponsorships (Chairman Circle Program) to fund special events and provide services to its members. The Chamber leverages the City's support as an example to the value of partnerships for a stronger business economy within the city.

The sponsorship is evaluated each year to meet the City's and Chamber's changing needs and priorities. The City / Chamber partnership has been productive since the incorporation of the City of Citrus Heights. The Chamber anticipates that this mutually beneficial partnership will continue and indeed expand through the future years.

The Chamber hosts different fundraising events each year to help offset our operation cost.

6) SCHEDULE. Provide a schedule indicating when funds will be needed, when the project is to be implemented, and when it will be completed.

Funding is requested within the next month so that the Chamber can begin to prepare and allocate assets for the city.

By signing this document, I certify that I will only use the City funds for what has been outlined in this application.

Signature

Date:

*if approved, the applicant must provide a summary of the award, no later than 30-days after the end of the program, project or event.

*** The program is based on a non-COVID year.



CITY OF CITRUS HEIGHTS

CITY COUNCIL STAFF REPORT MEMORANDUM

DATE: January 26, 2023

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

FROM: Casey Kempenaar, Community Development Director

SUBJECT: **Authorization for Issuance of an RFP for Professional Services related to consideration of potential annexation areas**

Summary and Recommendation

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

The evaluation and outreach necessary to consider any potential annexation areas will require consultant support. Staff recommends the City Council move to authorize the City Manager to issue a Request for Proposals (RFP) substantially similar to the draft attached to this staff report for consultant support to evaluate the fiscal impact or benefits and community support/outreach for four potential annexation areas.

City Council Strategic Goal/Objective

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

Goal: Enhance Community Vibrancy and Engagement

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

Fiscal Impact

The final sources for and amount of funding would be identified when the RFP contract comes before City Council in the future for award.

The professional services derived from this RFP would provide the Council with a well-rounded understanding of the fiscal benefits or costs associated with each of the four potential annexation

areas under consideration. Additionally, the RFP will outline a roadmap including rough magnitude of costs for any annexations the Council considers moving forward with.

Background and Analysis

At the City Council Strategic Planning Retreat on May 10, 2022 a goal was set to evaluate annexation opportunities in Citrus Heights. At the September 22, 2022 Council Meeting the City Council provided direction and feedback to proceed with evaluating the feasibility and conducting outreach related to four geographic areas for consideration. The following general work plan was previously provided to the Council:

1. Communicate with Sacramento County regarding tax sharing framework.
2. Use targeted mailers to connect with affected geographies considered for annexation. Host an Open House for impacted properties to determine level of support for annexation areas. The Open House will include City Staff, LAFCO, and key stakeholders to answer questions and receive feedback.
3. Conduct Fiscal Impact Analysis based on Step 1 for areas where residents support annexation.
4. Report to City Council the outcomes of Steps 1-3 and receive direction on next steps.

Due to the number of variables, level of engagement involved, and niche area of work, staff requires consultant support and expertise for the implementation of the proposed work plan.

If the Council Directs staff to move forward, the following action plan is anticipated:

- January 2023: Authorize issuance of an RFP for Annexation Feasibility Support Services
- March 2023: Interview and select finalist for recommendation
- April 2023: Present consultant contract to City Council for consideration
- April 2023 – December 2023: Implementation of Work Plan
- December 2023: Department report to present the findings of the Feasibility Analysis and seek further direction from City Council

A cross-departmental working group will consistently collaborate on execution of the Annexation Feasibility Analysis including the City Manager's Office, Community Development Department, General Services Department, Police Department, and Economic Development and Community Engagement Department staff.

Attachments

1. Annexation Feasibility Study and Outreach Project RFP



Public Notice

REQUEST FOR PROPOSALS (RFP)

Citrus Heights Annexation Feasibility Study and Outreach Project

Release Date: January 27, 2023

Deadline for Submission: 4:00pm Friday, March 3, 2023

Contact person: Casey Kempenaar

City of Citrus Heights
6360 Fountain Square Drive
Citrus Heights, CA 95621-5577
(916) 725-2448

REQUEST FOR PROPOSALS

Citrus Heights Annexation Feasibility Study and Outreach Project

RELEASE DATE: January 27, 2023

CLOSING DATE: 4:00pm Friday March 3, 2023

CONTACT PERSON: Casey Kempenaar
Community Development Director
916-727-4764
ckempenaar@citrusheights.net

City of Citrus Heights
6360 Fountain Square Drive
Citrus Heights, CA 95621-5577

Purpose

The City of Citrus Heights is requesting proposals from qualified consultants/economists to assist with the Citrus Heights Annexation Feasibility Study and Outreach Project. The intent is to evaluate four locations adjacent to the City limits for feasibility of annexation and outreach to and engage with effected property owners and residents.

The City

The City incorporated as a General Law city with a Council/Manager form of government in January 1997. It is located approximately 10 miles east of downtown Sacramento on Interstate 80 between Sacramento and Roseville, California. The City has a population of almost 90,000 residing in a 14 square mile area in a mature, urbanized area estimated to be approximately 97% built out.

The City currently employs over 190 full-time employees providing services in the areas of community development, general services, general administration, economic development, finance and police services. Citrus Heights is not a full-service city. Various special districts within Citrus Heights provide such services as water, fire, schools, and parks & recreation. The City Council priorities include maintain fiscal stability, improving streets and infrastructure, diversifying for a changing economy, enhancing and expanding public safety, and improving community vibrancy and engagement.

Project Background

After a 10 year legal battle all the way to the United States Supreme Court, the City of Citrus Heights finally incorporated in 1997. During the incorporation effort, the City limits evolved and shifted as part of the annexation process and discussions with voters, LAFCO, and Sacramento County. As a result, the current City limits has a variety of jogs and irregular shapes in relation to the surrounding unincorporated county.

Shortly after incorporation, the City prepared its first General Plan which was adopted in 2000. The original General Plan and subsequent 2011 update included several Actions related to annexation:

Goal 16: Make adequate land available for economic development opportunities

Policy 16.1: Expand the boundaries of the City to provide for future non-residential development, as shown on Map 1: Land Use Diagram.

Actions:

- A. Request Sacramento County Local Agency Formation Commission (LAFCO) to amend the City's Sphere of Influence to allow for future expansion of the City to accommodate new businesses and industry to diversify the City's economic base.
- B. Pursue possible annexations of all or parts of areas around the Greenback Lane and Auburn Boulevard/Riverside Avenue interchanges to gain better control of routes into the City and to establish a distinctive City presence along Interstate 80.
- C. Pursue annexation of land northwest of the current city limits to provide for existing and future industrial development.
- D. Conduct a fiscal analysis of potential annexations.

At the May 10, 2022 Strategic Planning Meeting, the City Council established an objective to evaluate opportunities for annexation into the City of Citrus Heights. In September 2022, staff provided a history of previous annexation discussions and provided an [outline](#) of the potential annexation process and potential areas for consideration. Previous Fiscal Impact Reports for two of the four annexation areas are included in the Agenda Packet.

At the September 22, 2022 meeting, the City Council directed staff to proceed with an outreach and feasibility process for four areas to consider annexation. These include:

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

A map of each of these locations is included as Attachment B. These locations are approximate will be refined and reviewed as part of the initial kickoff meeting with the consultant based on direction from City staff.

The City is requesting professional services to assist with evaluating the feasibility of annexation of these areas and outreach to affected residents/property owners.

Scope of Work

Project Goal

The city seeks to comprehensively understand:

1. The options, fiscal and economic benefits and drawbacks to annexing four specific geographies into the City.
2. The level of support or opposition of residents/businesses/property owners that are likely to be impacted by potential annexation

Deliverables

- Provide a preliminary Fiscal Impact background memo of key considerations to guide discussion between City and County Staff about the potential annexation areas. This memo should provide City staff with key intelligence and deal points that should be brought forth for consideration.
- Provide a Fiscal Impact Analysis (FIA) for each of the four annexation areas. The FIA scope of work should include a minimum of two iterations to factor in feedback from discussions with Sacramento County.
 - The FIA should include a full outline of anticipated costs and expenditures after the completion of any annexation. Careful coordination with City staff related to infrastructure impacts, police services, etc. is required.
 - The FIA should include projected revenues and expenses, and the impacts on City operations, public services and infrastructure for various annexation scenarios
- Provide an outreach plan for each of the four annexation areas being discussed. The plan should include outreach methods, approaches, etc. The consultant should recommend whether or not all four annexation areas are engaged collectively or individually. The scope of work should include facilitation of the meeting(s) including presentation and approach suggested to obtain meaningful feedback.
- Provide an evaluation of each annexation area being considered. The consultant should recommend specific annexation area boundaries that should be considered for proceeding based on the FIA and community feedback for each annexation area. While the City Council has provided general direction, the consultant should identify the specific boundaries that should be considered based on fiscal benefit for the City and community support within each impacted area.
- Provide an implementation plan that outlines next steps, costs, and associated decision points necessary to move each annexation forward if directed by the City Council. The

memo should assess and advise regarding existing and pending policies, regulations, and laws that may benefit or impair expansion.

- The Consultant should include attendance at a minimum of two City Council meetings to present the findings of the FIA and outreach. This may include regular council meetings and/or an ad-hoc committee meeting as determined through consultation with City Staff.

A technically accurate document is essential, but the City also requires submitted proposals to be easy to use. The proposal text must clearly address the scope topics raised and listed under the “Deliverables” section of this RFP, and must indicate where supporting documentation/evidence for conclusions, policies or synopsis of data is found.

Proposal Format

- **Cover Letter**
- **Company Overview:** Should contain a brief description of vendor’s company and its qualifications and technical capacity, listing of all sub-consultants, explanation of past projects relevant to all phases of the project described in this RFP, and a minimum of three references with URLs and contact information.
- **Project Approach:** Should include a statement of the project as vendor understands it, and a description of vendor’s development process or execution plan (project stages, milestones, and deliverables). It should also describe vendor’s quality control and testing processes and criteria, and a general timeline (number of days to complete project).
- **Project Experience:** Should include examples of similar projects with which vendor has experience
- **Project Team:** Should list the proposed team (including sub-consultants), their qualifications and roles. May also request identification of a project manager and resumes for all team members.
- **Project Pricing:** Should include fixed price amount for development, assumptions, and/or terms of payment.

Evaluation Criteria

Proposals will be evaluated based on qualifications and ability to execute quality work product in an expedited manner.

Key Action Dates/Timeline

Release of RFP: January 27, 2023

Deadline for Receipt of Proposal: 4:00pm, Friday March 3, 2023

Notifications to Finalists: Wednesday, March 22, 2023

Interviews with Finalists: Wednesday, March 29, 2023

Tentative Date of Award of Contract*: Friday, April 14, 2023

*Dependent on final funding plan and approval by Citrus Heights City Council

Page Limits and Submittal Instructions

The proposal shall be limited to a maximum of 20 double-sided sheets maximum including cover letter and resumes. The submittal shall be emailed in PDF format to ckempenaar@citrusheights.net

General Terms & Conditions

Limitation: The Request for Proposals (RFP) does not commit the City of Citrus Heights (City) to award a contract, to pay any cost incurred in the preparation of the firm's RFP response or to procure or contract for services or supplies. The City reserves the right to accept or reject any or all RFP responses received as a result of this request, to negotiate with all qualified sources or to cancel all or part of this RFP.

Award: The firm/entity selected may be required to participate in negotiations and to submit such revisions of their proposals as may result from negotiations. The City reserves the right to award a contract/select a service provider without discussion based upon the initial proposals.

Insurance: The consultant shall maintain in full force and effect the insurance as outlined in **Attachment A**. The City reserves the right to waive or modify such insurance coverage. However, consultants meeting the insurance requirements will receive greater consideration during the selection procedure. All insurance shall be evidenced by a Certificate of Insurance and endorsement, acceptable to the Risk Manager, prior to execution of a contract. The consultant shall state their ability to meet the City's insurance requirements within their submittal.

Signature: The consultant's RFP response shall provide the following the following information: name, title, address and telephone number of individuals with authority to bind the service provider and also who may be contacted during the period of proposal evaluation. The consultant's RFP response shall be signed by an official authorized to bind the consultant, signifying complete understanding of and ability to comply with all requirements of the RFP, including those related to insurance as identified above.

Submission Instructions

Email or mailed proposals must be received no later than **4:00pm Friday, March 3, 2023** at the City of Citrus Heights:

Casey Kempenaar
Community Development Director
City of Citrus Heights
6360 Fountain Square Drive
Citrus Heights, CA 95621-5577
ckempenaar@citrusheights.net

Late proposals will not be accepted.

The Video from the September 22, 2022 Council Meeting is available to view here:
<https://www.youtube.com/watch?v=ixCjC7HrBr8&feature=youtu.be>

Attachments: Attachment A – Standard Insurance Requirements
Attachment B – Council directed annexation area maps

Attachment A

Standard Insurance Requirements

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

In order to comply with the bonding and insurance requirements contained in your contract with the City of Citrus Heights there are several things that we require. It is our intent to facilitate consideration of every project, so we are including here a **summary** checklist for your convenience.

All bonds and insurance requirements need to be complete and submitted prior to your contract being approved.

1. GENERAL

- A. Send these requirement sheets to your insurance broker for immediate compliance.**
- B. NO CONTRACTS WILL BE APPROVED UNTIL ALL BONDS AND CERTIFICATES ARE IN ORDER.**
- C. New and renewal Certificates and endorsements must reference a specific job. "All Operations" certificates are not acceptable.**
- D. All contractors and subcontractors working on a project or jobsite must meet the same insurance requirements you do, prior to starting work on the project or site.**
- E. All insurance companies must have an AM Best rating of A:VII or better.**
- F. Any deductibles must be declared to and approved by the City.**
- G. All insurance coverage, with the exception of Professional Liability coverage must be written on a full "per occurrence" basis.**
- H. A 30-day cancellation notice is required, and written or modified to a form that binds the insurer to provide it. For non-payment of premium, a 10-day notice is acceptable.**
- I. Expiration dates are required on all certificates.**
- J. All Bonds and Certificates must have an original signature.**

2. GENERAL LIABILITY/AUTOMOBILE LIABILITY

- A. GENERAL LIABILITY**
 - \$4,000,000 General Aggregate
 - \$2,000,000 Products and/or Completed Operations
 - \$2,000,000 Each Occurrence**AUTOMOBILE LIABILITY**
 - \$1,000,000 Combined Single Limit
- B. WORKERS' COMPENSATION AND EMPLOYER'S LIABILITY**
 - STATUTORY Workers' Compensation

C. PROFESSIONAL LIABILITY

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

3. ENDORSEMENTS

A. The GENERAL LIABILITY AND AUTOMOBILE LIABILITY policies are to be endorsed to contain, the following provisions:

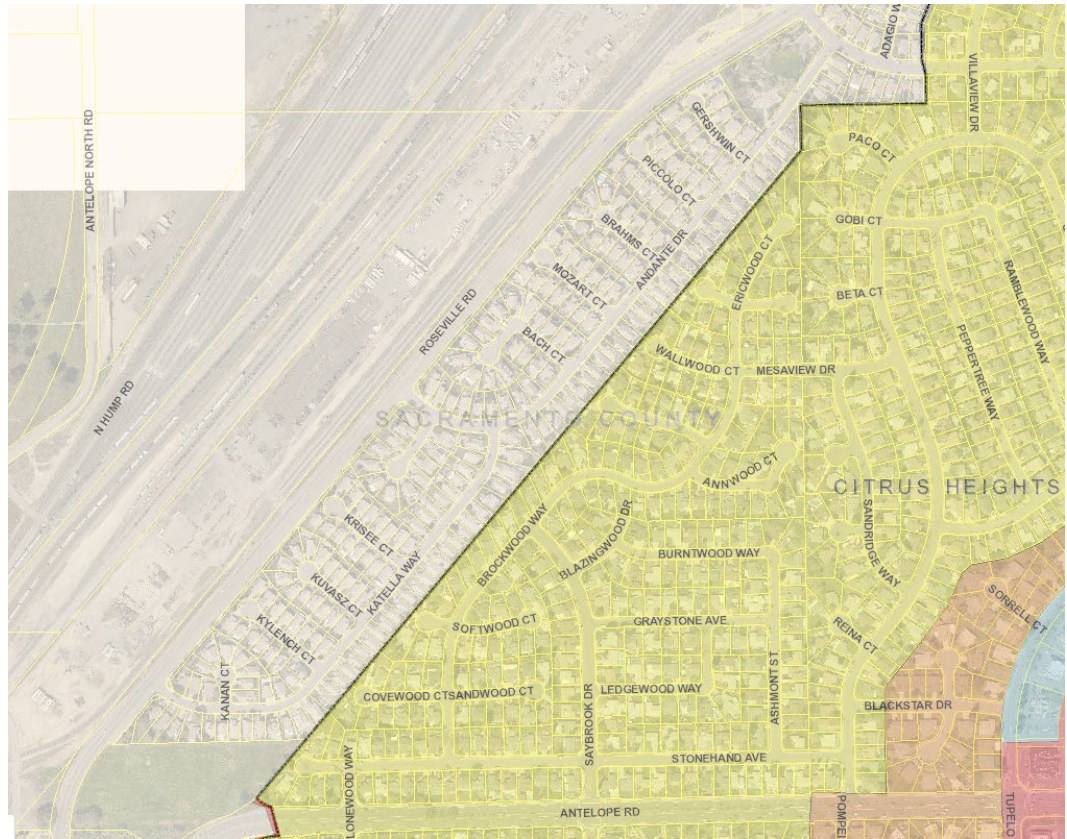
1. The Entity, its officers, officials, employees, and agents are to be covered as insureds with respect to liability arising out of automobiles owned, leased, hired or borrowed by or on behalf of the contractor; and with respect to liability arising out of work or operations performed by or on behalf of the Contractor including materials, parts or equipment furnished in connection with such work or operations. General Liability coverage shall be provided in the form of an **Additional Insured endorsement** (CG 20 10 11 85 or equivalent) to the contractor's insurance policy, or as a separate owner's policy.
2. There must be an **endorsement** indicating that coverage is primary and non-contributory with respect to additional insureds.
3. There must be an **endorsement** that includes a severability of interest clause. (cross liability).
4. Where applicable, the General Liability policy shall contain an endorsement or provision stating that such insurance applies to the liability assumed by any subcontractor. (Owners and Contractors Protective)
5. The General Liability coverage shall be at least as broad as ISO form CG 00 01 (ed. 10/01).
6. The auto coverage shall be provided for owned, hired, and non-owned autos.
7. The auto coverage shall be as broad as ISO form CA 00 01.

B. The WORKERS COMPENSATION/EMPLOYERS LIABILITY policy must contain an endorsement with a waiver of subrogation in favor of the City of Citrus Heights for all work performed by the contractor, its employees, agents and subcontractors.

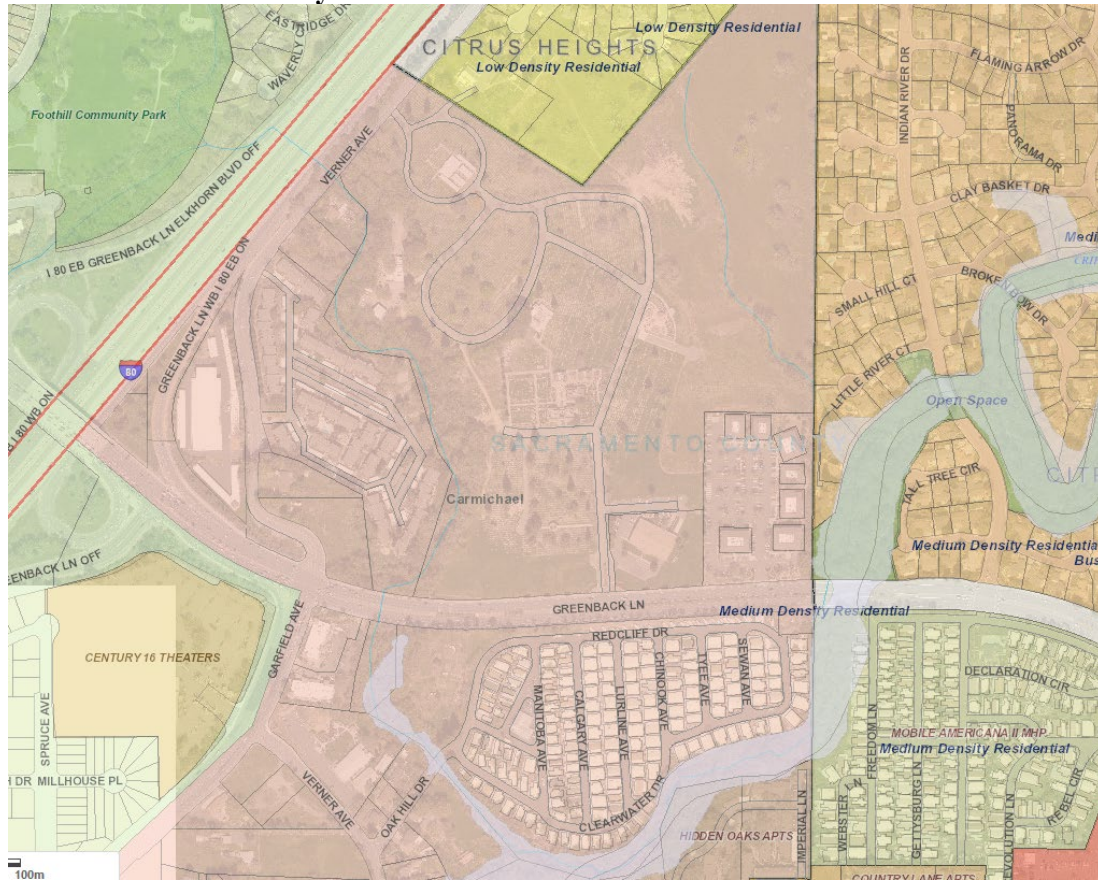
C. Acceptance of any bond, certificate of insurance, or endorsement showing proof of insurance required by your contract does not constitute approval or agreement by the City of Citrus Heights that the insurance requirements have been met or that the bond or insurance policies referenced on any certificates and endorsements are in compliance with your contractual requirements.

Attachment B: Potential Annexation Locations

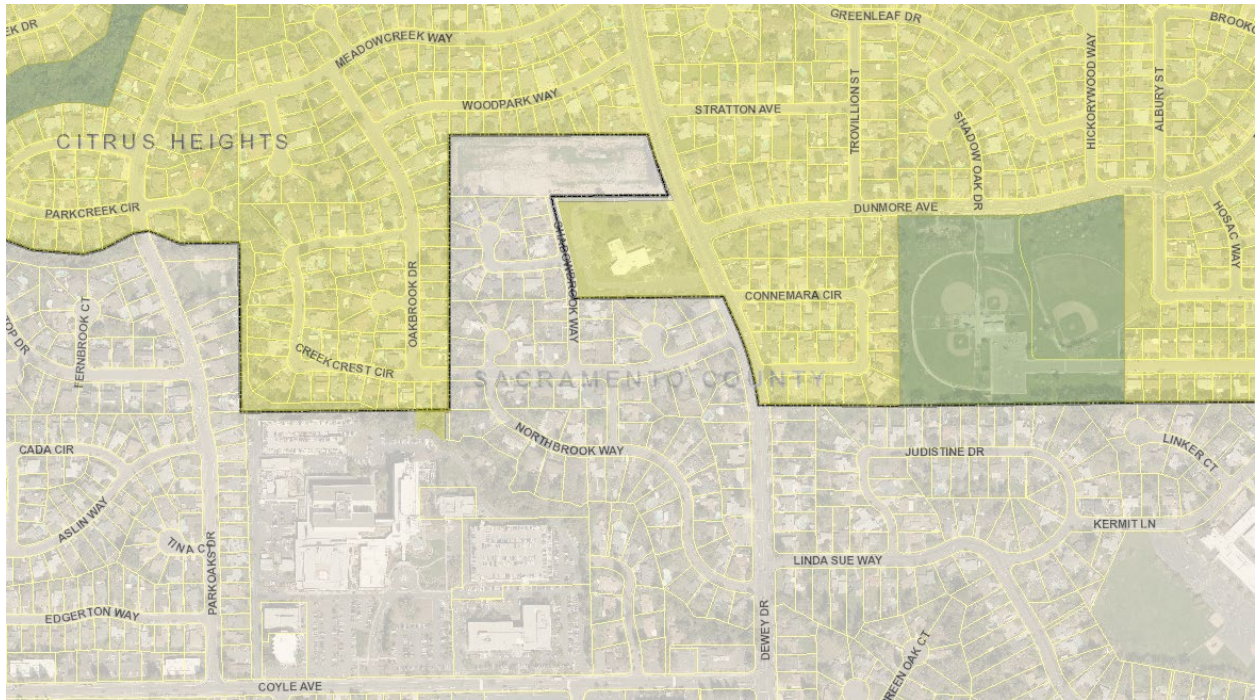
1. Roseville Pointe



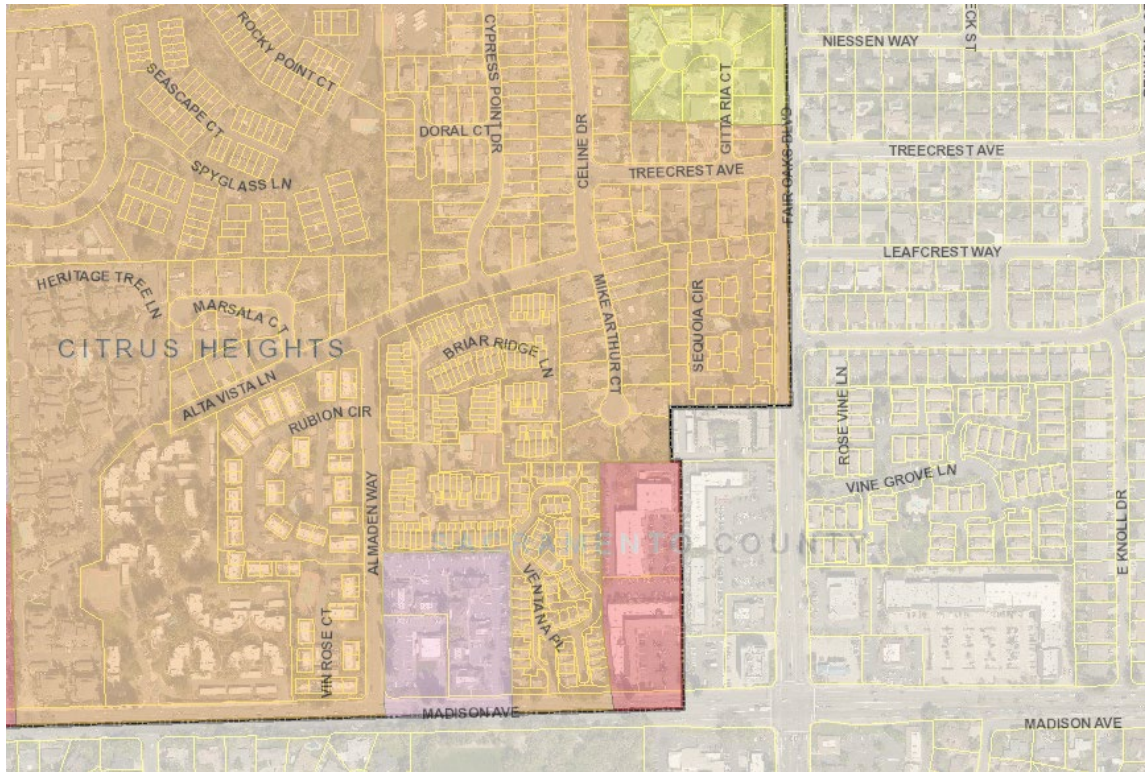
2. Greenback Gateway



3. Dewey Drive



4. Fair Oaks/Madison





CITY OF CITRUS HEIGHTS

CITY COUNCIL STAFF REPORT MEMORANDUM

DATE: January 26, 2023

TO: Mayor and City Council Members

FROM: Ashley J. Feeney, City Manager

SUBJECT: Patriotic Event Considerations – Professional Fireworks

Summary and Recommendation

In an effort to increase community connection and engagement consistent with recommendations outlined in the City Council adopted Focus Area Workplan and current Strategic Objectives, staff has been exploring feasibility, costs, logistics and options for a patriotic event. In evaluating options that could be executed in 2023, staff believes a professional firework show and musical performance along with some supporting ancillary activities is viable. The details are described further in the background and analysis section of this report. A professional fireworks display is a time sensitive matter as firework orders need to be placed in early February 2023. If a professional fireworks show is not desired, staff would come back for discussion of other options at a future meeting.

Should City Council desire a patriotic event to occur in 2023 that includes a professional firework display, staff recommends the City Council approve Resolution No. 2023____, A Resolution of the City Council of the City of Citrus Heights, approving a not to exceed allocation of \$80,000 of American Rescue Plan Act (ARPA) funds for a patriotic community event in recognition of Independence Day and Finding the Event to be Categorically Exempt from the California Environmental Quality Act.

City Council Strategic Goal/Objective

This staff report aligns with the following Citrus Heights City Council adopted Three-Year Goals and Strategic Objectives, (November 1, 2022-May 1, 2023):

Three-Year Goal: Enhance Community Vibrancy and Engagement

Strategic Objective: Explore feasibility, costs, logistics and options for a patriotic event and present to City Council.

This staff report also aligns with the following recommendations from City Council adopted *Focus Area Workplan* Community Connection Focus Area Recommendation Summary:

- Consider allocation of ARPA funding to help promote additional community building opportunities as residents recover from isolation associated with the pandemic.
- Plan one new event in addition to the two existing events currently in production (i.e. Sunday Funday and 25th Anniversary Concert with Capitol Pops)

Fiscal Impact

In consultation with a reputable expert in planning and executing professional fireworks displays, the anticipated budget for this event would be approximately \$60,000 to \$80,000. This estimated cost would cover the planning and design work, purchase of the fireworks and delivery of the show by firework professionals, a musical performance, traffic control, staffing and other ancillary costs associated with putting on an event.

The costs associated for the event are not included in the current budget. Should City Council ultimately desire to move forward with a patriotic event in recognition of Independence Day, staff recommends ARPA money be allocated to cover the costs during this budget period. Use of ARPA dollars to augment the existing budget for additional community events was envisioned as part of the City Council adopted Focus Area Workplan. Discussion of budgeting for future community events would be handled as part of the upcoming two-year budget preparation.

The table below provides a history of ARPA allocations to date along with the remaining balance that is to be allocated by December 2024 with expenditures occurring by December 2026:

ARPA Approved Committed Funds		
		Total Award \$ 15,676,972.00
		Committed
6/24/2021	Rehire Public Safety staff to pre-pandemic levels FY 21/22	\$ (1,570,104.50)
6/24/2021	Rehire Public Safety staff to pre-pandemic levels FY 22/23	\$ (2,811,775.00)
1/13/2022	Small Business COVID Recovery Grant	\$ (281,111.00)
6/23/2022	Beautification Crew Pilot Program	\$ (875,000.00)
6/23/2022	Police Fleet Vehicles & Equipment	\$ (1,400,000.00)
6/23/2022	Public Safety Communications Center Critical Needs	\$ (600,000.00)
6/23/2022	Block Party Trailer - Economic Development	\$ (50,000.00)
9/22/2022	Community Projects Grant Program	\$ (50,000.00)
10/27/2022	ERP System and Technology Updates	\$ (1,198,350.00)
12/8/2022	Infrastructure Financing Strategies for Sunrise Tomorrow	\$ (40,000.00)
12/8/2022	REAP 2.0 Higher Impact Transformative Allocation *	\$ (1,000,000.00)
1/26/2023	Patriotic Event	\$ (80,000.00)
Remaining Balance		\$ 5,720,631.50

* dependent on successful award of grant

While the table above notes an allocation of \$80,000 of ARPA funds should a professional firework show be desired by City Council, the allocation would be a not to exceed amount and may ultimately be less than the allocated amount. If less than \$80,000, any remaining allocated funds would remain in the ARPA account and be available for other uses.

Background and Analysis

The City of Citrus Heights enjoyed a fireworks show at the Sunrise Mall for many years. In 2012, Sunrise Mall made the decision to retire the annual event due to “safety and financial reasons”. The City also held the Red, White and Blue Parade for 19 years celebrating the Fourth of July until it was discontinued in 2019 due to declining attendance and participation. The community and the City Council have consistently voiced a desire to create a new patriotic event for community enjoyment. The delivery of new community events take a considerable amount of staff time and planning. In evaluating what could realistically be delivered in 2023, staff feels that a fireworks show and a musical performance is a viable initial scope to begin what could potentially be a new annual patriotic event that could evolve and be refined in the coming years.

Staff evaluated the limited number of sites in the City where a fireworks show event may be possible and also consulted with a fireworks show expert on various locations. A potential site needs the following:

1. A minimum clearance radius from the fireworks launch site
2. Maximum line of sight visibility from viewing areas
3. Capacity for anticipated current and future years audience attendance and parking needs.

After extensive research, it was determined the best site to deliver a community show would be the City Hall campus; Van Maren Park would serve as main viewing area and temporary street closure areas north of the Fountain Square round-about would provide additional capacity (see Attachment 2). Of strategic importance is the fact that staff can directly authorize use of City Hall for this type of public event. This allows for direct venue control that simplifies execution and also provides strong City branding to the event which reinforces community engagement goals. Additionally, the City-owned vacant parcel to the north of the campus provides the required buffer zone for a fireworks aerial display. Van Maren Park and the surrounding area provide a firework show viewing area where attendees could place chairs and blankets and enjoy a music performance prior to the show. Public parking is limited but would be available at City Hall, the Police Station, the Community Center and on limited surface street areas. There are a number of businesses nearby with large parking lots that staff would intend to work with on allowing parking for the event given it would be nonpeak or off hours for the nearby businesses. There is effective access, multiple points of ingress and egress, and the surrounding streets can be closed temporarily while still providing access to adjacent neighborhoods. Parks also lend themselves to a better social environment versus paved parking lot, especially in the heat of summer. Using City Hall and Van Maren Park also provides flexibility and growth potential in future years. The proposed event scope is for accommodating the Citrus Heights community and will not be promoted as a regional show.

Other sites that were discussed as potential locations include Rusch Park, school sites and the Sunrise Mall. Rusch Park is heavily treed limiting visibility and parking is challenging for large events often requiring long walks that can be challenging for residents. School sites in Citrus Heights have similar challenges with parking and would require coordination with the district. Sunrise Mall has multiple owners now and is slated for future redevelopment. Furthermore, the parking lot is incredibly hot in the summer and a paved environment versus a parklike atmosphere is less friendly to families and seniors.

In discussions with the team and a professional fireworks planning professional, it is anticipated that the event would occur on the Friday or Saturday evening of the weekend prior to Independence Day. These are generally the most popular and inclusive days for community event attendance and also maximizes the likelihood of volunteer staff participation. The event would get started in early evening with music and other supporting activities with the fireworks display starting around 9:30 to 9:40 p.m. The show is anticipated to be approximately 20 minutes.

There are many people that enjoy professional fireworks displays but also people that do not. While professional firework displays can bring the community together to enjoy a show that cannot and should not be replicated by nonprofessionals, there are concerns about negative impacts of fireworks on animals and also those that may experience post-traumatic stress disorder from a combat experience. Safe and sane fireworks are allowed in the Citrus Heights and serve as good community fundraisers but they too can put out loud noise and result in increased spent firework debris. In discussions with a fireworks expert, a professional community fireworks show is believed to reduce the number of private fireworks that are used. Though a firework expert said it is believed that there is a reduction in private fireworks in communities with a professional show, staff cannot represent if a professional show would result in a decrease or increase in the overall amount of fireworks used in the City.

The current Six-Month Strategic Objectives had the exploration, feasibility, costs, logistics and options for a patriotic event being presented to City Council at the April 13, 2023 City Council meeting. As staff began to explore opportunities including a potential fireworks show, it was determined that a fireworks order needs to be placed in early February in order to deliver a show in celebration of Independence Day. Upon learning of this, staff accelerated feasibility exploration in order to not have a delay foreclose the opportunity for City Council to consider having a professional community fireworks display in 2023.

Staff is in early consultation with our partner agencies Sunrise Park and Recreation District and Sacramento Metropolitan Fire. Should City Council desire for staff to proceed with the professional fireworks display in celebration of Independence Day, event planning would continue accordingly, a firework order would be purchased in February and an overview the event would be provided to City Council at a date closer to the event.

Environmental Review

If the Council should direct staff to proceed with a Patriotic Event, the event would be subject to the California Environmental Quality Act (CEQA). The event would be categorically exempt

from CEQA Pursuant to CEQA Guidelines Section 15304(e), as “minor temporary use of land having negligible or no permanent effects on the environment including carnivals, sales of Christmas Trees, etc.”

In addition, temporary noise impacts from the patriotic event may occur. According to the Municipal Code events of this nature are exempt from adherence of the Noise Ordinance under the following exemptions:

- Outdoor gatherings, public dances, shows and sporting and entertainment events, provided the events are conducted pursuant to a license or permit issued by the City.
- Activities conducted on parks, public playgrounds and school grounds, provided such parks, playgrounds and school grounds are owned and operated by a public entity or private school.

Attachments:

- (1) Resolution No. 2023-__: A Resolution of the City Council of the City of Citrus Heights, Approving a not to exceed allocation of \$80,000 of American Rescue Plan Act funds for a patriotic community event in recognition of Independence Day and Finding the Event to be Categorically Exempt from the California Environmental Quality Act.
- (2) Aerial of proposed Patriotic Event Area

RESOLUTION NO. 2023- ____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CITRUS HEIGHTS,
CALIFORNIA, APPROVING A NOT TO EXCEED ALLOCATION OF \$80,000 OF
AMERICAN RESCUE PLAN ACT FUNDS FOR A PATRIOTIC COMMUNITY EVENT IN
RECOGNITION OF INDEPENDENCE DAY AND FINDING THE
EVENT CATEGORICALLY EXEMPT FROM THE CALIFORNIA ENVIRONMENTAL
QUALITY ACT**

WHEREAS, at the Strategic Planning Workshop on October 25, 2022, a strategic objective was defined to explore feasibility, costs, logistics and options for a patriotic event and present to the City Council;

WHEREAS, the residents and City Council have expressed a desire to create a new patriotic event to increase community connection and engagement consistent with the City Council adopted Focus Area Workplan and current Strategic Objectives;

WHEREAS, the City has explored the feasibility, costs, logistics and options for a patriotic event in recognition of Independence Day, and determined a fireworks show and musical performance at the City Hall campus and Van Maren Park on the Friday or Saturday before the 4th of July holiday in 2023 as a viable option;

WHEREAS, the City will utilize American Rescue Plan Act funds in an amount not to exceed \$80,000 to cover the planning and design work, purchase of fireworks and delivery of the show, and other ancillary costs associated with the event; and

WHEREAS, the event is Categorically Exempt from review under the California Environmental Quality Act (CEQA) pursuant to CEQA guidelines section 15304(e).

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

1. Authorize the City Manager to execute all contracts and amendments in an amount not to exceed \$80,000 necessary for the planning and design work, purchase of fireworks and delivery of the show by fireworks professionals, a musical performance, and other ancillary items associated with the event;
2. Approve the use of American Rescue Plan Act Funds in an amount not to exceed \$80,000 for a Patriotic Community Event; and
3. Finds that the event is Categorically Exempt from CEQA pursuant to CEQA guidelines Section 15304(e) and authorizes the City Manager to direct staff to record a CEQA Notice of Exemption accordingly.

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 26th day of January 2023 by the following vote, to wit:

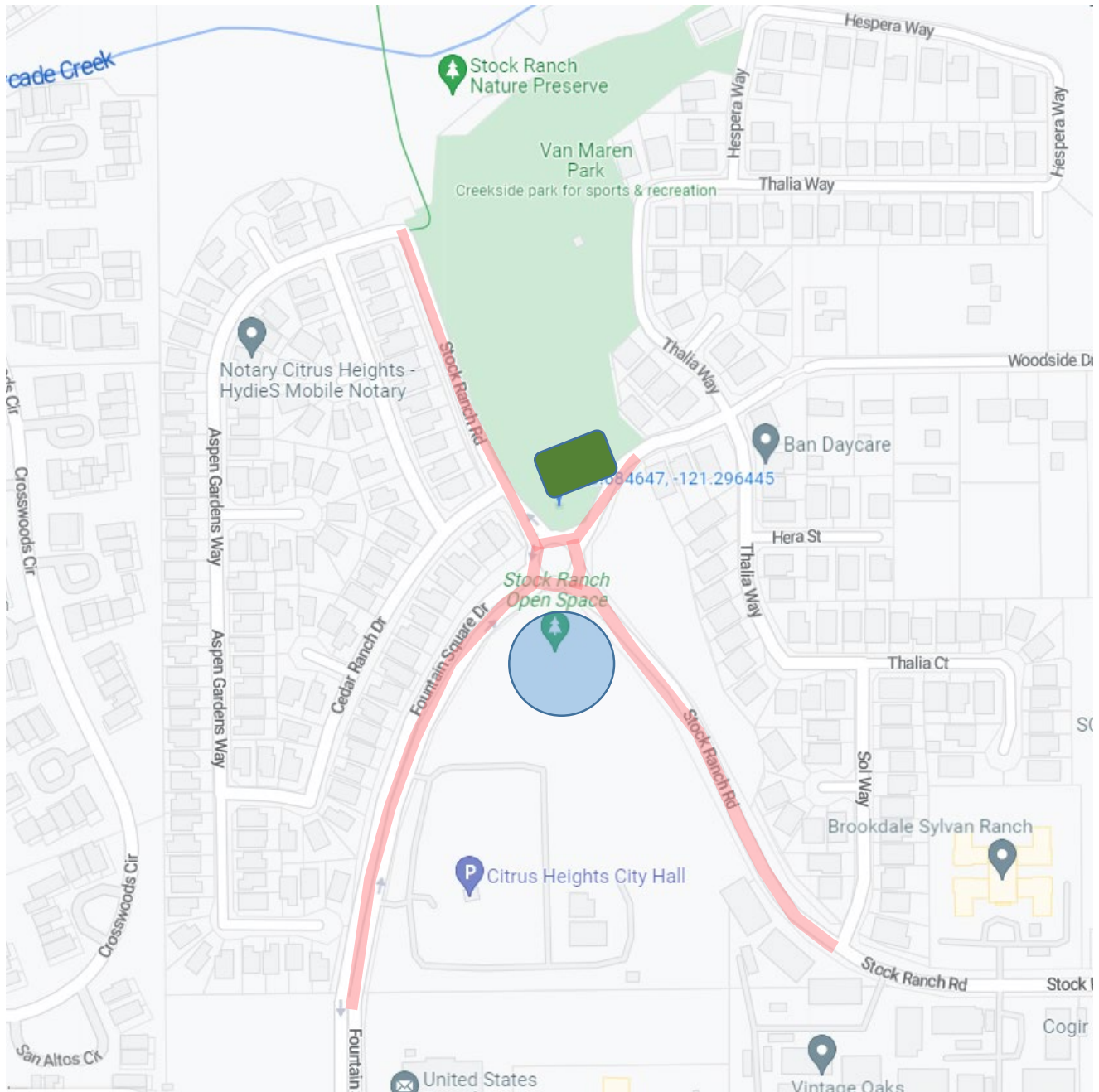
AYES: Council Members:
NOES: Council Members:
ABSTAIN: Council Members:
ABSENT: Council Members:

Tim Schaefer, Mayor

ATTEST:




Amy Van, City Clerk

Proposed 2023 Patriotic Event – preliminary layout



Parking logistics tbd utilizing available surrounding partner properties with shuttling options

Legend

-  stage/music area
 -  roads closed for event
 -  tentative firework launch area
- Agenda Packet Page 121



CITY OF CITRUS HEIGHTS

CITY COUNCIL STAFF REPORT MEMORANDUM

DATE: January 26, 2023

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

FROM: Casey Kempenaar, Community Development Director
Alison Bermudez, Senior Planner
Ryan Jones, City Attorney

SUBJECT: Overview of New State Housing Laws 2023

Summary and Recommendation

A record number of Housing Bills were signed into law this year. Most of these laws take effect on January 1, 2023, with a few going into effect later in the year. Staff will provide a presentation and overview of those laws that are most relevant for Citrus Heights and steps staff will be taking to implement the new legislation.

The Housing Bills are presented in the following categories:

- *Housing Development in Non-Residential Areas*
- *Streamlining and Parking Reform*
- *Accessory Dwelling Units*
- *Density*
- *Housing Element and Annual Progress Reports*

This is an informational item only and no formal action is needed.

City Council Strategic Goal/Objective

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

Goal: Maintain and Enhance Fiscal Stability

Objective: Present an update of the 44 housing related bills passed in 2022 and anticipated impact to Planning/Housing processes/regulations required to comply with additional unfunded mandates.

Fiscal Impact

At this time, there is no direct fiscal impact. However, a significant amount of staff time is needed in adapting existing regulations to ensure compliance with these Housing Bills. Some technical assistance is necessary to support these efforts. Some portion of this work will be conducted as part of the ongoing Retail to Rooftops project and staff is reviewing available funds in the Local Early Action Plan (LEAP) grant to help fund any additional outside assistance as needed.

Background and Analysis

The California Legislature has continued its years' long journey of wresting local control from cities and imposing statewide requirements. This year there were over 40 bills aimed at housing each requiring varying degrees of regulation modifications to local Zoning and/or Municipal Code requirements.

A number of the bills reference allowing density at that "deemed appropriate to accommodate housing for lower income households in that jurisdiction, as specified in paragraph (3) of subdivision (c) of [Government Code] § 65583.2." Generally, this density is 30 units per acre for jurisdictions in a metropolitan county including Sacramento County.

Below is a brief summary of those laws that are most relevant for Citrus Heights. The summary is separated by category and provides key points of the legislation which impact Citrus Heights. The summary also notes steps needed to implement the new legislation.

As noted, this is a summary and the entire Bill text is available on California's Legislative Information website <https://leginfo.legislature.ca.gov/faces/home.xhtml>.

Housing Development in Non-Residential Areas

Overview: Of the 40 bills passed last year, the two that received the most publicity and concern are AB 2011 and SB 6 allowing housing to be constructed on non-residential property. Of note, the City's existing regulations already allow residential development in commercial zones; however, these two laws add additional regulations and requirements applicable for this type of development.

AB 2011 and SB6 - Housing Development on Commercially Zoned Sites

AB 2011 requires certain affordable housing projects of five or more units to be approved by-right in commercial areas. In order to take advantage of this Act, a project must comply with objective zoning, subdivision and design review standards and it must comply with certain labor code requirements. Projects submitted under this Act, including subdivisions that comply with all objective subdivision standards, are exempt from CEQA.

Key points of AB 2011:

- Applies regardless of general plan, zoning, etc., with limited exemptions for specific plans
- Applies to two types of projects- 100% affordable in a commercial zone and mixed income along a commercial corridor (Rental 55 years/Ownership 45 years)
- Short time frame for applicant to be notified of inconsistencies with objective standards <150 units within 60 days and >150 units 90 days
- Design Review only allowed for compliance with objective standards adopted prior to application submittal
- Incorporates Streamlined Approval Process implemented under SB 35
- Requires project to pay prevailing wage
- Does not take effect until July 1, 2023

SB 6 also allows housing development projects in commercial zones, but differs from AB 2011 in several important respects. SB 6 does not require any affordable housing. Projects under SB 6 are not automatically exempt from CEQA. And SB 6 projects require not only the payment of prevailing wages, but also the use of a skilled and trained workforce – which generally means union workers, with limited exemptions. Monthly reports must be provided to the City to show compliance. This also takes effect on July 1, 2023 and sunsets on January 1, 2033.

Future City actions needed for compliance:

- *Adoption of objective standards for housing projects proposed on commercially zoned properties by July 1, 2023.*
- *Approval of Affordable Housing Guidelines which will assist with all aspects of housing units sold/rented as a qualifying affordable unit.*

Streamlining and Parking Reform

AB 2234 - Timelines for Post-Entitlement Permits

Recent housing laws such as the Housing Crisis Act of 2019 (also known as SB 330) have given new teeth to the Permit Streamlining Act (PSA), a law that establishes timelines to determine the completeness of a planning permit application, and a timeline to act on the application once it is complete.

Failing to meet the PSA deadlines can cause the application to be automatically "deemed complete," and under certain circumstances, the permit can even become "deemed approved." However, the PSA only applies to discretionary approvals, commonly referred to as "entitlements," (i.e. Use Permit, Design Review Permit, etc). The PSA's timelines do not apply to ministerial acts, such as building and grading permits that developers must seek often long after the entitlement is approved. There has been no clear timeline governing the post-entitlement permit process.

To address this, AB 2234 borrows familiar aspects of the PSA process and applies those standards to defined "post-entitlement housing development permits" such as building permits, demolition permits and permits for minor or standard excavation, grading or off-site improvements.

AB 2234 provides that a local agency's failure to comply with the specified timelines is a violation of the Housing Accountability Act (HAA), exposing the local agency to the attorney's fees, mandamus relief and potential fines provided by the HAA.

City actions needed for compliance:

- *Review current permit processing of entitled housing projects (building and engineering division) to ensure current process can meet the new timelines of AB 2234. Implement any necessary processing changes for compliance.*
- *Create and publish formal application checklists for post-entitlement housing development permits, as well as examples of complete applications for specific types of housing developments.*

AB 2668 - SB 35 "Cleanup"

AB 2668 makes a series of technical and clarifying changes to SB 35 from 2017, a law that provides for streamlined ministerial approval of qualifying housing and mixed use projects that conform to objective zoning requirements, pay prevailing wages and meet minimum affordable housing requirements.

Key points in which AB 2668 revises SB 35:

- Makes explicit that a local government is required to approve a development if it determines that the development is consistent with SB 35's criteria.
- Confirms that the minimum percentage of total units that a development must dedicate for lower-income housing is calculated before calculating any density bonus.
- Confirms that a city cannot find a project inconsistent with applicable standards on the grounds that application materials were not included, as long as the application contains substantial evidence that would allow a reasonable person to conclude that the development is consistent with the objective planning standards.
- Confirms that although SB 35 has a process to allow additional "design review" or "public oversight" over the ministerial application, a locality still must provide written documentation of any applicable standards with which the project conflicts within the applicable deadline calculated from application submittal (60 days for projects with 150 or fewer homes; 90 days for projects with more than 150 homes).

City actions needed:

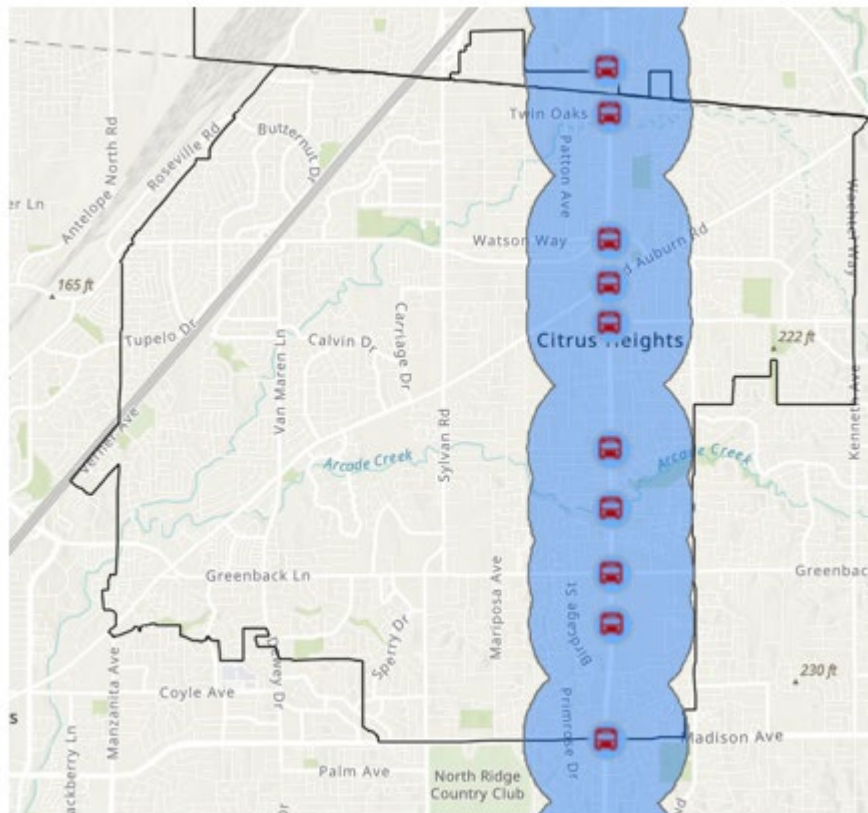
- *Adopt objective standards for housing projects in any zone*

AB 2097 - No Parking Minimums within Half-Mile of Public Transit

This law prohibits public agencies from imposing minimum parking requirements on residential, commercial or other development projects located within a half-mile of public transit stop (defined as “major transit stop” and transit stops included in a regional transportation plan, i.e. SACOG’s 2040 Plan). Public agencies may only impose parking minimums on such projects if the agency can make certain written findings that the inability to impose parking requirements would have substantial negative impacts.

City actions needed:

- *As shown in the map below, properties along Sunrise Boulevard qualify for no parking minimums under AB 2097.*



Accessory Dwelling Units

Changes have been made laws related to the development of accessory dwelling units (ADU) and junior accessory dwellings (JADU), which clarify and expand on previous legislation. Many of the changes were to address “workarounds” that some local jurisdictions were trying to utilize to inhibit the construction of ADUs.

AB 2221 - ADU Law Cleanup

This law contains clean-up language and clarifications to reduce permitting delays for ADU applicants. The law also requires agencies that deny an ADU application to provide a full set of comments to the applicant with a list of items that are deficient and a description of how the application can be remedied.

SB 897 - Increased Height Limits for ADUs, Detached ADUs at Proposed Multifamily Projects

This law increases the height limits that local governments may impose on ADUs by allowing 18 feet for detached ADUs located on lots that are within a half-mile of a major transit stop, or detached ADUs on lots with an existing or proposed multistory, multifamily dwelling; or 25 feet or base zone height (whatever is lower) for attached ADUs.

Key points of AB 221 and SB 897 which would apply to Citrus Heights:

- Clarifies that front setbacks cannot be applied to an attached or detached ADU if it would prohibit construction of an ADU that is at least 800 square feet with 4-foot side and rear yard setbacks.
- Increases height requirements that the City must allow:
 - 18 feet for a detached ADU plus an additional two feet to accommodate roof pitch to align with roof pitch of primary dwelling unit when the dwelling is within ½ mile walking distance of a major transit stop or high-quality transit corridor;
 - 25 feet or the height limit of the zone which applies to the primary dwelling, whichever is lower, for an ADU that is attached to a primary dwelling.
- ADU or JADU applications cannot be denied due to the need to correct nonconforming zoning conditions, building code violations, or unpermitted structures that do not present a threat to public health and safety and are not affected by the ADU construction.
- Clarifies JADUs may be built within attached garages.
- Clarifies JADUs that do not have a separate bathroom, must have an interior entry to the main living area in addition to the separate entrance from the main structure.
- Unpermitted ADUs built before 2018 cannot be denied a permit based upon the ADU being in violation of building standards or ADU regulations unless the ADU is deemed to be substandard under Health & Safety Code.

City actions needed:

- *City staff is currently evaluating existing zoning ordinances for compliance and will be presenting any necessary amendments early 2023 as part of an annual Zoning Code update.*

Density

AB 2334 - State Density Bonus Law Amendments - Defining "Base Density"; Concessions in Very Low Vehicle Miles Travel Areas

AB 2334 provides that if the density under the zoning ordinance is inconsistent with the density allowed under the land use element of the general plan or specific plan, the greater shall prevail. In addition, this law dictates a method for determining the "base density" in terms of units in cases where a local jurisdiction's general plan, specific plan or zoning does not provide dwelling unit per acre standard for density.

City actions needed:

- *City staff is currently evaluating existing zoning ordinances for compliance and will be presenting any necessary amendments early 2023 as part of an annual Zoning Code update.*

Housing Element Annual Progress Reports

AB 2094 and AB 2653 Greater Requirements for Annual Reports on Housing Progress

AB 2094 requires that the annual report specifically detail the local government's progress in meeting its regional housing needs allocation (RHNA) targets for the "extremely low income" category.

AB 2653 requires that the annual report additionally provide: the number of new housing units built, the number of housing units demolished, information specifying rental versus for-sale housing and details regarding approved projects that benefit from AB 2077 or the State Density Bonus Law.

City actions needed:

- *City staff will include the new reporting requirements in its General Plan Annual Report as required.*

Other- Housing Accountability Act/Objective Design Standards

Over the last several legislative sessions, the applicability of the Housing Accountability Act (HAA) and the use of objective design standards in housing bills has significantly increased. The HAA restricts the ability to deny, reduce the density of, or make infeasible all housing development projects, whether affordable or market rate, and places the burden of proof on the city to justify one of these actions. (§ 65589.6.) While different provisions apply to affordable and market-rate projects, the applicability of the HAA must be considered whenever any housing project is proposed. Objective design standards are considered quantifiable, written development standards which are measurable, verifiable and knowable to all parties prior to the project submittal.

City actions needed:

- *City staff continues to work through the significant amount of housing bills which have been adopted over the last several legislative sessions and update codes/ordinances.*
- *In the near future, staff will be presenting for adoption the “Retail to Rooftops” guide which will provide objective design standards for housing projects along Auburn Boulevard as well as a set of objective Design Standards for housing developments throughout the city.*