CITY OF CITRUS HEIGHTS
CITY COUNCIL
Special and Regular Meetings of Wednesday, February 11, 2026
City Hall Council Chambers 6360 Fountain Square Drive, Citrus Heights, CA
5:00 PM SPECIAL MEETING
6:00 PM REGULAR MEETING

HOW TO PARTICIPATE:

The City of Citrus Heights welcomes your interest and involvement in the City's legislative process. The Council may take up any agenda item at any time, regardless of the order listed. If you wish to address the Council during the meeting, please fill out a Speaker Identification Sheet and give it to the City Clerk. When you are called upon to speak, step forward to the podium and state your name for the record. Normally, speakers are limited to three (3) minutes each. The Mayor has the discretion to lengthen or shorten the allotted times. Alternatively, you may submit your comment by 4:00 p.m. on the meeting day by completion of an online Speaker Card at https://www.citrusheights.net/FormCenter/City-Council-Meetings-Speaker-Card-30. Written public comments shall be limited to 250 words or less. Each comment will be read aloud by the City Clerk.

LEVINE ACT:

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

February 11, 2026 City Council Agenda Packet

Documents:

02-11-26 SPECIAL AND REGULAR COUNCIL AGENDA PACKET.PDF

CALL SPECIAL MEETING TO ORDER

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

PUBLIC COMMENT

CLOSED SESSION

2. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION

Initiation of litigation pursuant to Government Code Section 54956.9(d)(4)
Number of potential cases: 1

REPORT OUT OF CLOSED SESSION

ADJOURNMENT

CALL REGULAR MEETING TO ORDER

1. Flag Salute

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

3. Video Statement

APPROVAL OF AGENDA

PRESENTATIONS

4. Proclamation Of The City Of Citrus Heights Proclaiming February 2026 As Black History Month

PUBLIC COMMENT

Members of the public are entitled to address the City Council concerning any item within the City Council's subject matter jurisdiction. Pursuant to the Brown Act, the City Council is prohibited from discussing or acting on any item raised during "Public Comment" not appearing on the posted agenda.

COMMENTS BY COUNCIL MEMBERS AND REGIONAL BOARD UPDATES

CONSENT CALENDAR

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

5. SUBJECT: Support For Annual Designation Of The First Saturday After The Spring Equinox As "National Day Of Play"

STAFF REPORT: A. Van
RECOMMENDATION: Adopt Resolution No. 2026-___, A Resolution of the City Council of the City of Citrus Heights, California, Expressing Support for the Annual Designation of the first Saturday after the Spring Equinox as "National Day of Play"

6. SUBJECT: Updated Housing Rehabilitation Program Guidelines To Incorporate The Permanent Local Housing Allocation As A Funding Source

STAFF REPORT: C. Kempenaar / N. Piva
RECOMMENDATION: Adopt Resolution No. 2026-___, A Resolution of the City Council of the City of Citrus Heights, California, Adopting the Updated Housing Rehabilitation Program Guidelines to Incorporate the Permanent Local Housing Allocation as a Funding Source

7. SUBJECT: Quarterly Treasurer's Report

STAFF REPORT: S. Talwar, D. Jenkins
RECOMMENDATION: Staff recommends the City Council receive and file the Quarterly Treasurer's Report for the quarter ending December 31, 2025.

REGULAR CALENDAR

8. SUBJECT: History And Arts Grant Requests – Committee Recommendation For Approval

STAFF REPORT: M. Huber
RECOMMENDATION: Adopt Resolution 2026-___, A Resolution of the City Council of the City of Citrus Heights, California, Approving the History and Arts Grant Requests

9. SUBJECT: Second Reading – Ordinance Establishing Commercial Property Reoccupancy Program

STAFF REPORT: M. Huber / C. Kempenaar / A. Turcotte / S. Lui / A. Aguirre
RECOMMENDATION: Adopt Ordinance No. 2026-001, An Ordinance of the City Council of the City of Citrus Heights, California, Adding Chapter 52 to the Citrus Heights Municipal Code to Establish a Commercial Property Reoccupancy Program

10. SUBJECT: One Year Update: 2025-2027 Economic Development Work Plan

STAFF REPORT: M. Huber / A. Aguirre

11. SUBJECT: Presentation Of Findings And Recommendations For A Youth Advisory Commission Or Youth Advisory Liaison

STAFF REPORT: A. Van
RECOMMENDATION: Staff recommends the following:
a. Receive a presentation on findings for a Youth Advisory Commission or Youth Advisory Liaison to City Council; and
b. Consider Adoption of Resolution 2026-____ , A Resolution of the City Council of the City of Citrus Heights, California, Establishing a Youth Advisory Commission.

12. SUBJECT: Ordinance To Repeal Chapter 2, Article IV, Division 5. Construction Board Of Appeals And Add Chapter 18, Article XXXI, Building Code Board Of Appeals

STAFF REPORT: C. Kempenaar / A. Van / J. Cuffe
RECOMMENDATION: Staff recommends the City Council:
a. Introduce for a First Reading, read by title only, and waive the first full reading of Ordinance No. 2026-_____, An Ordinance of the City Council of the City of Citrus Heights, California, Repealing Chapter 2, Article IV, Division 5 Construction Board of Appeals and Adding Chapter 18, Article XXXI Building Code Board of Appeals, to the Citrus Heights Municipal Code Relating to Buildings and Building Regulations.

DEPARTMENT REPORTS

CITY MANAGER ITEMS

ITEMS REQUESTED BY COUNCIL MEMBERS / FUTURE AGENDA ITEMS

ADJOURNMENT

AMERICANS WITH DISABILITIES ACT:

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

WRITINGS RECEIVED AFTER AGENDA POSTING:

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

CITY OF CITRUS HEIGHTS
CITY COUNCIL
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Special Meeting 5:00 p.m.
Regular Meeting 6:00 p.m.

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

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February 6, 2026

Amy Van, City Clerk

SPECIAL CITY COUNCIL MEETING
5:00 PM

CALL SPECIAL MEETING TO ORDER

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

PUBLIC COMMENT

CLOSED SESSION

2. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION
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REPORT OUT OF CLOSED SESSION

ADJOURNMENT

REGULAR CITY COUNCIL MEETING
6:00 PM

CALL REGULAR MEETING TO ORDER

1. Flag Salute

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

3. Video Statement

APPROVAL OF AGENDA

PRESENTATIONS

4. Proclamation of the City of Citrus Heights Proclaiming February 2026 as Black History Month

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

COMMENTS BY COUNCIL MEMBERS AND REGIONAL BOARD UPDATES

CONSENT CALENDAR (Estimated Start Time 6:45 p.m.)
It is recommended that all consent items be acted on simultaneously unless separate discussion and/or action are requested by a Council Member.

5. **SUBJECT:** Support for Annual Designation of the First Saturday After the Spring Equinox as "National Day of Play"
STAFF REPORT: A. Van
RECOMMENDATION: Adopt Resolution No. 2026-___, A Resolution of the City Council of the City of Citrus Heights, California, Expressing Support for the Annual Designation of the first Saturday after the Spring Equinox as "National Day of Play"

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STAFF REPORT: M. Huber / A. Aguirre

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RECOMMENDATION: Staff recommends the following:

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CITY OF CITRUS HEIGHTS

CITY COUNCIL STAFF REPORT MEMORANDUM

DATE: February 11, 2026

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

FROM: Amy Van, City Clerk

SUBJECT: **Support for Annual Designation of the First Saturday After the Spring Equinox as "National Day of Play"**

Recommendation

Staff recommends the City Council consider the adoption of Resolution 2026-____, A Resolution of the City Council of the City of Citrus Heights, California, Expressing Support for the Annual Designation of the first Saturday after the Spring Equinox as "National Day of Play".

Strategic Plan Alignment

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

Goal: Enhance Community Vibrancy and Engagement

Fiscal Impact

There is no immediate fiscal impact associated with this item.

Background and Analysis

Congressman Ami Bera has formally requested that the City Council consider adoption of a resolution expressing support for the annual designation of the first Saturday after the Spring Equinox as "National Day of Play." During the January 28, 2026 City Council meeting, two Council Members requested that staff prepare an item for consideration to support Congressman Bera's "National Day of Play".

The U.S. Surgeon General has declared an epidemic of loneliness and social isolation, which is linked to increased risks of anxiety, depression, heart disease, dementia, and reduced life expectancy. Studies indicate that:

- 21% of adults in the U.S. report feeling lonely.

- Only one in three adults meets recommended physical activity levels weekly, and less than 5% engage in 30 minutes of daily activity.
- Families increasingly experience "alone-together" time, where individuals share physical space but remain disengaged due to device use.

Community-focused events and shared activities can strengthen social bonds, improve mental health, and encourage healthy lifestyles. Play—defined as self-chosen, intrinsically motivated activity—supports brain development, stress reduction, creativity, and social-emotional growth for all ages.

The proposed "National Day of Play" aims to:

- Promote **social connection** and reduce isolation.
- Encourage **physical activity** and healthy habits.
- Advocate for **screen-free time** to counteract negative impacts of excessive device use.
- Strengthen **community engagement** through organized events in parks, schools, and neighborhoods.

The first Saturday after the Spring Equinox (March 21, 2026) symbolizes renewal and balance, making it an ideal date for this initiative.

Designating and supporting "National Day of Play" aligns with the City's commitment to fostering a healthy, connected community. The City of Citrus Heights encourages residents to attend and participate in city-hosted events throughout the spring and summer. These events provide opportunities for families and individuals to connect, enjoy outdoor activities, and strengthen community ties. Residents are invited to bring family and friends to enjoy these gatherings and celebrate community spirit. For dates, locations, and details, please visit the City's event calendar at www.citrusheights.net.

Attachments

1. Resolution Expressing Support for the Annual Designation of the first Saturday after the Spring Equinox as "National Day of Play"

RESOLUTION NO. 2026- ___

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CITRUS HEIGHTS, CALIFORNIA, EXPRESSING SUPPORT FOR THE ANNUAL DESIGNATION OF THE FIRST SATURDAY AFTER THE SPRING EQUINOX AS "NATIONAL DAY OF PLAY"

WHEREAS, the U.S. Surgeon General has declared an epidemic of loneliness and social isolation, which increases risks of anxiety, depression, heart disease, dementia, and reduced life expectancy; and

WHEREAS, studies show that 21% of adults in the United States report feeling lonely, and only one in three adults meets recommended physical activity levels weekly, with less than 5% engaging in 30 minutes of daily activity; and

WHEREAS, community-focused events and shared activities can strengthen social bonds, improve mental health, and encourage healthy lifestyles; and

WHEREAS, play—defined as self-chosen, intrinsically motivated activity—supports brain development, stress reduction, creativity, and social-emotional growth for all ages; and

WHEREAS, excessive device use has detrimental physical and mental health impacts, including impaired social development and cognitive function, particularly in children; and

WHEREAS, a "National Day of Play" advocates for and celebrates the essential role of play and social connection, encouraging individuals to participate in community-organized events; and

WHEREAS, the first Saturday after the Spring Equinox symbolizes renewal and balance, making it an ideal date for this initiative; and

WHEREAS, Congressman Ami Bera has requested that the City Council consider adoption of a resolution expressing support for the annual designation of the first Saturday after the Spring Equinox as "National Day of Play".

NOW THEREFORE BE IT RESOLVED AND ORDERED that the City Council of the City of Citrus Heights does hereby expresses support for the annual designation of the first Saturday after the Spring Equinox as "National Day of Play"; recognizes the importance of social connection for mental, physical, and social development and encourages residents to engage in play and community activities.

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

PASSED AND ADOPTED by the City Council of the City of Citrus Heights, California, this 11th day of February 2026 by the following vote, to wit:

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

MariJane Lopez-Taff, Mayor

ATTEST:

Amy Van, City Clerk

CITY OF CITRUS HEIGHTS

CITY COUNCIL STAFF REPORT MEMORANDUM

DATE: February 11, 2026

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: **Updated Housing Rehabilitation Program Guidelines to Incorporate the Permanent Local Housing Allocation as a Funding Source**

Recommendation

On January 28, 2026, City staff provided the City Council with an update on the City's Permanent Local Housing Allocation (PLHA). As part of the update, the City Council directed City staff to use Permanent Local Housing Allocation funds to assist single-family income-eligible homeowners with health and safety-related repairs.

Staff recommends that the City Council approve the incorporation of the PLHA funding source into the City's Housing Rehabilitation Program guidelines.

Staff recommend the following:

1. Adopt Resolution No. 2026- _____, A Resolution of the City Council of the City of Citrus Heights, California, Adopting the Updated Housing Rehabilitation Program Guidelines to Incorporate the Permanent Local Housing Allocation as a Funding Source

Strategic Plan Alignment

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

Goal: Enhance Community Vibrancy and Engagement

Fiscal Impact

There is no direct impact on the City's General Fund. Funds used for the Housing Rehabilitation Program allow the City to be reimbursed for all direct costs, including the cost of contracting with a consultant to administer home repair programs.

Background and Analysis

The City administers the Housing Rehabilitation Program to assist income-eligible, owner-occupied households with health and safety–related repairs, helping preserve existing housing stock and support long-term housing stability. The program operates under City Council–approved guidelines that define eligible activities, funding sources, and program requirements.

The City receives PLHA funds from the State of California to support housing activities that address local needs. On January 28, 2026, City staff provided the City Council with an update on the City's PLHA program. As part of that update, the City Council approved Amendment No. 2 to the Five-Year (2019-2023) Spending Plan, reallocating $349,609.13 in PLHA funds from Homeless Services to Owner-Occupied Housing Rehabilitation to support health and safety repairs for low-income homeowners.

The approved reallocation is consistent with PLHA ownership-eligible activities under Section 301(a)(2), which allows funding for owner-occupied housing rehabilitation. The proposed eligible activity would provide loans to income-eligible, single-family homeowners for health and safety repairs, with loan amounts ranging from $5,000 to $60,000, interest rates between 0 and 2 percent, and a deed of trust is recorded against the property, with payments deferred for 30 years.

Although the City Council approved the use of PLHA funds for owner-occupied housing rehabilitation, the City's Housing Rehabilitation Program guidelines do not currently identify PLHA as an eligible funding source. An amendment to the guidelines is therefore required to formally authorize implementation.

This update does not modify existing program eligibility criteria or expand the scope of allowable repairs beyond health and safety needs. Instead, it provides the administrative framework necessary for staff to efficiently allocate and manage PLHA funds in accordance with City Council priorities and state funding guidelines.

Environmental Review

This action is excluded from the definition of a "project" under §15378(b)(4) of the State CEQA Guidelines, and is exempt from CEQA under § 15061(b)(3) of the CEQA Guidelines (the "common sense exemption") as it does not involve commitment to a "specific project which may result in a potentially significant physical impact on the environment.

Attachments

1. Housing Rehabilitation Program Guidelines
2. Resolution No. 2026- _____, A Resolution of the City Council of the City of Citrus Heights, California, Adopting the Updated Housing Rehabilitation Program Guidelines to Incorporate the Permanent Local Housing Allocation as a Funding Source.

HOUSING REHABILITATION PROGRAM GUIDELINES

CITY OF CITRUS HEIGHTS

City Council Approval
February 11, 2026

CITRUS HEIGHTS
CALIFORNIA
Solid roots.
New growth.

Housing Rehabilitation Program Guidelines

The City of Citrus Heights Housing Rehabilitation Program is funded primarily through Community Development Block Grant (CDBG) Program funds, CalHome funds, Permanent Local Housing Allocation (PLHA) funds, and loan repayments. These resources are used to support the correction of health and safety-related deficiencies and to extend the useful life of the City's existing housing stock.

These Guidelines outline the financing mechanisms and eligibility criteria used to provide home repair assistance to qualifying Citrus Heights residents.

1. GOALS and OBJECTIVES

The purpose of the Housing Rehabilitation Program (the "Program") is to:

- Preserve and enhance the City's existing residential housing stock.
- Support neighborhood stabilization and conservation efforts.
- Provide financial assistance that enables very low-, low-, and moderate-income homeowners to make critical improvements to their homes.

To achieve these goals, the Program offers a variety of financial assistance options tailored to different housing needs, including:

- Low-interest, deferred payment loans
- Critical repair grants
- Handicapped accessibility grants
- Relocation assistance grants
- Lead hazard evaluation and abatement grants

These tools help ensure that eligible homeowners can address code violations, make essential safety repairs, improve accessibility, and create healthier living environments for themselves and their families.

2. FAIR HOUSING

The Program will be implemented in ways consistent with the City's commitment to Fair Housing and by State and Federal fair lending regulations to assure nondiscriminatory treatment. No person shall be excluded from participation in, denied the benefit of, or be subjected to discrimination under any program or activity funded in whole or in part with federal or state funds based on his or her age, sex/gender identity, race, color, creed, physical disability (including testing HIV-positive or contracting AIDS), mental disability or handicap, medical condition, sexual orientation, source of income other arbitrary cause.

Individuals who believe they have been discriminated against in a housing-related issue should contact the Renters Helpline. The Renters Helpline provides telephone counseling and mediation services for residents in a housing crisis or dispute. The trained staff members deal directly with concerns regarding landlord-tenant disputes and help refer housing issues to the appropriate agency.

- Phone: 916-389-7877 or 800-500-4931
- TTY: 7-1-1 (Ask to be connected to the Renters Helpline)
- Website: Renters Helpline

3. CONFLICT OF INTEREST

By Title 24, Section 570.611 of the Code of Federal Regulations and with the State of California conflict of interest laws, no member of the governing body and no official, employee, or agent of the local government, nor any other person who exercises policy or decision making responsibilities (including members of the Housing Committee and officers, employees, and agents of the Housing Committee, the administrative agent, contractors and similar agencies) in connection with the planning and implementation of the program shall directly or indirectly be eligible for this program. Exceptions to this policy can be made only after public disclosure and formal approval by the City Council.

4. PROPERTY ELIGIBILITY

1. Eligible Property Types
   The program may assist the following homes:
   a. Single-family housing
   b. Half-plexes, if the unit is legally separate and has its own Assessor's Parcel Number (APN)
   c. Condominiums
   d. Mobile homes or manufactured homes, as defined below, that are permanently attached to real property or located on leased land (CDBG funded)
2. Occupancy and Location
   The property must be owner-occupied and located within the incorporated limits of the City of Citrus Heights.
3. Condition of the Property
   The property needs repairs to address health and safety issues so the residents can continue to safety occupancy of the home.
4. CalHome and PLHA Requirements
   Under CalHome and PLHA programs, eligible properties must be owner-occupied single-family homes that include complete, independent living facilities. This means

the home must have permanent areas for living, sleeping, cooking, eating, and sanitation.

The homeowner must be fully responsible for any system or structure that is repaired or replaced through the program. Recreational vehicles (RVs), trailers, camping facilities, or other temporary or movable living structures are not eligible, even if they are being used as a residence.

5. Mobile and Manufactured Homes (CalHome and PLHA)
   Mobile homes and manufactured homes are not eligible for assistance under CalHome and PLHA programs. Due to challenges related to loan security, property valuation, land ownership, and limited available subsidy funding, administering assistance for these types of homes is not feasible under the program.
6. Flood Zone Requirement
   The property must not be located in a federally designated Special Flood Hazard Area (also known as the 100-year floodplain).

Insurance Requirements

Participant shall maintain, during the term of the loan, a policy insuring the property in an amount equal to or greater than the replacement value of the property, as determined by the Housing Division. The policy shall name the City as additional insured and shall contain a statement of obligation on behalf of the carrier to notify the City of any material change, cancellation, or termination of coverage at least thirty (30) days in advance of the effective date of such material change, cancellation, or termination.

Participants shall annually provide the City with a copy of the certificate of insurance and an additional insured endorsement, signed by an authorized agent of the insurance carrier setting forth the general provisions of coverage.

5. APPLICANT

The applicant shall have legal and/or equitable title to the property. All homeowners must be named on the property title and one of the named owners must live at the residence throughout the term of the loan. Non-occupant parents and/or children may be on the title in addition to the name of the owner-occupants. All individuals listed on the property title must sign program documentation, including the promissory note and deed of trust before closing.

1. Legal and/or equitable title does not include a lease with or without an option to purchase or a remainder interest.

2. Applicants with life estates or living trusts are eligible to participate in the program if the beneficiary lives on the affected property, the beneficiary meets all other eligibility criteria, and the beneficiary agrees that the loan is due and payable if the life estate of a living trust is terminated (in addition to all regularly applicable situations in which loans become due and payable).
3. All individuals, 18 years or older, living in the household are required to provide proof of current income. Non-related live-in caretakers paid by an outside source are not considered eligible individuals.
   Also, a non-title Guarantor, who signs only the promissory note and who does not reside in the home, will not be considered an eligible person for income eligibility. The City or its agent will verify that all individuals identified in the application reside at the address and that no additional individuals not included on the application reside at the applicant's address.
4. The applicant must be a U.S. citizen as defined by the Welfare Reform Act.
5. The applicant must permanently reside in the dwelling in need of rehabilitation at the time of application and must agree to reside there for the full term of the loan.

Prior Program Recipients

One funding award (whether a loan, grant, or combination of both) will be permitted per household. Residents who are prior recipients of a rehab loan and/or grant will not be permitted to receive another loan and/or grant in future years.

The Housing Committee can make exceptions if circumstances justify the additional assistance. *Refer to Section 9 for the definition of the Housing Committee*.

6. REHABILITATION STANDARDS

Standards

1. The goal of the Program is to improve the safety of the home, correct substandard conditions, provide improvements for individuals with disabilities, and extend the useful life of the property. Housing units must have health and safety violations according to federal Section 8 Housing Quality Standards or code-related deficiencies as determined by a Housing Rehab Specialist and/or City Building Division representative.
2. No rehabilitation loan and/or grant will be approved based upon a scope of work that would permit a dwelling unit after rehabilitation to be out of compliance with applicable codes. Such codes include the Uniform Building Code, the National Electrical Code, the Uniform Plumbing Code, the Uniform Mechanical Code, and Chapters 5-10 of the Uniform Housing Code, ADA, Section 504, and relevant sections

of Titles 24 which pertain to disability access, local building codes and all other applicable local ordinances.

3. In the case of a CalHome and PLHA-funded loan, repairs, and improvements will be limited to those necessary to correct any condition causing the home to be substandard under CCR, Title 25, Section 1606.
4. No rehabilitation loan will be approved that would over-encumber the property, or secure total debt (existing debt plus the City rehabilitation loan amount) against the property over the after-rehabilitation property value, except with mobile/manufactured homes.
   For mobile/manufactured home loan-to-value determinations, see "Eligibility Determination" under the Loan Approval and Construction Process sections of these guidelines.
5. All work performed must comply with the Program's Rehabilitation Grades and Standards as outlined in Exhibit C of the Contract for Housing Rehabilitation.

7. ELIGIBLE REPAIRS

Eligible repairs are limited to those necessary for the health and safety of the occupants. The Housing Committee or the Rehabilitation Specialist shall decide as to whether a situation constitutes the existence of a health and safety hazard.

Examples of repairs that will generally qualify are roof repair or replacement, heating and cooling system repair or replacement, water heater replacement, and plumbing and electrical repair. Accessibility improvements, such as door widening, wheelchair ramps/lifts, or grab bar installation, will also generally qualify.

CalHome and PLHA-funded projects encourage energy efficiency improvements in conjunction with required repairs (energy efficiency items are not allowed as standalone items).

Ineligible repairs include the following (but not limited to): repairs not directly related to health and safety, routine maintenance (such as gutter or dryer vent cleaning), appliance repairs or replacement, repairs to garages or other spaces not considered living quarters and not required to access living quarters, luxury and/or cosmetic improvements, and landscaping (including tree removal).

8. FINANCING TERMS

Single-Family, Owner-Occupied Housing Rehabilitation Loan

1. Minimum/Maximum Loan Amount:
   a. The minimum loan amount shall be $5,000
   b. The maximum loan amount shall not exceed $60,000 per owner-occupied housing unit. The Housing Committee may waive this limit in special cases involving unexpected rehabilitation expenses if the loan is funded by CDBG.
   c. This loan limit cannot be waived for projects funded by CalHome and PLHA.
   d. All loans will require comparable property sales ("comps") to verify the current market value of the property.
   e. For CalHome and PLHA-assisted loans, the loan-to-value (LTV) ratio, when combined with all other indebtedness secured by the property, shall not exceed 105% of the after-rehabilitation value, as defined under *Title 25 California Code of Regulations Division 1, Chapter 7, Subchapter 9 Section 7735(b)(1).*
   f. The after-rehabilitation value for a CalHome and PLHA-assisted loan shall not exceed 100% of the most recent median sales price for a comparable home (based on number of bedrooms/bathrooms), as determined by the *California Association of Realtors*.
   g. The debt-to-income (DTI) ratio for CalHome and PLHA-assisted loans shall not exceed 48%. Exceptions may be considered on a case-by-case basis.

2. Terms of Financing:
   a. 2.00% Simple Annual Interest Rate - Applies to loans assisted by Community Development Block Grant (CDBG) funds.
   b. 2.00% Simple Annual Interest Rate - Applies to loans assisted by CalHome funds.
   c. 2.00 % Simple Annual Interest Rate – Applies to loans assisted by PLHA funds.
   d. 0.00% Simple Annual Interest Rate – Applies to very low-income senior household (defined by HUD as individuals 62 years of age or older) and/or permanently disabled households who lack sufficient assets to complete necessary repairs without City assistance.
   e. Loan Term - All CDBG,CalHome, and PLHA - assisted loans shall have a 30-year term.
   f. Deferred Payments - Principal and accrued interest payments are deferred for the full 30-year term for CDBG, CalHome, and PLHA - assisted loans.

3. Loan Repayment Terms:
   a. Deferred Payment - Loan repayment is deferred for the term of the loan.
   b. Voluntary Payments - Homeowners may choose to make voluntary payments toward principal and interest at any time without penalty.
   c. Early Payoff - Homeowners may pay their loan in full at any point during the loan term without prepayment penalties.

4. Loan Security:
   a. Each loan shall be secured by a Loan Agreement, Promissory Note, and Deed of Trust.
   b. The Loan Agreement and Deed of Trust shall be recorded with the Sacramento County Recorder Office.
   c. All individuals listed on the property title must sign all required program documentation, including the Promissory Note and Deed of Trust, prior to loan closing.

5. Events of Default

   The loan shall become due and immediately payable upon the occurrence of any one of the following events:
   a. The homeowner sells the property.
   b. The homeowner transfers the legal title of the property to another titleholder.
   c. The homeowner no longer resides at the home, except in the case of a medical emergency.
   d. The homeowner rents all or part of the home including Accessory Dwelling Units (ADU).
   e. The homeowner fails to make the required insurance premium payments in a timely fashion.
   f. The homeowner dies and the heir or co-owner is not income-eligible or does not intend to occupy the home as a primary residence.
   g. The homeowner fails to maintain fire insurance (and Flood insurance where applicable): the homeowner must maintain insurance on the property in an amount at least equal to the replacement value of the improvements and the City must be named as an additional loss payee on the policy.
   h. The homeowner fails to pay property taxes.
   i. The homeowner refinances any senior loan without prior written approval from the City.
   j. The homeowner creates a violation of the terms of the Loan Agreement, Promissory Note, or Deed of Trust.
   k. The homeowner has made misrepresentations or materially false or misleading statements in connection with the loan application.

l. The homeowner commences or consents to a voluntary or involuntary bankruptcy proceeding or order or the appointment of a trustee or receiver.

6. Transfers of interest are not considered default under the conditions of a CalHome and PLHA loan:
   a. A transfer to a surviving joint tenant by devise, descent, or operation of law on the death of a joint tenant.
   b. A transfer, in which the transferee is a person who occupies or will occupy the property which is:
      - A transfer where the spouse becomes an owner of the property; or
      - A transfer resulting from a decree or dissolution of marriage, legal separation agreement, or from an incidental property settlement agreement by which the spouse becomes the owner of the property; or
      - A transfer into an inter-vivos trust in which the borrower is and remains the beneficiary and occupant of the property.

Rehabilitation Grants

1. Handicapped Accessibility Grant
   a. Grants made for homeowners for handicapped accessibility improvements may not exceed $5,000 (CDBG-Assisted)
   b. The grant does not require repayment.
   c. Under the CalHome and PLHA programs grants are not eligible.

2. Mobile home/Manufactured Grants
   a. Grants made for homeowners who live in a mobile/manufactured home may not exceed $20,000 (CDBG-Assisted)
   b. Eligible Property Types
      - Mobile/manufactured homes, as defined in the section “Property Eligibility” in these guidelines.
   c. Mobile/Manufactured homes are not eligible for assistance under the CalHome and PLHA programs.

3. Lead Hazard Evaluation Grants
   a. Grants made for homeowners for lead-hazard evaluation may not exceed $750 (CDBG-Assisted)
   b. Lead hazard mitigation is required by the CalHome and PLHA programs when working on housing units built before 1978. Grants of this nature will not be incorporated into CalHome and PLHA-funded projects.

c. Occupants of housing units constructed before 1978 shall receive the following notifications:
d. The Lead-Based Paint Hazard Information Pamphlet published by the EPA (Environmental Protection Agency)/HUD/Consumer Safety Commission, entitled "Protect Your Family from Lead in Your Home." The homeowner is required to sign a document stating that he/she has received the pamphlet and placed it in the project file.
e. If lead-based paint hazards are found through testing or if presumption is used, a "A Notice of Lead Hazard Evaluation or Presumption" shall be provided to the loan recipient no later than fifteen (15) days after a lead hazard evaluation report has been received and lead-based paint or lead-based paint hazards have been found.
f. If lead-based paint hazards are found through testing or if presumption is used, occupants shall be notified of any lead hazard evaluation results and the hazard reduction activities and clearance. A pamphlet entitled "Abatement of Lead Hazards Notification" shall be provided five (5) days before starting work.
g. For further action follow the steps outlined in Section 8 Lead-Based Paint.

9. LEAD-BASED PAINT

Federal regulations require all recipients of rehabilitation assistance to comply with lead-based paint policies. These requirements vary depending on the scope and cost of the repairs. This policy applies exclusively to homes built before 1978 and only when repair work disturbs painted surfaces.

Emergency Actions

Under 24 CFR 35.115, emergency repairs that are immediately necessary to prevent imminent danger to human life, health, or safety, or to protect property from further structural damage (such as damage caused by natural disasters, fire, or structural collapse) are exempt from lead-based paint regulations.
However, to the extent practicable, occupants must be protected from exposure to lead dust and debris generated by such emergency actions. This exemption applies solely to the emergency repairs themselves; all subsequent or additional work must comply fully with lead-based paint requirements.

Safe Work Practices

Safe work practices are essential to minimize the spread of lead dust, paint chips, soil, and debris during rehabilitation activities. These practices must be followed by all contractors when the amount of paint disturbed exceeds the following de minimis levels:

- Exterior surfaces: more than 20 square feet
- Interior surfaces: more than 2 square feet in any single room or space
- Small components (e.g., windowsills, baseboards): more than 10% of the total surface area

Safe work practices include:

- Using approved methods for paint removal
- Implementing appropriate occupant protection and worksite containment
- Conducting specialized cleaning to reduce lead dust and debris

Clearance

If disturbed painted surfaces exceed the de minimis thresholds, a clearance examination is required upon completion of the work. Clearance must be conducted by a certified risk assessor or certified lead-based paint inspector and should include:

Visual inspection of the work area

- Dust sampling from relevant surfaces
- Laboratory analysis of dust samples for lead content
- Interpretation of results against applicable clearance standards
- Preparation and documentation of a written clearance report

If clearance standards are not met, all failed areas must be re-cleaned or treated using appropriate lead hazard reduction methods and retested. This process will be repeated until clearance is successfully achieved in compliance with regulatory requirements.

Final payment for any work involving lead-based paint disturbance shall be withheld until clearance has been documented and approved for all affected areas.

The Rehabilitation Specialist is responsible for taking and maintaining before-and-after photographs of all areas where lead-based paintwork is performed to document the condition and compliance.

Lead-Based Paint Requirements by Assistance Level

Federal lead-based paint regulations apply to all properties constructed before 1978 receiving federal rehabilitation assistance. The scope of required evaluation and hazard control measures depends on the level of financial assistance provided. All work must comply with HUD's Lead Safe Housing Rule and EPA's Renovation, Repair, and Painting (RRP) Rule.

Properties Receiving No More Than $5,000 in Assistance

For homes built before 1978 and receiving up to $5,000 in federal rehabilitation assistance, lead-based paint compliance requirements are limited but still essential to ensure occupant safety.

Requirements:

- The property may either be tested for lead-based paint or have its presence presumed.
- The homeowner must receive the EPA pamphlet "Protect Your Family from Lead in Your Home" before work begins and sign an acknowledgment of receipt.
- If lead-based paint is identified or presumed, the following actions must be taken:
  - Repair all painted surfaces disturbed during rehabilitation.
  - Use safe work practices as defined by EPA and HUD guidelines.
  - Obtain clearance of the work area to ensure that lead dust levels are below EPA thresholds.

These requirements ensure that any potential lead exposure is properly managed, even at lower funding levels.

Properties Receiving More Than $5,000 but Less Than $25,000 in Assistance

For homes built before 1978 and receiving between $5,001 and $24,999 in federal rehabilitation assistance, additional lead hazard evaluation and control measures are required.

Requirements:

- The property must be tested for lead-based paint or have its presence presumed.
- The homeowner must receive the EPA pamphlet "Protect Your Family from Lead in Your Home" before work begins and sign an acknowledgment of receipt.
- A risk assessment must be performed on both the interior and exterior of the home.
  - The risk assessment must be conducted by a certified risk assessor or lead-based paint inspector, in accordance with EPA standards (40 CFR Part 745, Subpart L). Results must be provided to the homeowner before work begins.
- If lead hazards are identified (or presumed), interim controls must be implemented. These may include:
  - Paint stabilization of deteriorated surfaces
  - Treatment of friction and impact surfaces
  - Dust-lead hazard control measures
  - Lead-contaminated soil treatment

- Interim controls may be combined with or replaced by abatement methods where feasible or necessary.

These measures are intended to mitigate lead hazards while balancing project scope and cost.

Properties Receiving $25,000 or More in Assistance

For homes built before 1978 and receiving $25,000 or more in federal rehabilitation assistance, full compliance with HUD's Lead Safe Housing Rule is required.

Requirements:

- The property may either be tested for lead-based paint or have its presence presumed.
- The homeowner must receive the EPA pamphlet "Protect Your Family from Lead in Your Home" before work begins and sign an acknowledgment of receipt.

If testing is skipped, all painted surfaces are presumed to contain lead and must treat them as hazardous.

If lead hazards are present or presumed:

- All interim control work must be performed by workers who have:
  - Completed a HUD-approved lead-safe work practices course, or
  - They are supervised by a certified lead abatement supervisor.
- All work must follow EPA RRP Rule standards and achieve post-work clearance.

Required Interim Controls. The following elements must be addressed where applicable:

a. Paint Stabilization
   - Repair defective substrate materials prior to stabilization.
   - Remove deteriorated paint using safe methods.
   - Prepare and repaint surfaces using durable coatings.
b. Friction and Impact Surfaces
   - Includes windows, doors, baseboards, cabinets, drawers, and floors.
   - Treatments must prevent abrasion or impact (e.g., door stops, adjustments).
   - Painting alone is not an adequate control without treating the underlying cause.
c. Chewable Surfaces
   - Treatment is required only if a child under age six has been observed chewing on the surface and lead-based paint is present.
d. Dust-Lead Hazard Control
   - Use smooth, cleanable coverings (e.g., linoleum) over rough surfaces.

- Clean carpets with HEPA vacuums.
- Conduct dust-wipe testing after work to verify clearance.

e. Soil-Lead Hazard Control
- Cover bare soil with impermanent materials (e.g., gravel, mulch), or
- Restrict access using land use controls (e.g., fencing).
- Permanent abatement may be used where feasible.

f. Worksite Safety and Clearance
- All work involving lead-based paint must follow safe work practices.
- Clearance testing must be conducted by a certified inspector or risk assessor.
- Clearance results must be documented and retained in the project file.

Recordkeeping

Documentation for all lead-related compliance activities, including:

- Pamphlet acknowledgments
- Risk assessment reports
- Interim control work logs
- Training and certification records
- Clearance test results

Must be maintained in the project file for no less than three (3) years after project completion or as required by the funding agency.

10. HOUSING LOAN/GRANT COMMITTEE

Housing Committee

The Housing Committee shall consist of the City of Citrus Heights Community Development Director, Housing and Human Services Program Coordinator, and/or another designee.

Housing Committee Role

1. The client's confidentiality shall always be maintained. Personal financial records and sensitive information will not be disclosed as public information.
2. The Committee will review each application and make decisions regarding the approval or denial of the loans and grants. This includes evaluating the loan package submitted by the Program Administer and any additional information relevant to minimizing risks and ensuring program compliance.

11. PROGRAM PROCEDURES

Waiting List

The City shall maintain a waitlist for Program assistance. Individuals may request to be added to the waitlist by calling the City's Housing Division. As funding allows, City staff will contact households on the waitlist and offer them the opportunity to complete an application.

Households have 30 days from the date of initial contact to submit a complete application; households failing to apply to this timeframe will be removed from the waitlist. Individuals who desire assistance later will be added to the waitlist.

The City may close the waitlist when the number of individuals on the waiting list exceeds the number that can reasonably be expected to secure funding through the Program.

Application Requirements

Each applicant must complete and sign an application form that includes information on the following:

- Income
- Employment
- Assets
- Property details

The application is only considered complete if:

- All required information is provided
- Documents are submitted in the format requested
- The application is signed and dated

Required Documents (for all adults in the household):

- Most recent 2 months of income documents (paystubs and social security award letters)
- Most recent 2 years of federal tax returns
- Most recent 6 months of checking and 2 months of savings account statements (including retirement accounts)
- Copy of deed or title to the property
- Most recent mortgage statement

Additional documents may be required to confirm eligibility.

Verification and Review: The City may verify income, assets, or employment by contacting:

- Employers
- Government agencies
- Banks or financial institutions

If there are major errors, missing information, or false statements that cannot be resolved, the City may deny the application. If denied, the applicant must wait 6 months before applying.

Income Qualification

The applicant's total household income shall be at or below eighty (80) percent of the area median income (AMI), adjusted for household size. The income limits in place at the time of loan approval shall apply when determining the applicant's income eligibility and funding source.

Income shall be verified by reviewing and documenting tax returns, copies of pay stubs or other wage receipts, subsidy award letters or checks, banking and investment statements, and third-party verification of employment forms sent to employers.

Other documentation necessary to confirm or calculate a household's income or assets may be required if deemed necessary by the Program Operator. All documentation shall be dated within six months before loan funding in the applicant file and held in strict confidence.

Definitions

a. Household**.** This means one or more individuals who occupy a housing unit. Unborn children do not count in family size determination. Children are counted in family size determination only if they reside in the home at least fifty percent of the time.
b. Annual Income**.** Generally, the gross amount of income of all adult household members is anticipated to be received during the coming 12-month period.
c. Household Income**.** Household income is the annual gross income of all adult household members that is projected to be received during the coming 12-month period and shall be used to determine program eligibility. Refer to Income Inclusions and Exclusions for further guidance on the types of incomes to be included or excluded when calculating gross annual income. For those types of income counted, gross amounts (before any deductions have been taken) are used. The household's projected ability to pay must be used, rather than past earnings, when calculating income.

d. Annual Income**.** Depending on the funding sources, annual income limits can be found using the links below.

   - U.S. Department of Housing and Urban Development, HUD
   - California Department of Housing and Community Development, HCD

e. Assets. Income from assets is recognized as part of annual income under the Part 5 definition. An asset is a cash or non-cash item that can be converted to cash. The value of necessary items such as furniture and automobiles are not included. (Note: it is the income earned – e.g. interest on a savings account – not the asset value, which is counted in annual income.). An asset's cash value is the market value less reasonable expenses required to convert the asset to cash, including, for example, penalties or fees for converting financial holdings, and costs for selling real property. The cash value (rather than the market value) of an item is counted as an asset.

f. Lien Position. The applicant must not have more than one mortgage recorded on the property at the time of approval. The Housing Committee may consider an exception and allow two mortgages on the property if the loan-to-value ratio of all loans (including the City's proposed loan) will be less than 105 percent, provided this value does not exceed 100 percent of the median sales price of homes in Sacramento County.
g. Acceptable Financing. The applicant must not hold an interest-only, adjustable rate, or reverse mortgage. Also, no financing, senior or junior to the CalHome or the PLHA loans may be a balloon payment due before the maturity date of the CalHome or the PLHA loans.
h. Cash Out. Any cash payment to the homeowner out of escrow is prohibited.

12. PROPERTY INSPECTION

A brief property inspection will be conducted by the Rehabilitation Specialist to determine the need for repairs. The Rehabilitation Specialist will note any structures or systems that need repair or replacement and will provide a rough estimate of the cost to complete the repair.

The City may order a third-party lead-based paint inspection, pest inspection, and/or asbestos testing if deemed necessary by the Rehabilitation Specialist. The associated costs may be included in the loan amount at the City's sole discretion.

If the necessary repairs are estimated to exceed available funding, the Rehabilitation Specialist will determine the priority of the repairs. If the Rehabilitation Specialist determines that the home cannot be made safe and habitable with the available funding, the property shall be ineligible for assistance.

13. WORK WRITE-UP

After verifying that all necessary eligibility requirements have been met, the Rehabilitation Specialist shall prepare an itemized repair work write-up and an estimate of costs to complete the repairs. The Section 8 Housing Quality Standards and any applicable City building codes shall be used in determining the scope of work to be completed. A copy of the specifications write-up and estimated cost shall be provided to the homeowner(s).

14. BIDDING PROCESS AND CONTRACTOR SELECTION

A pre-bid conference notice will be sent to licensed contractors on the preferred contractor's list. A homeowner may work with a contractor, not on the preferred contractors list.

The City requires all contractors to provide:

- A copy of the Certificate of Insurance (i.e. top binder page showing policy limits) meeting the City's requirements.
- State of California contractor's license number.
- W-9 form.
- Copy of business license.
- At least two (2) references for similar work performed in the past.

Contractors must meet all insurance requirements set forth by the City and be appropriately licensed by the State of California. Contractors listed as debarred on the Excluded Parties List System (or successor list) by the federal government shall be ineligible.

The Rehabilitation Specialist will conduct a walk-through bid conference with interested contractors. All bids must be submitted on the City's forms, and a minimum of three bids is required unless an exception to this requirement is approved by the Housing Committee.

After reviewing the bids, the Rehabilitation Specialist will share the bids with the homeowner, the homeowner selects a contractor, and a notice of award will be sent to the contractor who submitted bids on the project.

Participants shall not receive a loan to perform work in their own homes. Participants also shall not contract with any firm employing any person related to any member of the household.

15. CONSTRUCTION CONTRACT

The Program Administrator/City shall prepare a Construction Agreement between the selected contractor and the homeowner in the amount not to exceed the bid plus a ten (10)

percent contingency. A copy of the contract shall be provided to the homeowner and contractor for review.

Participants shall not enter into any other agreements with the contractor (verbal or written) during the active term of the Construction Agreement.

16. LOAN DOCUMENTS

After the Construction Agreement is signed, the Program Administrator/City shall prepare the necessary loan documents for the homeowner's signature.

These shall include:

- Loan Agreement
- Promissory Note
- Deed of Trust
- Notice of Right of Rescission
- Fair Lending Disclosure

The Loan Agreement and the Deed of Trust shall be recorded to secure the loan.

The Notice to Proceed will be issued by the Program Administrator once all loan documents have been fully executed and recorded, and the rescission period has expired.

The contractor shall begin and complete the project(s) in a timely manner, not to exceed four (4) months from the date of the Notice to Proceed, unless additional time is granted in writing by the City.

17. CHANGE ORDERS

All change orders require the approval of the owner, the contractor (if a contractor is involved), and the Program Administrator. All three parties will sign the change order before the commencement of the work proposed in the change order. All change orders for $2,000.00 or greater must be approved in writing by City staff.

18. WORK COMPLETION

The Program Administrator will conduct a final walk-through inspection with the homeowner and contractor to address any outstanding items. Upon completion of work and a final inspection by the City's Building Division, a Notice of Completion (signed by the homeowner) will be recorded at the County Recorder's Office.

19. DISBURSEMENT

The City shall disburse funds to each contractor no more than three (3) times. Disbursements must be commensurate with the amount of work completed, including materials delivered. The final disbursement may only take place after all work has been performed, the final inspection completed, an unconditional lien release received from the contractor and any subcontractors, and the lead-based paint clearance achieved, if necessary.

Construction disbursements cannot be released without the signatures of the homeowner, contractor, and the City's Housing and Human Services Program Coordinator. Every effort shall be made to disburse funds within two (2) weeks of the final inspection, assuming all work is satisfactorily completed.

20. DISPUTE RESOLUTION AND APPEALS PROCEDURE

During preconstruction, construction, or post-construction periods, the applicant/borrower shall engage in the following process to have any disputes heard and resolved.

1. Any person applying for a rehabilitation loan/grant through the City's program has the right to appeal their application if denied.
2. In addition, during the preconstruction, construction, and post-construction periods, the borrower has a right to have disputes heard and resolved.
3. The contractual obligation for rehabilitation is ultimately between the contractor and the homeowner. If the two parties' conflict, the following procedure will occur:
   - Stage 1: Before any intervention occurs, the homeowner or contractor shall communicate perceived problems or complaints directly to the other party. To resolve the differences, each will allow the other to respond or correct the problem.
   - Stage 2: If the Stage 1 attempt fails, the homeowner or contractor may ask City staff to informally intervene. This intervention might include telephone calls to the contractor or homeowner, meetings at the job site or in the office, or other actions as appropriate, including such things as the establishment of written working guidelines or other post-contractual agreements. It must be recognized that at this point the homeowner may wish to utilize other options, including contacting the Contractor's State Licensing Board and submitting a complaint.
   - Stage 3: Any controversy between the parties that cannot be settled through the informal intervention process outlined above shall be submitted to binding arbitration according to the laws of the State of California and the rules of the American Arbitration Association. Costs of the arbitration will be borne by the party

failing to make his case, or subject to the terms of the arbitration agreement. The award of such Arbitration should be final and not subject to appeal. The prevailing party shall be reimbursed by the losing party for any reasonable legal costs and fees.

4. The homeowner has other options that may be utilized, including the following:
    - Submitting a complaint to the Contractors State Licensing Board
    - Contacting Housing and Community Development
    - Using professional mediation or binding arbitration services
    - Taking legal action
5. It is hoped that the informal intervention process described above will effectively address and resolve issues arising between contractors and homeowners. Every effort should be made to remedy problems and settle differences through this process before pursuing more formal or drastic measures.

If a dispute cannot be resolved through informal intervention, the owner and contractor shall seek resolution through the other dispute resolution options outlined previously.

21. ANTI-DISPLACEMENT POLICY AND RELOCATION ASSISTANCE

This program is subject to the "Relocation, Displacement, and Acquisition" Amendment of the Housing and Community Development Act of 1977, URA, and Section 104(d) of the Housing and Community Development Act of 1974. CDBG rehabilitation projects will not result in involuntary displacement.

22. TEMPORARY RELOCATION ASSISTANCE

1. Relocation assistance will be considered only if an extreme situation of hardship exists, such as when the owner is elderly, financially destitute, has no friends or family to assist with housing, all alternatives have been exhausted, and relocation is necessary for medical reasons while substantial rehabilitation is occurring.
2. Owner-occupants will be eligible for up to $750.00 per household to help pay for relocation costs if they meet the criteria and are required to temporarily relocate during the rehabilitation of their home.
3. These funds may be used to help pay for the rent and/or utility costs of temporary housing and/or for the cost of moving and storing furniture.
4. In the case of a CDBG-funded project, relocation costs will not be part of the loan funds advanced to the borrower but will be given to the family as a grant instead and will not require repayment.
5. If the project is funded by CalHome or PLHA, the relocation expenses will be incorporated as part of the loan.

6. If a homeowner receives a relocation grant or loan, the grant or loan must be included in the Loan Agreement.

23. CONTRACTING REQUIREMENTS

Role of the Local Government

The City of Citrus Height is an equal opportunity, fair housing lender, providing affordable housing financing for housing rehabilitation performed in accordance with the adopted Program Guidelines. The City does not warrant any construction work or provide any insurance coverage.

Contracting Process

1. Contracting will be done on a competitive bid basis.
2. The homeowner will be the responsible agent, but the local government and/or its agent will prepare and advertise the bid package and assist the homeowner in negotiating the contract.
3. The homeowner will select the contractor of their choice.
4. The contract for rehabilitation will be between the homeowner and the contractor.

Approved Contractors

1. All contractors will be checked with HUD's federally debarred list of contractors; no award will be granted to a contractor on the debarred list.
2. Contractors are required to be licensed with the State of California and to be active and in good standing with the Contractors State License Board.
3. Contractors must also have public liability insurance and, when necessary, Worker's Compensation insurance, unemployment, and disability insurance.
4. Contractors must agree to comply with all federal and state regulations as outlined in the Contract for Housing Rehabilitation.

24. REQUESTS FOR SUBORDINATION AND HARDSHIP CONSIDERATION

Requests for subordination and hardship consideration of the City's loan will be considered on a case-by-case basis by the Housing Committee.

The following documents will be required:

- Good faith estimates of closing costs.
- Payoff demand on an existing mortgage.
- Appraisal report.

- Any other document deemed necessary by the Housing Committee to decide.

Note under no circumstance will a borrower be allowed to enter a "short sale" as defined by the California Department of Real Estate.

The City has no obligation to approve a subordination or hardship request.

The City's loan must be in the first or second lien position. The City will only accept a third lien position upon an approved exception request by the Housing Committee and will not accept any lower subordination.

The overall loan-to-value ratio must be no more than 100 percent of the appraised value of the affected property (and must not exceed 100% of the median County sales price of single-family homes) unless otherwise accepted by the Housing Committee.

Loan subordination requests may be considered for the following reasons:

1. Refinancing for a lower interest rate or to convert from an adjustable-rate mortgage to a fixed-rate mortgage.
2. Documented medical hardship.

Loan subordination requests for the following will not be considered:

- To receive cash out.
- To pay off revolving, automotive, or other consumer debt.
- To pay off loan's junior to the City's loan or other debt secured by the property.
- To pay off property taxes, utilities, or assessments.

25. LOAN MONITORING REQUIREMENTS

Loans shall be monitored on an annual basis to ensure compliance with the terms of the Loan Agreement, including but not limited to, owner-occupancy, insurance requirements, property tax payment, and general maintenance of the home. Homeowners in default of their Loan Agreement terms shall have sixty (60) calendar days from the date of notification to correct the event of default.

26. AMENDMENTS

Minor amendments to these Program Guidelines may be approved by the Housing Committee. Amendments to change the income requirements, maximum loan amount, interest rate, loan forgiveness schedule, or eligible types of repairs shall be approved by the City Council.

RESOLUTION NO. 2026-____

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CITRUS HEIGHTS, CALIFORNIA, ADOPTING THE UPDATED HOUSING REHABILIATION PROGRAM GUIDELINES TO INCORPORATE THE PERMANENT LOCAL HOUSING ALLOCATION AS A FUNDING SOURCE

WHEREAS, the City of Citrus Heights has operated a Housing Rehabilitation Program since 2000, a variety of funding sources to assist income-eligible households with housing repair needs; and

WHEREAS, the Housing and Grants Division within the Community Development Department is responsible for the administration, monitoring, and implementation of the City's federal, state, and local housing and community development funds; and

WHEREAS, the Housing Rehabilitation Program Guidelines establish eligibility criteria, allowable activities, and funding sources for the City's housing repair program; and

WHEREAS, the City receives Permanent Local Housing Allocation (PLHA) funds from the State of California to support eligible housing activities that address local housing needs; and

WHEREAS, on January 28, 2026, City staff provided the City Council with an update on the City's PLHA program, as part of the update, the City Council approved Amendment No. 2 to the Five-Year (2019-2023) Spending Plan, reallocating $349,609.13 in PLHA funds from Homeless Services to Owner-Occupied Housing Rehabilitation to support health and safety repairs for low-income homeowners; and

WHEREAS, PLHA funds must be used for eligible ownership activities, and the City's Housing Rehabilitation Program is an existing, compliant program that serves low-income, owner-occupied households; and

WHEREAS, the Housing Rehabilitation Program Guidelines must identify eligible funding sources to provide staff with formal authority to administer funds in accordance with state and local requirements; and

WHEREAS, incorporating PLHA as an eligible funding source into the Housing Rehabilitation Program Guidelines is necessary to implement City Council direction.

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

1. Adopts the Housing Rehabilitation Program Guidelines; and

2. Authorizes staff to make minor amendments to the Guidelines. Amendments to change the income requirements, maximum loan amount, interest rate, and loan forgiveness schedule shall be approved by the City Council.

PASSED AND ADOPTED by the City Council of the City of Citrus Heights on the 11th day of February 2026 by the following roll call vote:

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

MariJane Lopez-Taff, Mayor

ATTEST:

Amy Van, City Clerk

Attachment**:**

1. Housing Rehabilitation Program Guidelines

CITY OF CITRUS HEIGHTS

CITY COUNCIL STAFF REPORT MEMORANDUM

DATE: February 11, 2026

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

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

SUBJECT: **Quarterly Treasurer's Report**

Recommendation

Staff recommends the City Council receive and file the Quarterly Treasurer's Report for the quarter ending December 31, 2025. This report is a standard quarterly report submitted in accordance with the provisions of California Government Code Section 53646(b) whereas it states the treasurer or chief fiscal officer may render a quarterly report to the chief executive officer, the internal auditor, and the legislative body of the local agency.

City Council Strategic Goal/Objective

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

Goal: Maintain and Enhance Fiscal Stability while supporting operational excellence.

Fiscal Impact

There is no fiscal impact associated with this action. The attached report is for informational purposes on the effects of current market conditions on the City's investment portfolio.

Background and Analysis

The market value of cash and investments for all City funds on September 30, 2025, was $47,747,440, down from $55,684,755 on September 30, 2025. The decrease is largely due to the continued payments for large construction projects such as Auburn Boulevard Complete Streets, Dewey/Van Maren, and other street repaving projects.

Significant deposits for the FY 2025/26 second quarter (Oct through Dec 2025) included:

CalTrans Grant Reimbursements – Auburn Blvd, Roseville Rd, ect.	$2,511,785
Sales Tax	$2,504,810
Housing & Urban Development Reimbursement – CDBG	$950,036

The breakdown of the City's investment portfolio and current rate of return is as follows:

	As of 12/31/2025				
Description	**Par Value**	**Cost Value**	**Fair Value**	**Avg. Rate of Return**	**% of Total Portfolio**
US Bank – General Account	$2,618,140	$2,618,140	$2,618,140	0.00%	5.48%
Local Agency Investment Funds (LAIF)	$33,619,979	$33,619,979	$33,693,320	4.20%	70.57%
California Asset Management Program (CAMP)	$168,721	$168,721	$168,721	4.10%	0.35%
Investment Account	$11,212,702	$11,125,417	$11,267,259	4.34%	23.60%
Total Portfolio	**$47,619,542**	**$47,532,257**	**$47,747,440**	**4.00%**	

A portion of the City's investments are under management by Chandler Asset Management (Investment Manager) as of March 2023. For more information regarding the City's investments under management, see schedules included as Attachment 1.

The report includes all securities managed by the City and its Investment Manager (excluding bond proceeds) and provides information on the values (par, fair, and cost), term, and yield of each security. Of note, because the safe-keeping custodian and the Investment Manager may use different pricing sources to determine the market value of the securities, there can be minor differences in fair values shown on the custodian's monthly statement as compared to the Investment Manager's monthly statement.

Fair Value of individual securities has been provided by Chandler Asset Management. The City uses US Bank as its third-party custodian for safekeeping of all investments except for the Local Agency Investment Fund (LAIF) and the California Asset Management Program (CAMP). LAIF is a money market fund administered by the State Treasurer that has many governmental agency participants and holds securities through its own administrator.

In July 2024, the City joined the California Asset Management Program (CAMP). CAMP is a California Joint Powers Authority (JPA), a government agency that was established in 1989 to provide public agencies in California with professional investment services and options. CAMP is governed by a Board of Trustees comprised of experienced local government finance directors and treasurers. The City has invested funds in the CAMP Pool, a stable net asset value investment rated AAAm by S&P Global. The CAMP Pool offers same-day liquidity similar to LAIF. Investments in the CAMP Pool are permitted under California Government Code Section 53601(p) and the City's Investment Policy.

The value of fixed-income securities may fluctuate with changes in interest rates. As interest rates go up, the fair value of the securities may go down, and the reverse is true; when interest rates go down, the market value of the securities may go up. The difference between the book

and fair market value is considered an unrealized gain or loss. The unrealized gain for this reporting period is $215,183. It is important to note that a loss or gain is realized when an investment is redeemed or sold before its maturity date. The City's investments are typically retained until the maturity date, at which point the City's full investment is returned. Nonetheless, the City may elect to sell an investment before its maturity and record a capital gain or loss to manage the portfolio's quality, liquidity or yield in response to market conditions or the City's risk preferences.

Compliance
All investment transactions were executed in accordance with the California Government Code and the City's Investment Policy. In accordance with California Government Code section 53646(b)(3), staff believes that the investments and budgeted revenues for the City will provide sufficient cash flow to meet the anticipated cash flow requirements of each entity for the next six months.

Pooled cash and investment book balances are adjusted annually to reflect fair value as required by Generally Accepted Accounting Principles (GAAP). The term fair value was formerly known as market value and became effective with the mandatory implementation of the Governmental Accounting Standards Board (GASB) Statement No. 31 in fiscal year 1998. The CAMP Pool complies with requirements outlined by GASB Statement No. 79, which allow the City to record its investment at amortized cost instead of fair value. The attached investment schedules meet all applicable GASB requirements.

American Rescue Plan Act Summary
Included in the City's investment portfolio are the American Rescue Plan Act (ARPA) funds. The City received an ARPA allocation of $15.7 million of which the total funds used by end of September 2025 were $14.1 million. As of December 31, 2024, all funds have been obligated and reported to the US Treasury. Remaining funds need to be expended by December 31, 2026.

At the August 14, 2024, City Council meeting, Council approved the allocation of the remaining funds towards general government services and critical projects. This is reflected on the schedule below in accordance with the US Treasury guidelines. General government services and critical projects include but are not limited to necessary improvements to infrastructure such as sidewalks, pedestrian safety features like crosswalks, streetlights, neighborhood cleanup, and other projects to revitalize public spaces; replace and update technology tools to effectively develop, execute, and evaluate government programs; and general government services such as rehire public safety to pre-pandemic levels.

American Rescue Plan Act						
Total Award	**$**	**15,676,972**				
Completed Projects				**Actual**		
Small Business COVID Recovery Grant			$	281,111		
Block Party Trailer - Economic Development+			$	27,794		
Patriotic Event+			$	68,438		
Proposed Grant Strategy+			$	60,000		
Police Fleet Vehicles & Equipment			$	1,800,000		
Community Projects Grant Program**+			$	72,400		
Cares Commuinity Pride and Cleanliness Campaign+			$	38,607		
Sound Wall Beautification+			$	105,986		
Business Attraction Incentive Program**+			$	87,363		
Public Safety Positions to PrePandemic Levels			$	7,749,590		
I.T. Critical, Major Projects; Execute Contract Tyler Technologies+			$	1,229,601		
In Process Projects		**Commited**		**Actual thru 12/31/25**		**Remaining balance**
Beautification Crew Pilot Program +	$	875,000	$	535,819	$	339,182
Public Safety Communications Center Critical Needs	$	600,000	$	473,283	$	126,717
General Government Services & Critical Projects	$	2,681,082	$	2,514,146	$	166,936
Committed funds	$	15,676,972				
Spent	$	15,044,137				
Remaining Committed	$	632,835				
Current Balance	$	(0)	Funds to allocate/reallocate			
+ City Council Strategic Objective						
** dependent on program subscription						

Attachments

1. Chandler Asset Management Portfolio Summary, Statement of Compliance, and Holdings Report

CHANDLER ASSET MANAGEMENT

INVESTMENT REPORT

City of Citrus Heights | As of December 31, 2025

CHANDLER ASSET MANAGEMENT | chandlerasset.com

Chandler Team:

For questions about your account, please call (800) 317-4747,
or contact clientservice@chandlerasset.com

Information contained herein is confidential. We urge you to compare this statement to the one you receive from your qualified custodian. Please see Important Disclosures at the end of the statement.

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ECONOMIC UPDATE

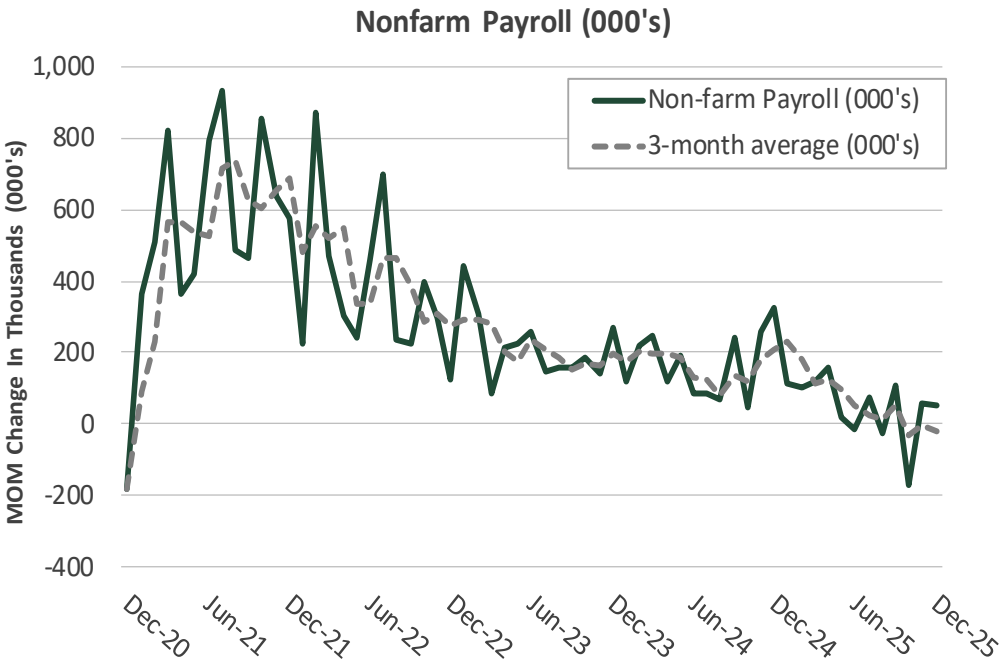
ECONOMIC UPDATE

- The near-term economic outlook continues to be distorted by the data delays from the government shutdown. Recently released government data—reflecting conditions from two to three months ago—indicate inflation remains moderately above the Federal Reserve's target, while labor market conditions have continued to soften. As the flow of economic data normalizes, the Chandler team expects further yield curve steepening as the Federal Reserve moves the policy rate toward a more neutral range. U.S. trade and fiscal policy also remain sources of elevated market uncertainty.

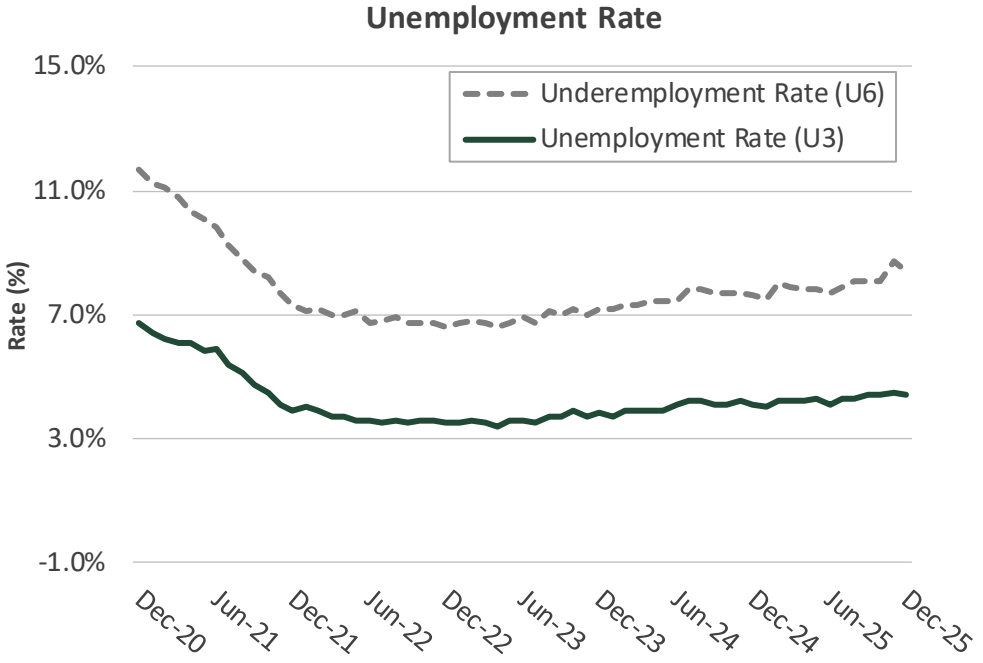
- The Federal Reserve's December Federal Open Market Committee meeting concluded with the third consecutive 25-basis-point rate cut in 2025, lowering the target range to 3.50%–3.75%. However, policymakers remain divided on the path forward. Four Fed governors project one additional 25-basis-point cut in 2026, another four anticipate no further easing, eight expect multiple cuts, and three call for a potential rate hike. Chair Jerome Powell noted that the Fed is now "well placed to wait and see" how labor market conditions and inflation evolve in the near term.

- The US Treasury yield curve steepened in December, as the 2-year Treasury yield dropped 2 basis points to 3.48%, the 5-year Treasury was up 13 basis points to 3.73%, and the 10-year Treasury yield was 15 basis points higher at 4.17%. The spread between the 2-year and 10-year Treasury yield points on the curve was 17 basis points wider from November at +69 basis points at December month-end. The spread between the 2-year Treasury and 10-year Treasury yield one year ago was +33 basis points. The spread between the 3-month and 10-year Treasury yield points on the curve was +54 basis points in December versus +21 basis points in November.

EMPLOYMENT



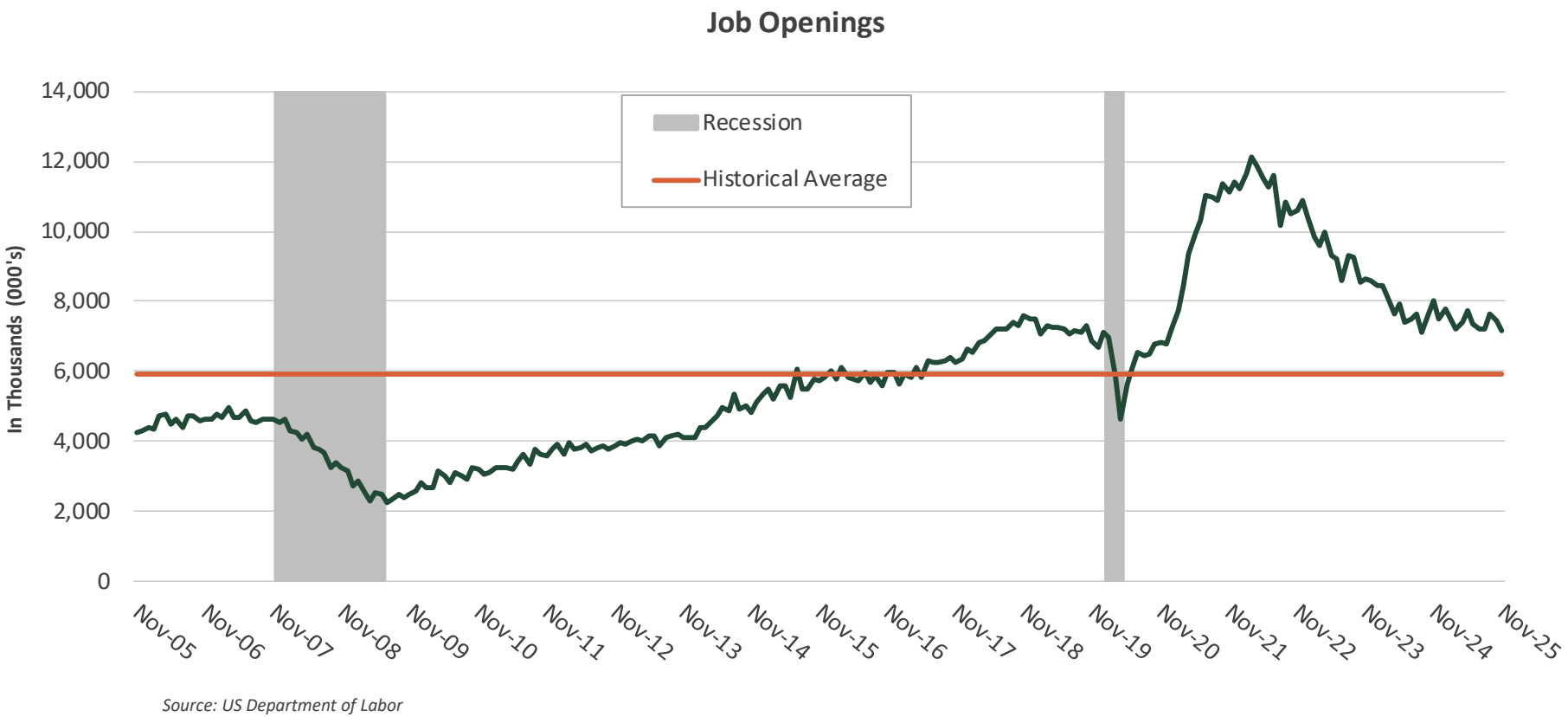
Source: US Department of Labor



Source: US Department of Labor

The December Nonfarm Payrolls report showed weaker-than-expected job growth, with payrolls rising by 50,000 compared with the consensus estimate of 70,000. This follows a downwardly revised gain of 56,000 in November. Employment declines were most pronounced in retail trade and construction, while leisure and hospitality posted the strongest gains. Notably, the unemployment rate edged down to 4.4% after increasing to 4.6% in November.

JOB OPENINGS & LABOR TURNOVER SURVEY

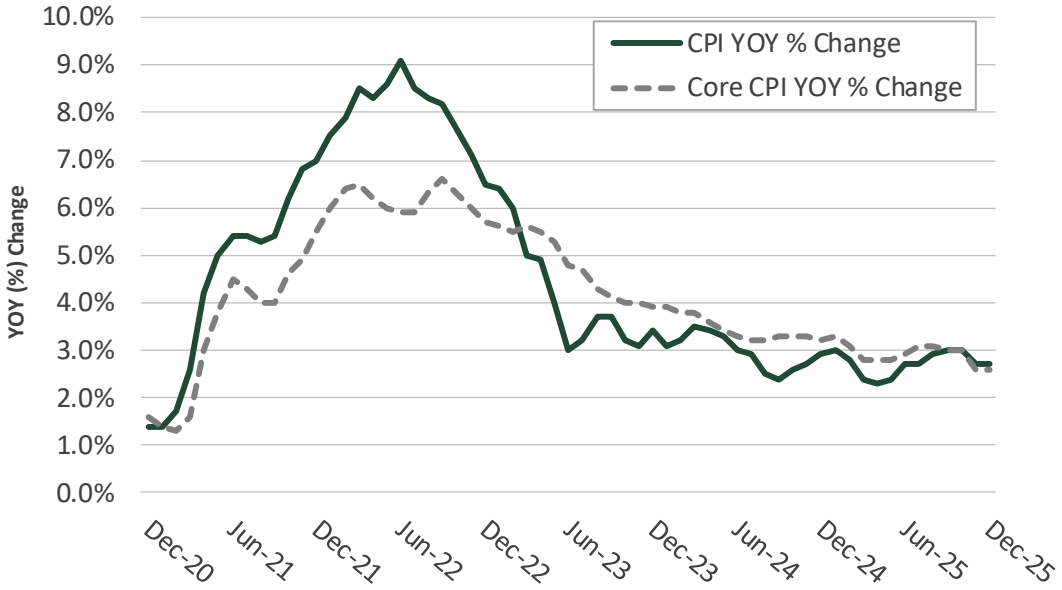


Source: US Department of Labor

The Labor Department's Job Openings and Labor Turnover Survey (JOLTS) reported that job openings fell to 7.1 million in November from a downwardly revised 7.4 million in October. The drop in vacancies, alongside slower hiring, suggests the labor market continues to soften, though employers remain cautious about laying off workers. The number of openings now roughly matches the number of unemployed individuals, pointing to a labor market that is approaching equilibrium.

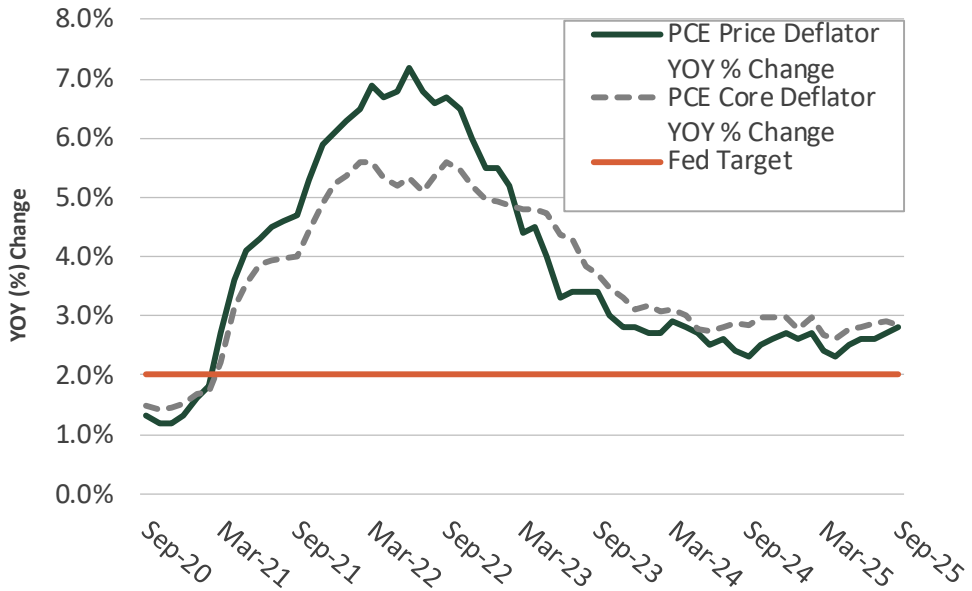
INFLATION

Consumer Price Index (CPI)



Source: US Department of Labor

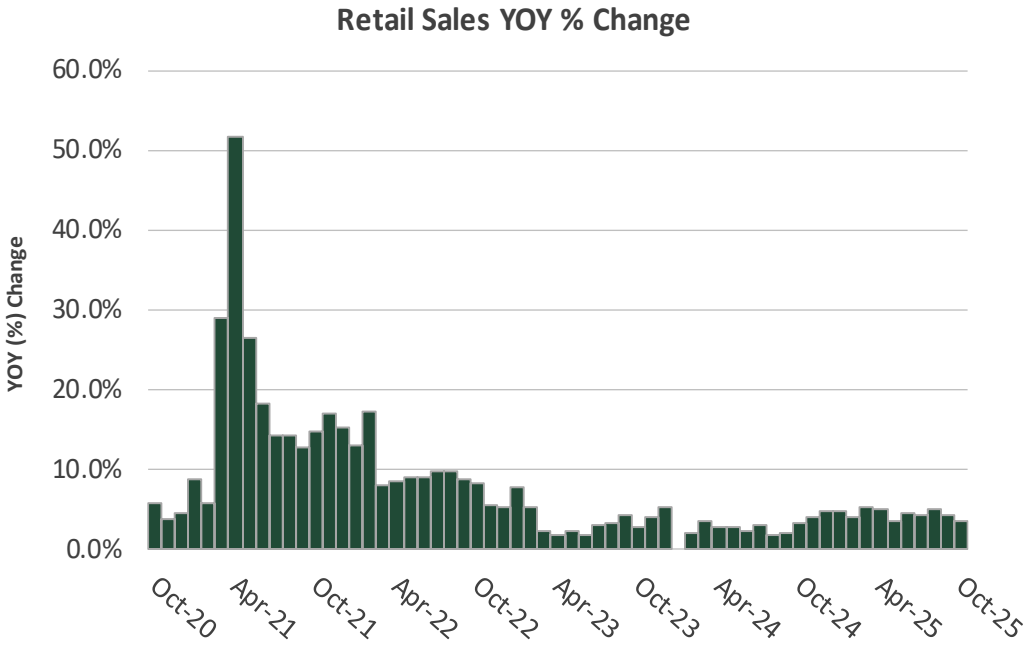
Personal Consumption Expenditures (PCE)



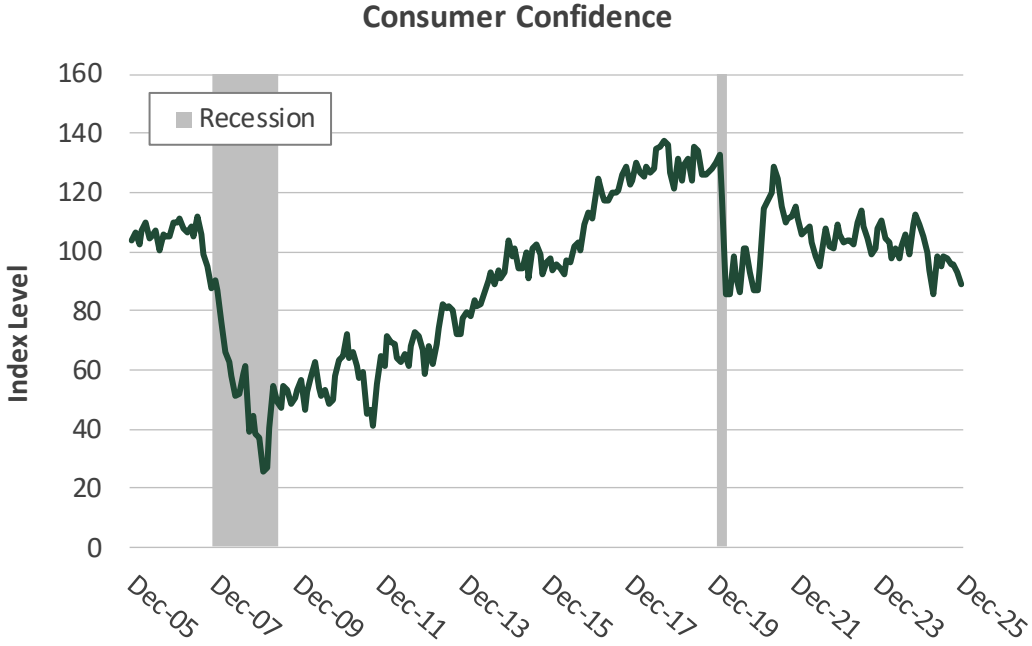
Source: US Department of Commerce

Inflation came in lower than expected in November, with the Consumer Price Index (CPI) rising 2.7% year over year and core CPI easing to 2.6%. Notably, both Owners' Equivalent Rent and Rent of Primary Residence contributed to the slowdown in services inflation. Shelter costs typically lag broader market trends by 12 to 18 months. Services, meanwhile, have remained the dominant driver of inflation throughout the post-pandemic period. The Personal Consumption Expenditures (PCE) Index for September, released on December 5, showed headline inflation up 0.3% from August and 2.8% year over year. Core PCE rose 0.2% on the month and 2.8% on an annual basis.

CONSUMER



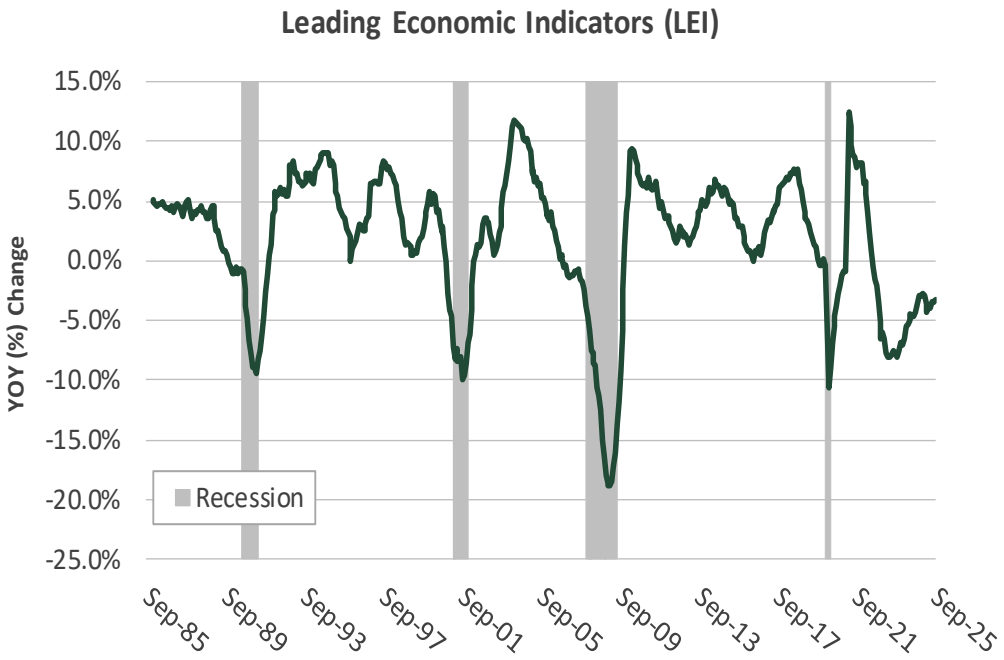
Source: US Department of Commerce



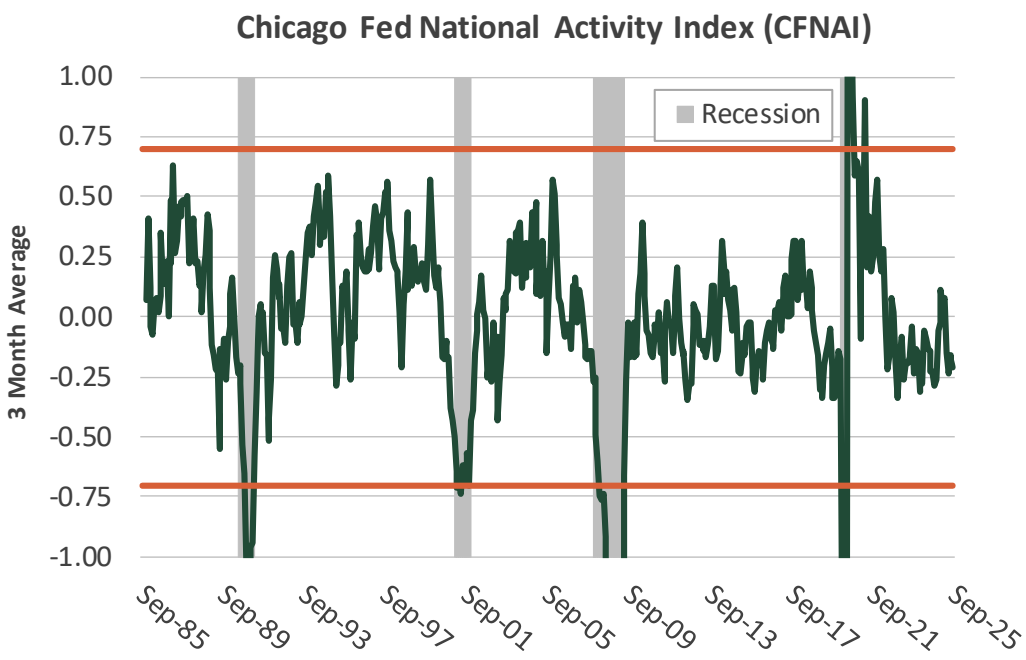
Source: The Conference Board
All time high is 144.70 (1/31/00); All time low is 25.30 (2/28/09)

October Retail Sales, released with a one-month delay, were flat from the prior month but up 3.5% year over year. Eight of thirteen major categories posted gains, while motor vehicle sales declined following the expiration of federal tax incentives for electric vehicles, and gas station sales weakened amid lower fuel prices. The government shutdown may have weighed on consumer confidence regarding jobs, incomes, and overall financial conditions, both current and in the future. The Conference Board's Consumer Confidence Index declined to 89.1 in December from an upwardly revised 92.9 in November, marking its fifth consecutive monthly drop. Consumers were pessimistic about both business conditions and the labor market.

LEADING INDICATORS OF ECONOMIC ACTIVITY



Source: The Conference Board

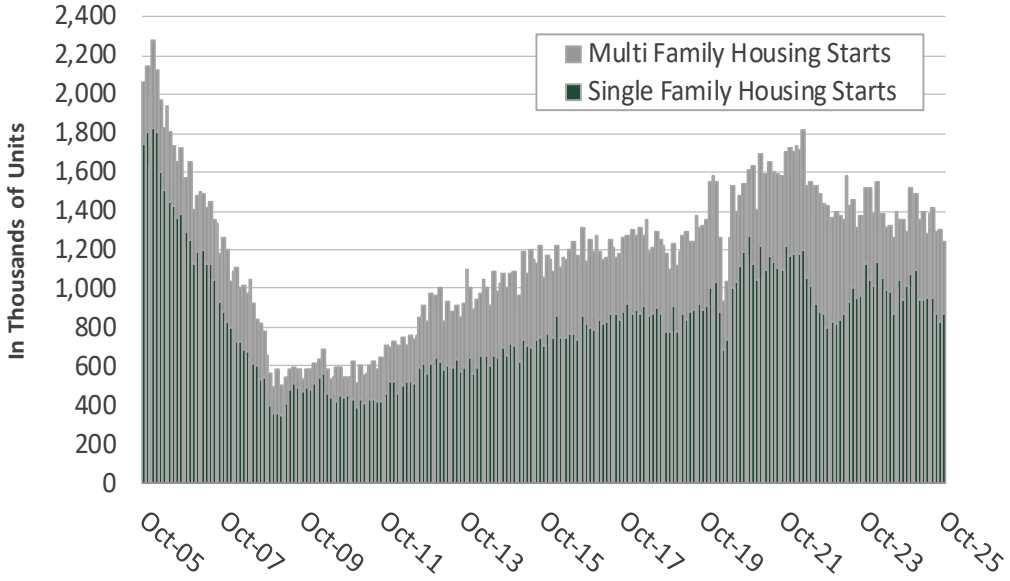


Source: Federal Reserve Bank of Chicago

The Conference Board's Leading Economic Index (LEI) declined 0.3% in September, marking its second consecutive monthly decrease after a revised 0.3% drop in August. On a year-over-year basis, the index fell 3.3%. According to the Conference Board, weakening expectations among consumers and businesses contributed most to the LEI's overall decline. The index continues to signal slower economic growth through the end of 2025 and into 2026. The Chicago Fed National Activity Index (CFNAI) came in at -0.21 in September, following a downwardly revised -0.31 in August, signaling that U.S. economic activity remained below its historical trend for the sixth consecutive month. The three-month moving average ticked down to -0.21 in September from -0.18 in August, reinforcing signs of ongoing below-trend national growth. Employment-related indicators turned slightly positive, contributing +0.01 in September after a -0.11 result in August.

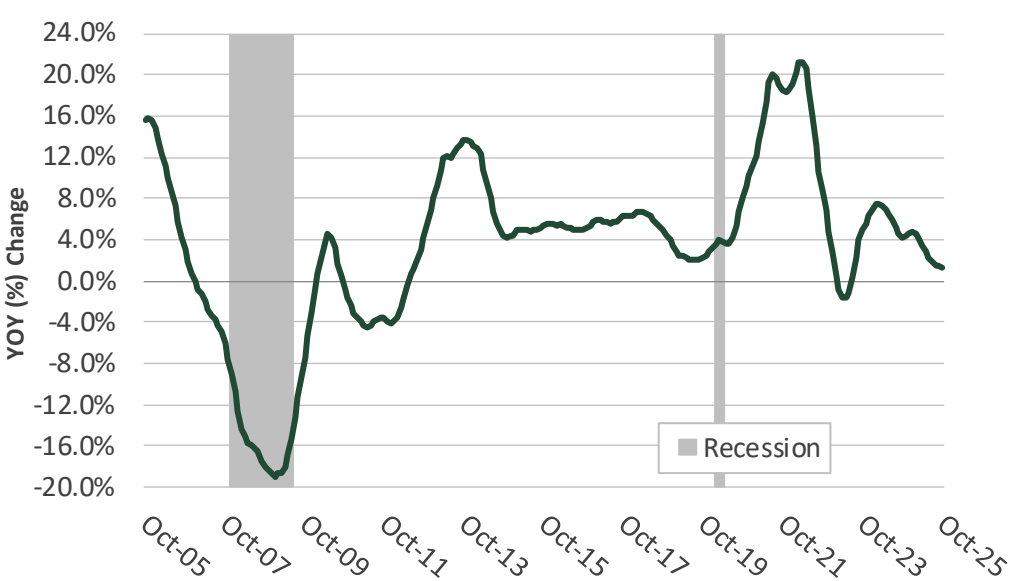
HOUSING

Annualized Housing Starts



Source: US Department of Commerce

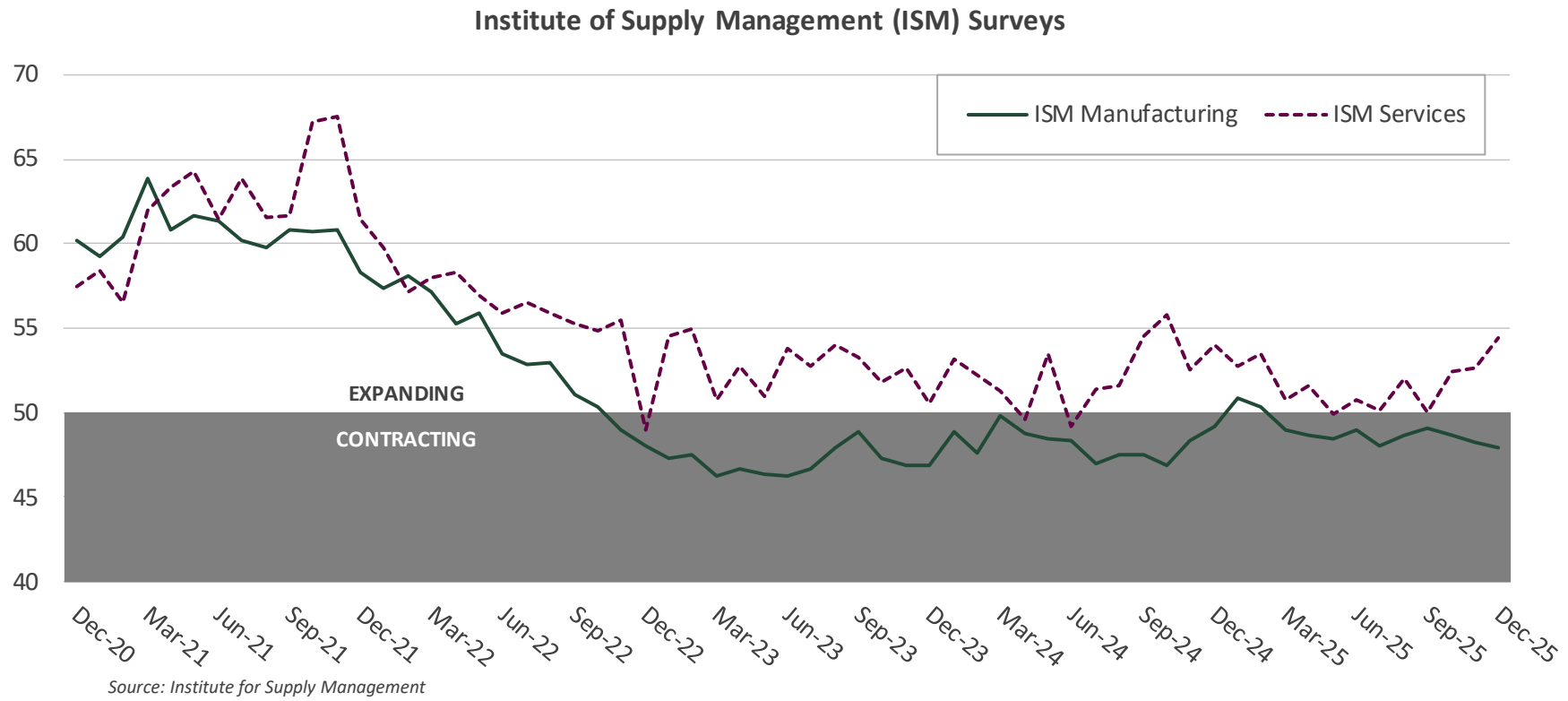
S&P/Case-Shiller 20 City Composite Home Price Index



Source: S&P

The S&P Cotality Case-Shiller 20-City Composite Home Price Index rose 1.3% year over year in October, slightly down from a 1.4% gain in September and marking the slowest annual increase since mid-2023. Short-term momentum also weakened, with 80 percent of the 20 tracked markets recording month-over-month price declines on a non-seasonally adjusted basis. Housing starts declined in October to an annualized rate of 1.25 million units, down from 1.29 million in September. Existing home sales inched higher in November to a 4.13 million-unit pace, indicating only modest improvement despite some relief in mortgage rates. The Freddie Mac 30-year fixed mortgage rate fell throughout 2025 and averaged 6.18% at the end of December.

SURVEY BASED MEASURES



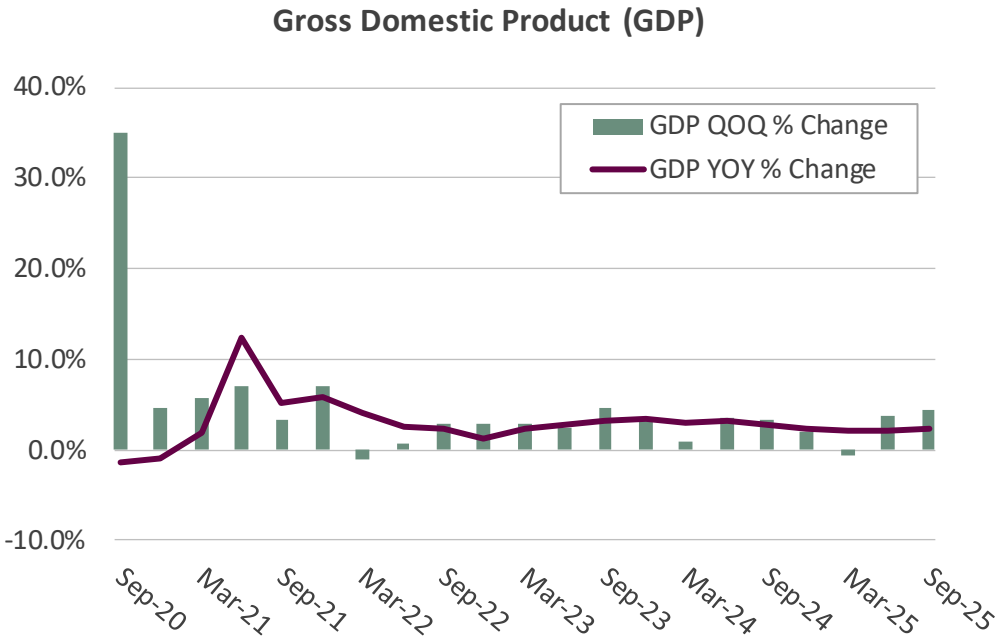
Source: Institute for Supply Management

The Institute for Supply Management's (ISM) manufacturing index slipped to 47.9 in December, down from 48.2 in November, marking continued weakness across the sector. Manufacturing activity has now been in contraction for 36 of the past 38 months, as readings below 50 indicate contraction and those above 50 signal expansion. The latest decline was driven primarily by pullbacks in the Production and Inventories components. In contrast, the ISM services index remained in expansion territory, rising to 54.4 in December from 52.6 in November. Respondents attributed the improvement to seasonal strength, though many remained cautious about the potential impact of tariffs.

GROSS DOMESTIC PRODUCT (GDP)

Components of GDP	12/24	3/25	6/25	9/25
Personal Consumption Expenditures	2.6%	0.4%	1.7%	2.4%
Gross Private Domestic Investment	-1.3%	3.8%	-2.7%	0.0%
Net Exports and Imports	-0.1%	-4.7%	4.8%	1.6%
Federal Government Expenditures	0.3%	-0.4%	-0.4%	0.2%
State and Local (Consumption and Gross Investment)	0.3%	0.2%	0.3%	0.2%
Total	**1.9%**	**-0.6%**	**3.8%**	**4.3%**

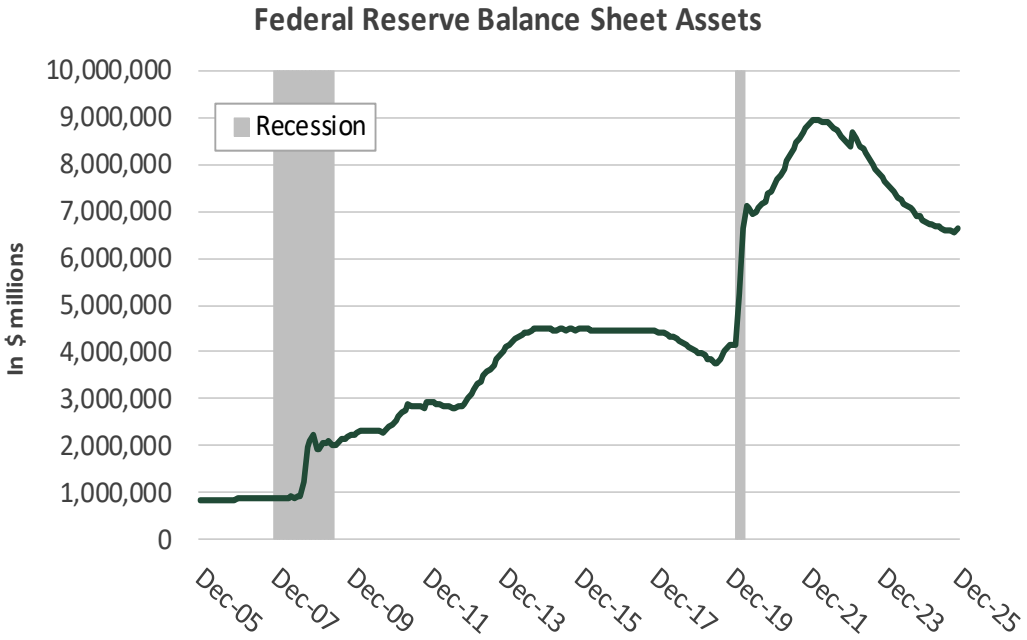
Source: US Department of Commerce



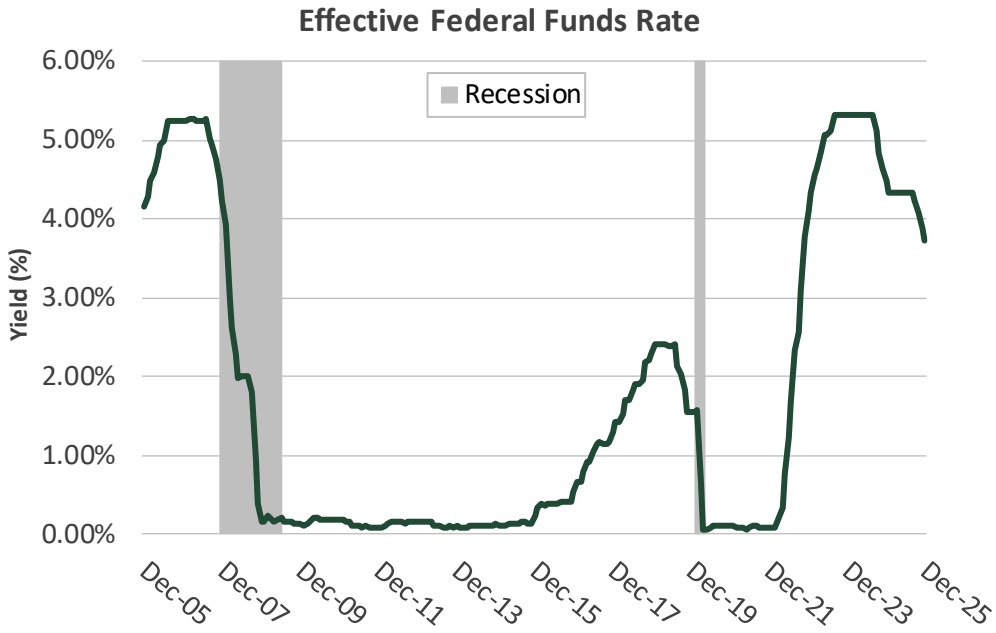
Source: US Department of Commerce

The U.S. inflation adjusted gross domestic product (GDP) report demonstrated continued strength in the third quarter, with the first estimate showing a 4.3% annualized quarter-over-quarter increase, up from 3.8% in the second quarter. Consumer spending accelerated, while exports contributed 1.6 percentage points to growth—both key drivers of the quarter's performance. The stronger-than-expected result represented the fastest pace of U.S. economic expansion in two years. The consensus projection calls for 1.1% growth in the fourth quarter and 2.0% growth for the full year 2025.

FEDERAL RESERVE



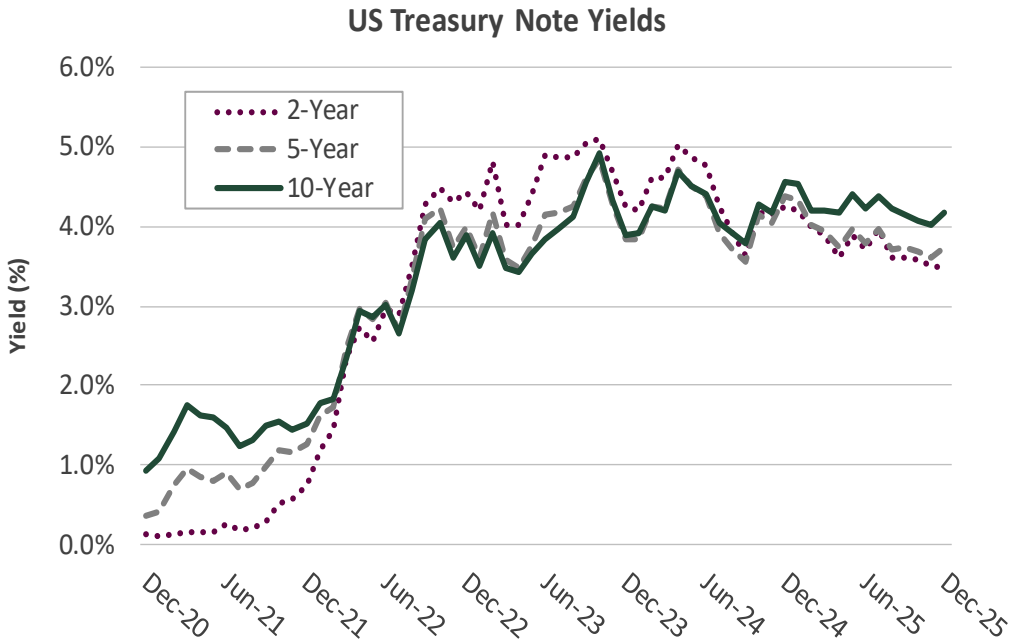
Source: Federal Reserve



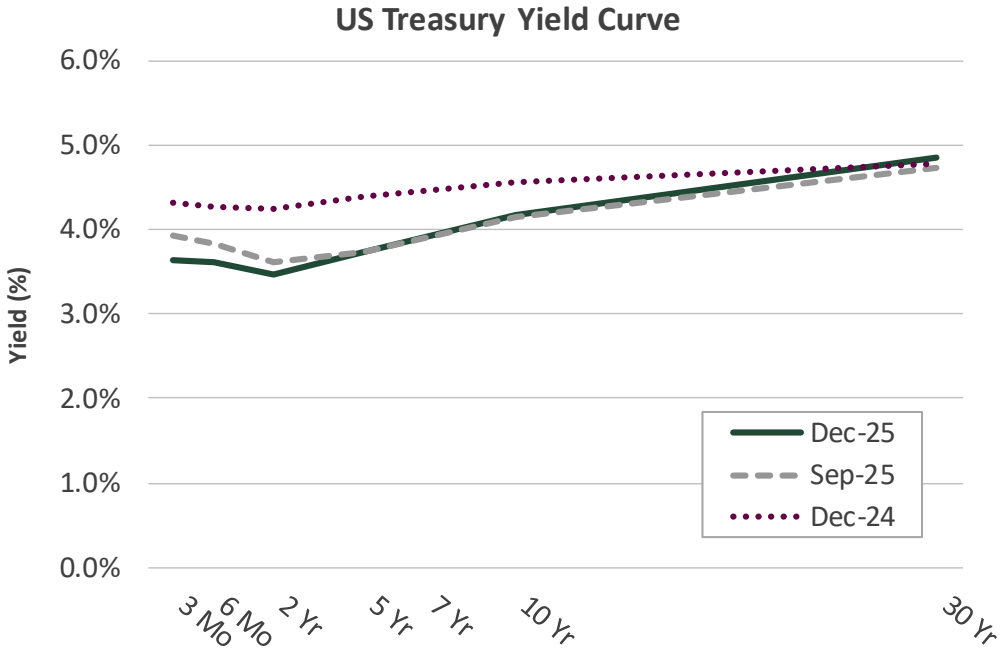
Source: Bloomberg

The Federal Reserve lowered its benchmark interest rate by a quarter point to a target range of 3.50% to 3.75% at its December meeting, citing concerns about emerging weakness in the labor market. A few policymakers dissented, arguing that tighter monetary policy may still be warranted to ensure progress on price stability. Beginning December 1, the Fed also halted its balance sheet runoff, announcing that principal and interest payments from its holdings will be reinvested in Treasury securities to maintain ample reserves and support market stability.

BOND YIELDS



Source: Bloomberg



Source: Bloomberg

At the end of December, the 2-year yield was 77 basis points lower, and the 10-year yield was 40 basis points lower, year-over-year. The spread between the 2-year and 10-year Treasury yield points on the curve increased to +69 basis points at December month-end versus +52 basis points at November month-end. The prior 2-year/10-year yield curve inversion, which spanned from July 2022 to August 2024, was historically long. The average historical spread (since 2005) is about +95 basis points. The spread between the 3-month and 10-year Treasury yield points on the curve was +54 basis points in December versus +21 basis points in November.

CHANDLER ASSET MANAGEMENT

ACCOUNT PROFILE

OBJECTIVES

Investment Objectives

The investment objectives of the City of Citrus Heights are first, to provide safety of principal to ensure the preservation of capital in the overall portfolio; second, to provide sufficient liquidity to meet all disbursement requirements; and third, to earn an acceptable rate of return after first considering safety of principal and liquidity.

Chandler Asset Management Performance Objective

The performance objective for the portfolio is to earn a total rate of return through a market cycle that is equal to or above the return on the benchmark index.

Strategy

In order to achieve this objective, the portfolio invests in high-quality fixed income securities that comply with the investment policy and all regulations governing the funds.

STATEMENT OF COMPLIANCE

City of Citrus Heights | Account #11026 | As of December 31, 2025

Rules Name	Limit	Actual	Compliance Status	Notes
AGENCY MORTGAGE SECURITIES				
Max % (MV)	100.0	8.0	Compliant	
Max % Issuer (MV)	30.0	8.0	Compliant	
Max Maturity (Years)	5.0	3.4	Compliant	
ASSET-BACKED SECURITIES (ABS)				
Max % (MV; Non Agency ABS & MBS)	20.0	11.1	Compliant	
Max % Issuer (MV)	5.0	1.6	Compliant	
Max Maturity (Years)	5	4	Compliant	
Min Rating (AA- by 1)	0.0	0.0	Compliant	
BANKERS' ACCEPTANCES				
Max % (MV)	40.0	0.0	Compliant	
Max % Issuer (MV)	5.0	0.0	Compliant	
Max Maturity (Days)	180	0.0	Compliant	
Min Rating (A-1 by 1 or A- by 1)	0.0	0.0	Compliant	
COLLATERALIZED TIME DEPOSITS (NON-NEGOTIABLE CD/TD)				
Max % (MV; FDIC & Collateralized CD/TD)	20.0	0.0	Compliant	
Max % Issuer (MV)	5.0	0.0	Compliant	
Max Maturity (Years)	5.0	0.0	Compliant	
COMMERCIAL PAPER				
Max % (MV)	25.0	0.0	Compliant	
Max % Issuer (MV)	5.0	0.0	Compliant	
Max Maturity (Days)	270	0.0	Compliant	
Min Rating (A-1 by 1 or A- by 1)	0.0	0.0	Compliant	
CORPORATE MEDIUM TERM NOTES				
Max % (MV)	30.0	26.9	Compliant	
Max % Issuer (MV)	5.0	1.2	Compliant	
Max Maturity (Years)	5	4	Compliant	
Min Rating (A- by 1)	0.0	0.0	Compliant	

STATEMENT OF COMPLIANCE

CHANDLER ASSET MANAGEMENT

City of Citrus Heights | Account #11026 | As of December 31, 2025

Rules Name	Limit	Actual	Compliance Status	Notes
FDIC INSURED TIME DEPOSITS (NON-NEGOTIABLE CD/TD)				
Max % (MV; FDIC & Collateralized CD/TD)	20.0	0.0	Compliant	
Max Maturity (Years)	5	0.0	Compliant	
FEDERAL AGENCIES				
Max % (MV)	100.0	19.0	Compliant	
Max % Issuer (MV)	30.0	11.9	Compliant	
Max Callables (MV)	20.0	0.0	Compliant	
Max Maturity (Years)	5	3	Compliant	
LOCAL AGENCY INVESTMENT FUND (LAIF)				
Max Concentration (MV)	75.0	0.0	Compliant	
LOCAL GOVERNMENT INVESTMENT POOL (LGIP)				
Max % (MV)	100.0	0.0	Compliant	
MONEY MARKET MUTUAL FUNDS				
Max % (MV)	20.0	0.9	Compliant	
Max % Issuer (MV)	20.0	0.9	Compliant	
Min Rating (AAA by 2)	0.0	0.0	Compliant	
MORTGAGE-BACKED SECURITIES (NON-AGENCY)				
Max % (MV)	20.0	0.0	Compliant	
Max % Issuer (MV)	5.0	0.0	Compliant	
Max Maturity (Years)	5.0	0.0	Compliant	
Min Rating (AA by 1)	0.0	0.0	Compliant	
MUNICIPAL SECURITIES (CA, LOCAL AGENCY)				
Max % (MV)	30.0	1.3	Compliant	
Max % Issuer (MV)	5.0	1.3	Compliant	
Max Maturity (Years)	5	3	Compliant	
Min Rating (A- by 1)	0.0	0.0	Compliant	
MUNICIPAL SECURITIES (CA, OTHER STATES)				
Max % (MV)	30.0	0.0	Compliant	
Max % Issuer (MV)	5.0	0.0	Compliant	

STATEMENT OF COMPLIANCE

City of Citrus Heights | Account #11026 | As of December 31, 2025

Rules Name	Limit	Actual	Compliance Status	Notes
Max Maturity (Years)	5	0.0	Compliant	
Min Rating (A- by 1)	0.0	0.0	Compliant	
MUTUAL FUNDS				
Max % (MV)	20.0	0.0	Compliant	
Max % Issuer (MV)	10.0	0.0	Compliant	
Min Rating (AAA by 2)	0.0	0.0	Compliant	
NEGOTIABLE CERTIFICATES OF DEPOSIT (NCD)				
Max % (MV)	30.0	0.0	Compliant	
Max % Issuer (MV)	5.0	0.0	Compliant	
Max Maturity (Years)	5	0.0	Compliant	
Min Rating (A-1 by 1 or A- by 1 if > FDIC Limit)	0.0	0.0	Compliant	
REPURCHASE AGREEMENTS				
Max Maturity (Years)	1.0	0.0	Compliant	
SUPRANATIONAL OBLIGATIONS				
Max % (MV)	30.0	1.5	Compliant	
Max % Issuer (MV)	10.0	1.5	Compliant	
Max Maturity (Years)	5	4	Compliant	
Min Rating (AA- by 1)	0.0	0.0	Compliant	
U.S. TREASURIES				
Max % (MV)	100.0	31.3	Compliant	
Max Maturity (Years)	5	4	Compliant	

PORTFOLIO CHARACTERISTICS

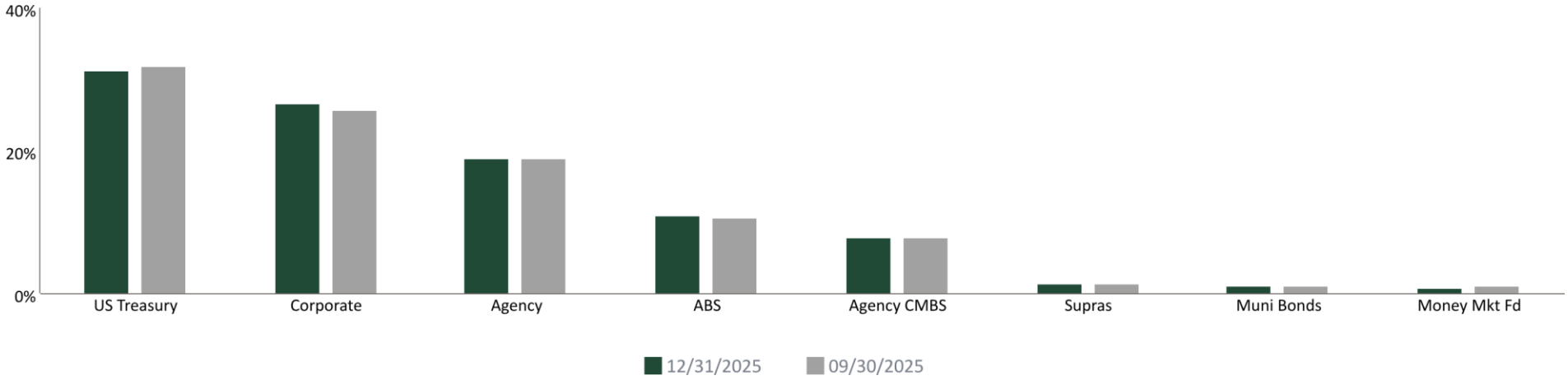
City of Citrus Heights | Account #11026 | As of December 31, 2025

	Benchmark*	12/31/2025 Portfolio	9/30/2025 Portfolio
Average Maturity (yrs)	1.85	2.13	2.21
Average Modified Duration	1.76	1.77	1.84
Average Purchase Yield		4.34%	4.38%
Average Market Yield	3.50%	3.73%	3.87%
Average Quality**	AA+	AA	AA
Total Market Value		11,352,593	11,229,142

*Benchmark: ICE BofA 1-3 Year US Treasury & Agency Index
**The credit quality is a weighted average calculation of the highest of S&P, Moody's and Fitch.

SECTOR DISTRIBUTION

City of Citrus Heights | Account #11026 | As of December 31, 2025

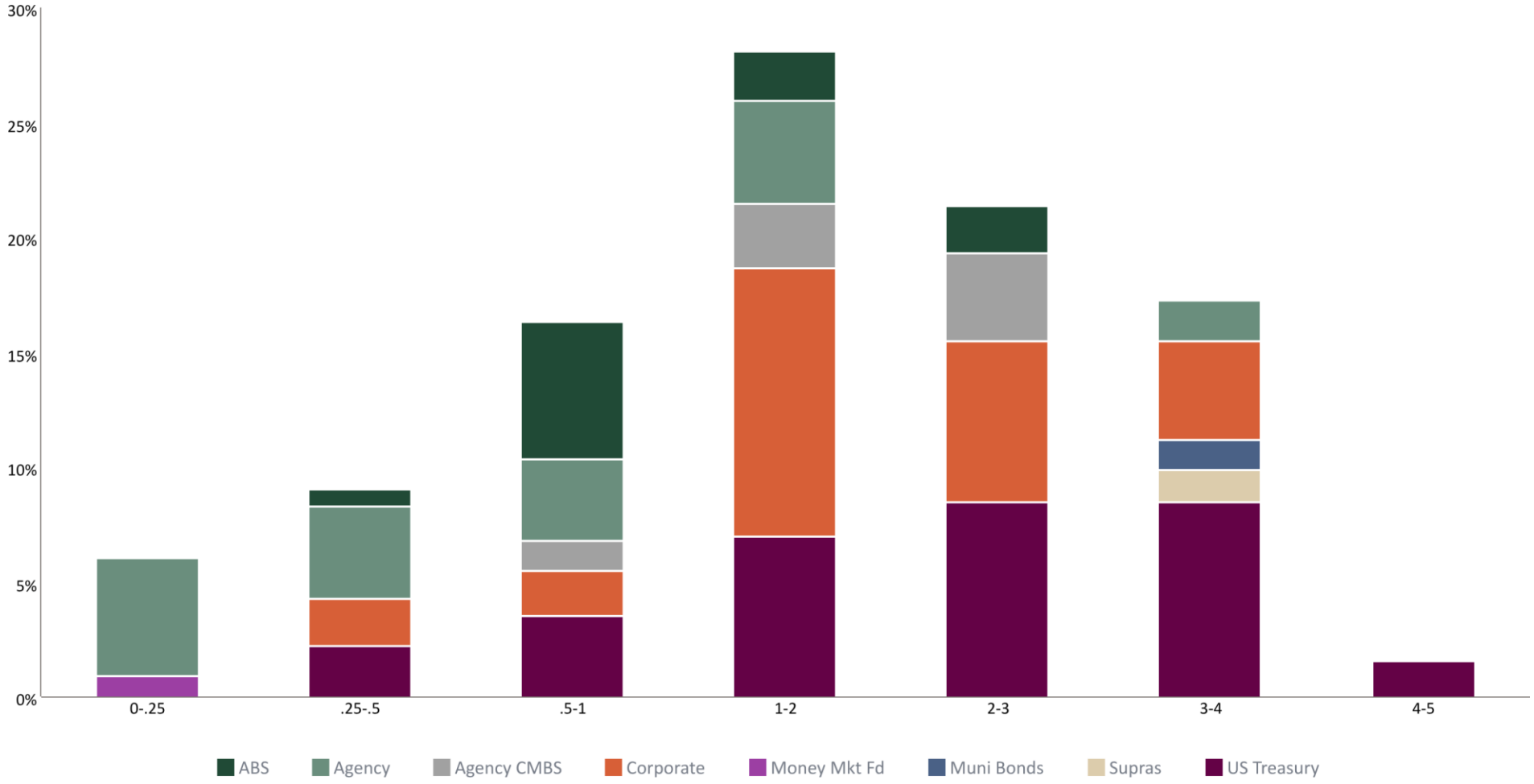


Sector as a Percentage of Market Value

Sector	12/31/2025	09/30/2025
US Treasury	31.31%	32.14%
Corporate	26.90%	25.87%
Agency	19.03%	19.05%
ABS	11.06%	10.90%
Agency CMBS	8.01%	8.03%
Supras	1.48%	1.48%
Muni Bonds	1.27%	1.27%
Money Mkt Fd	0.93%	1.28%

DURATION ALLOCATION

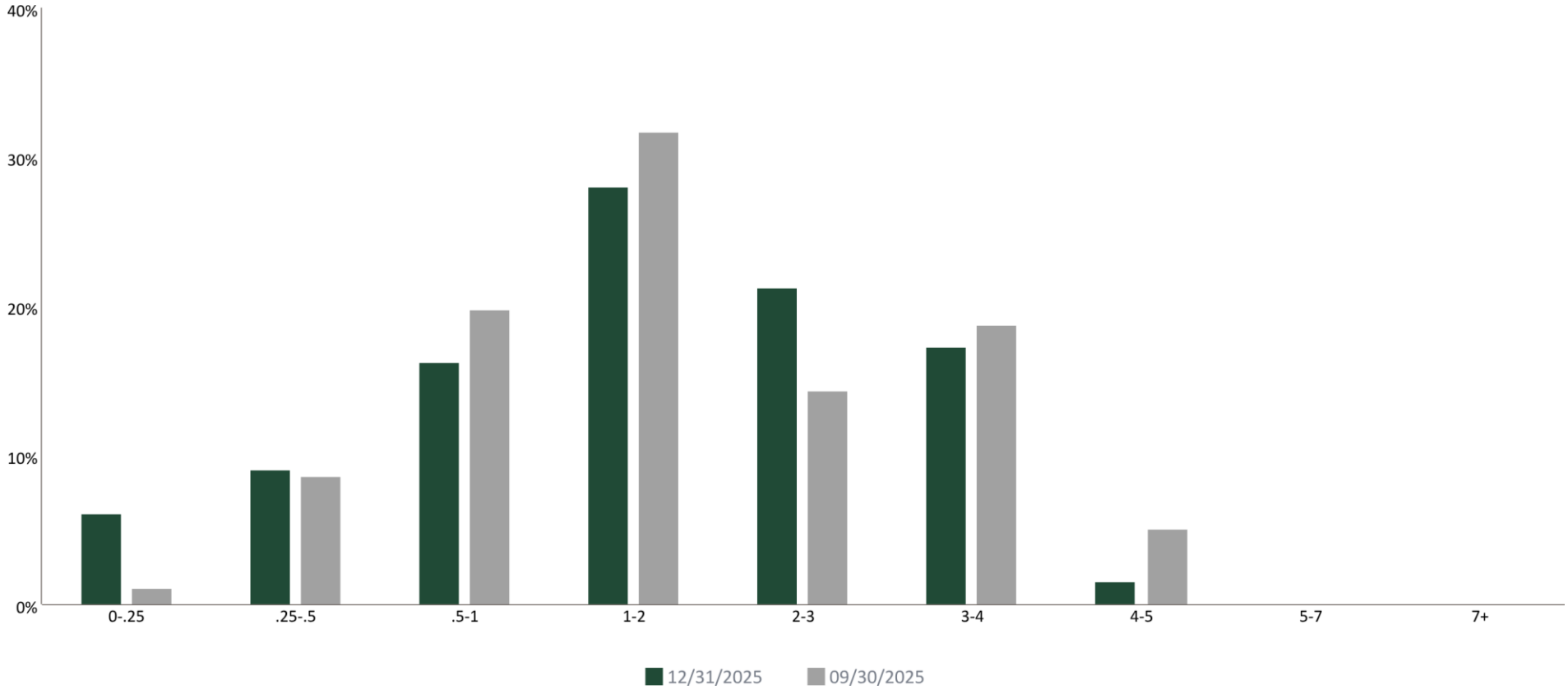
City of Citrus Heights | Account #11026 | As of December 31, 2025



	0-.25	.25-.5	.5-1	1-2	2-3	3-4	4-5	5-7	7+
12/31/2025	6.2%	9.1%	16.4%	28.1%	21.4%	17.3%	1.6%	0.0%	0.0%

DURATION DISTRIBUTION

City of Citrus Heights | Account #11026 | As of December 31, 2025



Date	0-.25	.25-.5	.5-1	1-2	2-3	3-4	4-5	5-7	7+
12/31/2025	6.2%	9.1%	16.4%	28.1%	21.4%	17.3%	1.6%	0.0%	0.0%
09/30/2025	1.2%	8.7%	19.9%	31.8%	14.4%	18.9%	5.1%	0.0%	0.0%

ISSUERS

City of Citrus Heights | Account #11026 | As of December 31, 2025

Issuer	Investment Type	% Portfolio
United States	US Treasury	31.31%
Farm Credit System	Agency	11.85%
FHLMC	Agency CMBS	8.01%
Federal Home Loan Banks	Agency	7.18%
American Express Credit Master Trust	ABS	3.10%
International Bank for Recon and Dev	Supras	1.48%
State of California	Muni Bonds	1.27%
GM Financial Automobile Leasing Trus	ABS	1.22%
The Home Depot, Inc.	Corporate	1.22%
JPMorgan Chase & Co.	Corporate	1.21%
Realty Income Corporation	Corporate	1.15%
PepsiCo, Inc.	Corporate	1.13%
Blackrock, Inc.	Corporate	1.12%
Bank of Montreal	Corporate	1.12%
Caterpillar Inc.	Corporate	1.12%
Florida Power & Light	Corporate	1.11%
Morgan Stanley	Corporate	1.11%
Prologis, Inc.	Corporate	1.10%
Chubb Limited	Corporate	1.09%
PACCAR Inc	Corporate	1.08%
State Street Corporation	Corporate	1.08%
Cisco Systems, Inc.	Corporate	1.08%
Chase Issuance Trust	ABS	0.99%
BNY Mellon Corp	Corporate	0.98%
Honda Auto Receivables Owner Trust	ABS	0.95%
Toyota Auto Receivables Owner Trust	ABS	0.95%
John Deere Owner Trust	ABS	0.93%
First American Govt Oblig Fund	Money Mkt Fd	0.93%
The Goldman Sachs Group, Inc.	Corporate	0.93%
National Rural Utilities Cooperative	Corporate	0.91%

ISSUERS

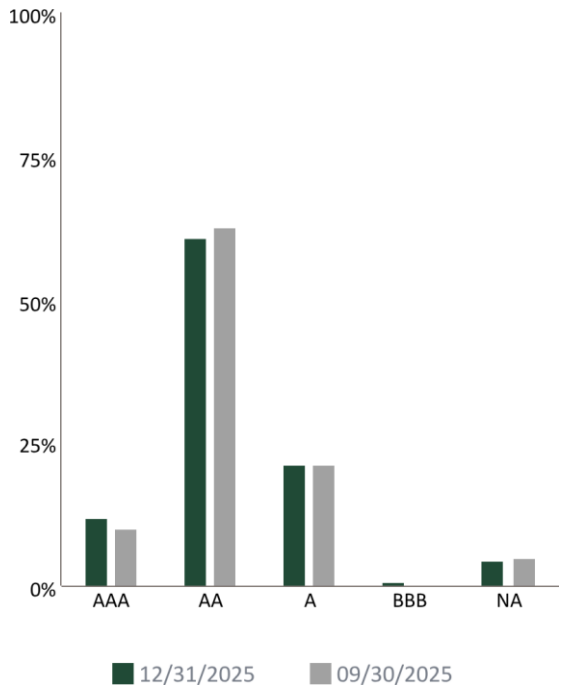
City of Citrus Heights | Account #11026 | As of December 31, 2025

Issuer	Investment Type	% Portfolio
American Honda Finance Corporation	Corporate	0.90%
UnitedHealth Group Incorporated	Corporate	0.89%
Duke Energy Corporation	Corporate	0.88%
Deere & Company	Corporate	0.81%
The Toronto-Dominion Bank	Corporate	0.81%
American Express Company	Corporate	0.80%
BMW Vehicle Lease Trust	ABS	0.76%
Public Service Enterprise Group Inco	Corporate	0.66%
Abbvie Inc.	Corporate	0.63%
Eli Lilly and Company	Corporate	0.63%
Amazon.com, Inc.	Corporate	0.58%
Bank of America Credit Card Trust	ABS	0.50%
Ford Credit Auto Owner Trust	ABS	0.49%
Hyundai Auto Receivables Trust	ABS	0.43%
Alphabet Inc.	Corporate	0.40%
BMW Vehicle Owner Trust	ABS	0.40%
Costco Wholesale Corporation	Corporate	0.35%
Mercedes-Benz Auto Lease Trust	ABS	0.22%
GM Financial Securitized Term	ABS	0.12%
Cash	Cash	0.00%
TOTAL		**100.00%**

QUALITY DISTRIBUTION

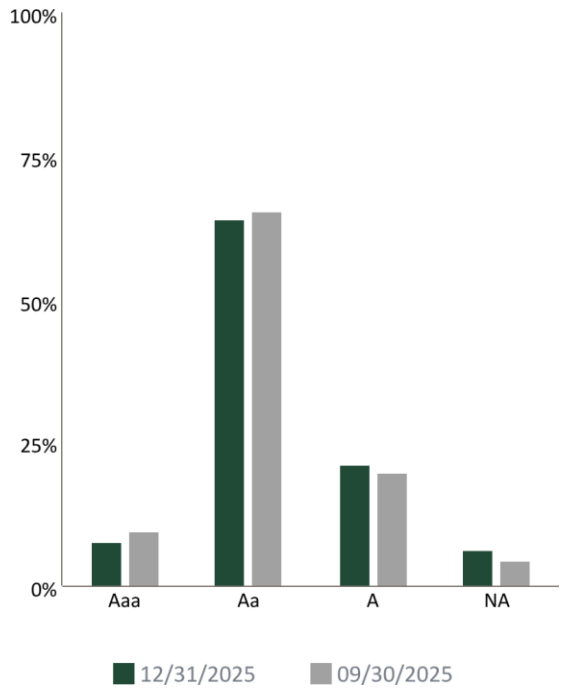
City of Citrus Heights | Account #11026 | As of December 31, 2025

S&P Rating



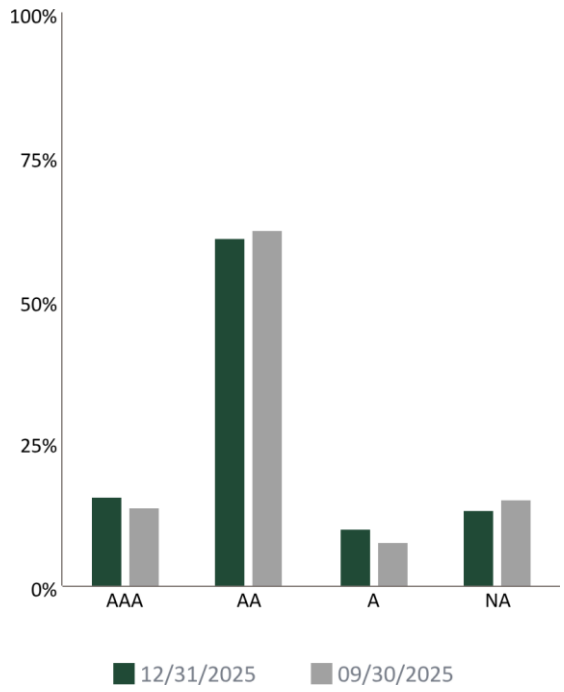
Rating	12/31/2025	09/30/2025
AAA	12.01%	10.39%
AA	61.00%	62.75%
A	21.60%	21.56%
BBB	0.93%	--
NA	4.46%	5.29%

Moody's Rating



Rating	12/31/2025	09/30/2025
Aaa	7.83%	9.97%
Aa	64.16%	65.46%
A	21.55%	19.96%
NA	6.46%	4.61%

Fitch Rating

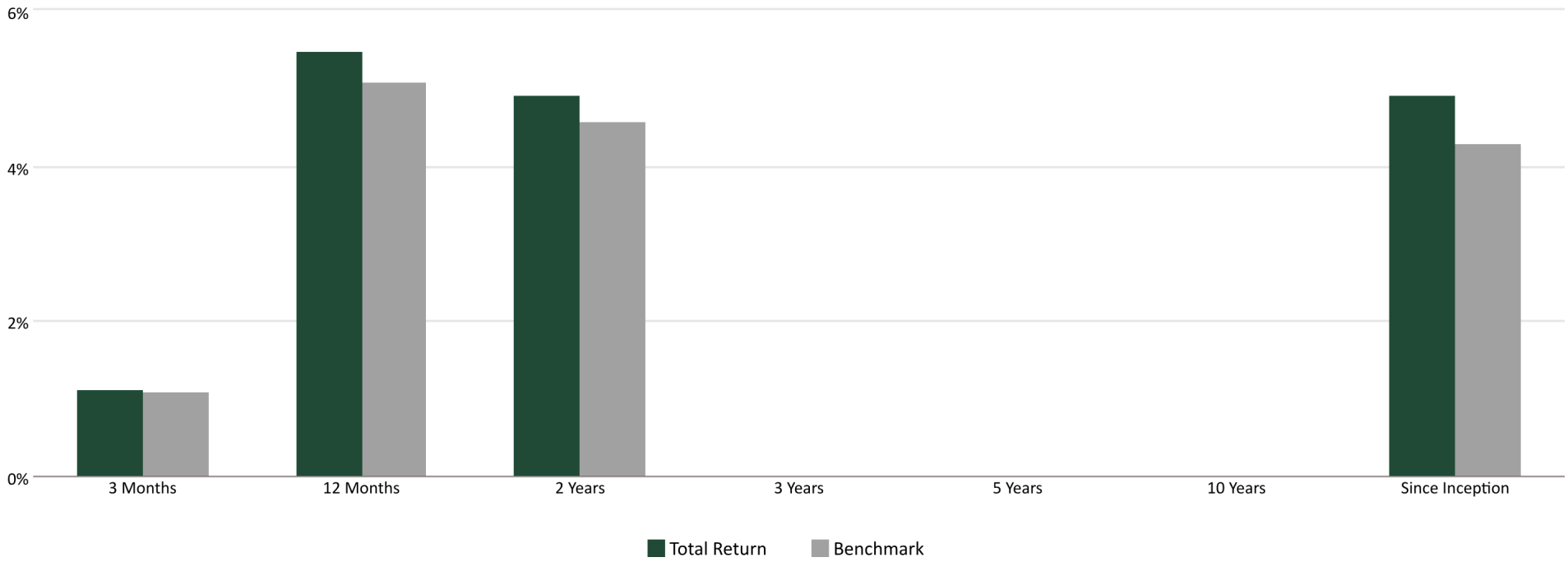


Rating	12/31/2025	09/30/2025
AAA	15.89%	14.13%
AA	60.78%	62.41%
A	10.03%	8.05%
NA	13.31%	15.41%

INVESTMENT PERFORMANCE

City of Citrus Heights | Account #11026 | As of December 31, 2025

Total Rate of Return : Inception | 04/01/2023



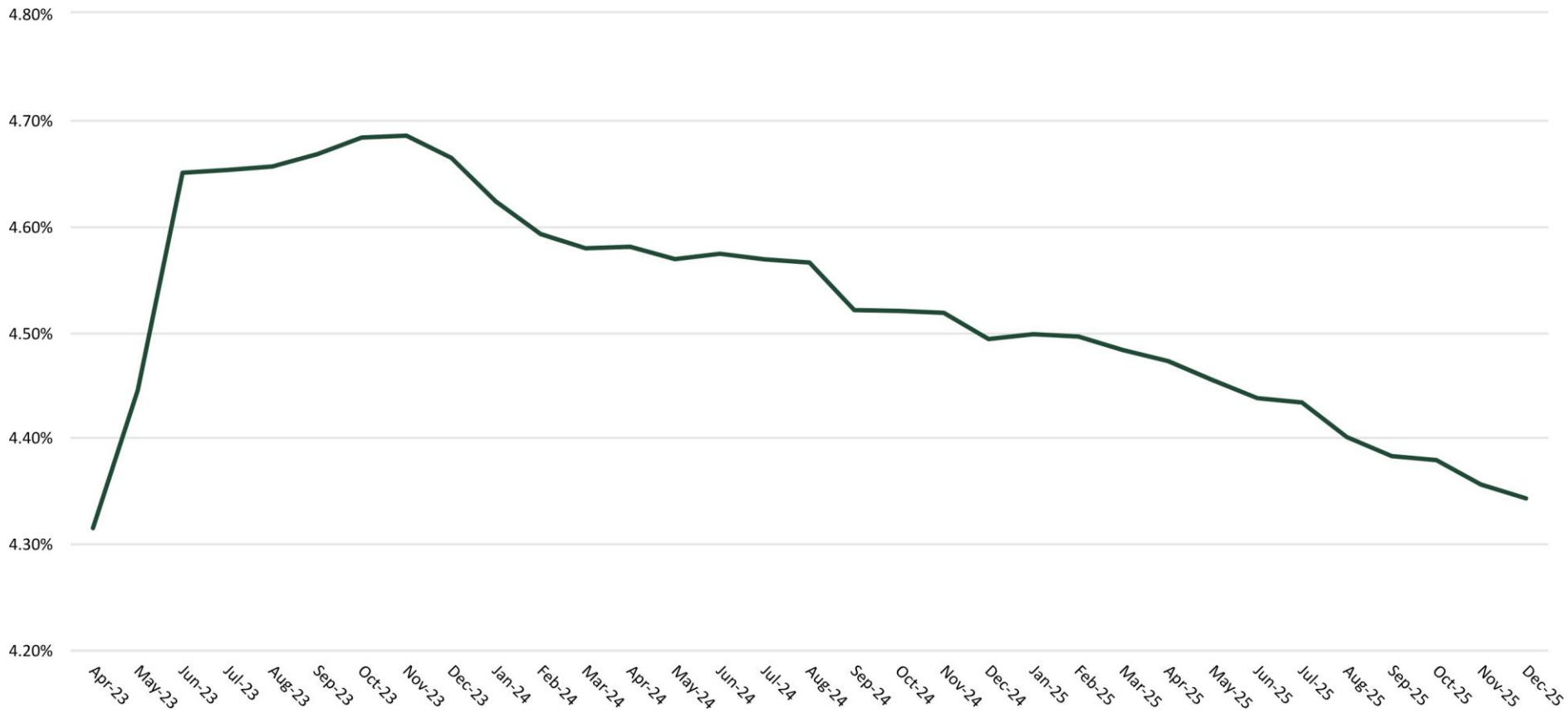
TOTAL RATE OF RETURN*	3 Months	12 Months	2 Years	3 Years	5 Years	10 Years	Since Inception
City of Citrus Heights	1.13%	5.49%	4.94%				4.92%
Benchmark	*1.12%*	*5.09%*	*4.58%*				*4.30%*

*Periods over 1 year are annualized.
Total rate of return: A measure of a portfolio's performance over time. It is the internal rate of return, which equates the beginning value of the portfolio with the ending market value; it includes interest earnings, realized and unrealized gains and losses in the portfolio.
Benchmark: ICE BofA 1-3 Year US Treasury & Agency Index

HISTORICAL AVERAGE PURCHASE YIELD

City of Citrus Heights | Account #11026 | As of December 31, 2025

Purchase Yield as of 12/31/25 = 4.34%



CHANDLER ASSET MANAGEMENT

PORTFOLIO HOLDINGS

HOLDINGS REPORT

CHANDLER ASSET MANAGEMENT

City of Citrus Heights | Account #11026 | As of December 31, 2025

Cusip	Security Description	Par Value/ Units	Purchase Date Purchase Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody's/ S&P/ Fitch	Maturity Duration
ABS									
448979AD6	HART 2023-A A3 4.58 04/15/2027	8,605.57	04/04/2023 5.14%	8,604.73 8,605.31	100.08 4.01%	8,612.85 17.52	0.08% 7.54	NA/AAA AAA	1.29 0.14
36269WAD1	GMALT 2024-2 A3 5.39 07/20/2027	36,542.30	05/07/2024 5.85%	36,540.18 36,541.27	100.42 4.24%	36,694.35 60.18	0.33% 153.08	NA/AAA AAA	1.55 0.34
47800CAC0	JDOT 2023 A3 5.01 11/15/2027	38,595.34	04/17/2023 4.63%	38,988.83 38,691.34	100.46 4.01%	38,772.91 85.94	0.34% 81.57	Aaa/NA AAA	1.87 0.43
58770JAD6	MBALT 2024-A A3 5.32 01/18/2028	25,000.00	05/17/2024 5.73%	24,997.08 24,998.37	100.97 4.03%	25,242.93 59.11	0.22% 244.56	Aaa/NA AAA	2.05 0.72
891941AD8	TAOT 2023-B A3 4.71 02/15/2028	106,972.69	10/03/2023 5.68%	104,854.13 105,946.01	100.38 4.03%	107,376.72 223.93	0.95% 1,430.71	Aaa/NA AAA	2.13 0.52
362583AD8	GMCAR 2023-2 A3 4.47 02/16/2028	13,897.88	04/04/2023 4.51%	13,897.50 13,897.71	100.17 4.06%	13,922.14 25.88	0.12% 24.43	Aaa/AAA NA	2.13 0.39
47787CAC7	JDOT 2023-C A3 5.48 05/15/2028	65,846.60	09/12/2023 5.55%	65,842.08 65,844.30	100.89 4.03%	66,434.15 160.37	0.59% 589.85	Aaa/NA AAA	2.37 0.59
362962AD4	GMALT 2025-2 A3 4.58 05/22/2028	50,000.00	05/20/2025 4.84%	49,999.17 49,999.34	100.90 3.87%	50,448.70 69.97	0.45% 449.36	NA/AAA AAA	2.39 1.18
438123AC5	HAROT 2023-4 A3 5.67 06/21/2028	106,303.80	12/07/2023 5.10%	107,894.19 107,029.07	101.09 4.09%	107,463.89 167.43	0.95% 434.82	Aaa/NA AAA	2.47 0.64
096912AD2	BMWLT 2025-1 A3 4.43 06/26/2028	30,000.00	06/03/2025 4.82%	29,999.34 29,999.46	100.86 3.79%	30,259.26 22.15	0.27% 259.80	NA/AAA AAA	2.49 1.27
379965AD8	GMALT 2025-3 A3 4.17 08/21/2028	50,000.00	08/05/2025 4.18%	49,992.40 49,993.37	100.52 3.85%	50,260.85 63.71	0.45% 267.48	NA/AAA AAA	2.64 1.45
161571HT4	CHAIT 2023-1 A 5.16 09/15/2028	110,000.00	09/07/2023 5.23%	109,969.51 109,983.51	100.94 3.83%	111,035.21 252.27	0.99% 1,051.70	NA/AAA AAA	2.71 0.68
02582JKD1	AMXCA 2023-3 A 5.23 09/15/2026	175,000.00	09/12/2023 5.29%	174,992.18 174,998.16	100.99 3.84%	176,726.03 406.78	1.57% 1,727.86	NA/AAA AAA	0.71 0.68
05594HAD5	BMWLT 2025-2 A3 3.97 09/25/2028	55,000.00	10/08/2025 4.32%	54,999.85 54,999.86	100.27 3.82%	55,147.13 36.39	0.49% 147.26	NA/AAA AAA	2.74 1.47
448973AD9	HART 2024-A A3 4.99 02/15/2029	39,896.51	03/11/2024 5.05%	39,887.71 39,890.91	100.86 3.96%	40,237.98 88.48	0.36% 347.07	NA/AAA AAA	3.13 0.79
096919AD7	BMWOT 2024-A A3 5.18 02/26/2029	44,352.60	06/04/2024 5.18%	44,345.86 44,348.09	100.91 3.98%	44,757.40 38.29	0.40% 409.31	Aaa/AAA NA	3.16 0.73

HOLDINGS REPORT

CHANDLER ASSET MANAGEMENT

City of Citrus Heights | Account #11026 | As of December 31, 2025

Cusip	Security Description	Par Value/ Units	Purchase Date Purchase Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody's/ S&P/ Fitch	Maturity Duration
05522RDJ4	BACCT 2024-1 A 4.93 05/15/2029	55,000.00	06/06/2024 4.93%	54,996.91 54,997.89	101.57 3.78%	55,861.63 120.51	0.50% 863.74	Aaa/AAA NA	3.37 1.30
34532BAG6	FORDO 2025-B A3 3.91 04/15/2030	55,000.00	09/23/2025 4.27%	54,994.07 54,994.42	100.35 3.78%	55,194.43 95.58	0.49% 200.01	Aaa/NA AAA	4.29 2.18
02582JKV1	AMXCA 2025-4 A 4.3 07/15/2030	170,000.00	11/19/2025 3.85%	172,071.88 171,982.17	101.30 3.79%	172,205.41 324.89	1.53% 223.24	NA/AAA AAA	4.54 2.36
Total ABS		**1,236,013.27**	**4.92%**	**1,237,867.59** **1,237,740.55**	**100.86** **3.91%**	**1,246,653.96** **2,319.38**	**11.06%** **8,913.41**		**2.61** **1.06**
AGENCY									
3133EPW68	FEDERAL FARM CREDIT BANKS FUNDING CORP 4.125 01/22/2026	200,000.00	01/24/2024 4.40%	198,980.00 199,970.58	100.03 3.60%	200,050.80 3,643.75	1.78% 80.22	Aa1/AA+ AA+	0.06 0.06
3133EPCR4	FEDERAL FARM CREDIT BANKS FUNDING CORP 4.75 03/09/2026	375,000.00	-- 3.99%	382,886.25 375,488.64	100.20 3.61%	375,752.63 5,541.67	3.33% 263.98	Aa1/AA+ AA+	0.19 0.18
3133EPHH1	FEDERAL FARM CREDIT BANKS FUNDING CORP 4.0 04/28/2026	200,000.00	05/15/2023 3.85%	200,814.00 200,088.35	100.08 3.71%	200,168.80 1,400.00	1.78% 80.45	Aa1/AA+ AA+	0.32 0.32
3133EPNG6	FEDERAL FARM CREDIT BANKS FUNDING CORP 4.375 06/23/2026	250,000.00	06/22/2023 4.43%	249,630.00 249,941.60	100.36 3.60%	250,899.00 243.06	2.23% 957.40	Aa1/AA+ AA+	0.48 0.47
3130AXU63	FEDERAL HOME LOAN BANKS 4.625 11/17/2026	200,000.00	12/18/2023 4.23%	202,130.00 200,640.60	100.85 3.62%	201,708.20 1,130.56	1.79% 1,067.60	Aa1/AA+ AA+	0.88 0.85
3130AXQL5	FEDERAL HOME LOAN BANKS 4.875 12/11/2026	200,000.00	02/05/2024 4.29%	203,068.00 201,015.78	101.25 3.52%	202,490.00 541.67	1.80% 1,474.22	Aa1/AA+ AA+	0.94 0.91
3130AVBC5	FEDERAL HOME LOAN BANKS 4.5 03/12/2027	200,000.00	04/04/2024 4.53%	199,826.00 199,929.33	101.15 3.51%	202,291.40 2,725.00	1.80% 2,362.07	Aa1/AA+ AA+	1.19 1.14
3133EP6K6	FEDERAL FARM CREDIT BANKS FUNDING CORP 4.5 03/26/2027	100,000.00	03/25/2024 4.45%	100,145.00 100,059.46	101.18 3.51%	101,178.60 1,187.50	0.90% 1,119.14	Aa1/AA+ AA+	1.23 1.18
3130ATUS4	FEDERAL HOME LOAN BANKS 4.25 12/10/2027	200,000.00	05/15/2023 3.66%	204,924.00 202,088.79	101.44 3.47%	202,883.60 495.83	1.80% 794.81	Aa1/AA+ AA+	1.94 1.85
3133ERDH1	FEDERAL FARM CREDIT BANKS FUNDING CORP 4.75 04/30/2029	200,000.00	05/22/2024 4.50%	202,184.00 201,471.75	103.60 3.59%	207,200.00 1,609.72	1.84% 5,728.25	Aa1/AA+ AA+	3.33 3.04
Total Agency		**2,125,000.00**	**4.21%**	**2,144,587.25** **2,130,694.86**	**100.93** **3.58%**	**2,144,623.03** **18,518.75**	**19.03%** **13,928.16**		**0.97** **0.92**

HOLDINGS REPORT

CHANDLER ASSET MANAGEMENT

City of Citrus Heights | Account #11026 | As of December 31, 2025

Cusip	Security Description	Par Value/ Units	Purchase Date Purchase Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody's/ S&P/ Fitch	Maturity Duration
AGENCY CMBS									
3137BVZ82	FHMS K-063 A2 3.43 01/25/2027	150,000.00	06/07/2023 4.53%	144,544.92 148,467.20	99.54 3.71%	149,314.35 428.75	1.33% 847.15	Aa1/AA+ AAA	1.07 0.89
3137FBBX3	FHMS K-068 A2 3.244 08/25/2027	100,000.00	06/08/2023 4.34%	95,808.59 98,398.38	99.12 3.71%	99,121.90 270.33	0.88% 723.52	Aaa/AA+ AA+	1.65 1.51
3137FBU79	FHMS K-069 A2 3.187 09/25/2027	145,670.54	06/09/2023 4.41%	138,853.61 142,979.18	98.93 3.74%	144,108.81 386.88	1.28% 1,129.62	Aa1/AAA AA+	1.73 1.61
3137FETN0	FHMS K-073 A2 3.35 01/25/2028	75,000.00	05/24/2023 4.34%	72,082.03 73,729.80	99.07 3.75%	74,305.73 209.38	0.66% 575.92	Aa1/AA+ AAA	2.07 1.86
3137FG6X8	FHMS K-077 A2 3.85 05/25/2028	100,000.00	05/24/2023 4.65%	98,164.06 99,131.04	100.00 3.76%	100,002.10 320.83	0.89% 871.06	Aa1/AA+ AAA	2.40 2.17
3137FKUP9	FHMS K-087 A2 3.771 12/25/2028	97,165.64	06/05/2024 4.70%	93,476.38 94,768.41	99.74 3.81%	96,909.41 305.34	0.86% 2,141.01	Aa1/AAA AA+	2.99 2.65
3137H5YC5	FHMS K-748 A2 2.26 01/25/2029	150,000.00	09/24/2024 3.79%	140,970.70 143,644.12	95.51 3.84%	143,267.25 282.50	1.27% (376.87)	Aa1/AA+ AAA	3.07 2.83
3137FMCR1	FHMS K-093 A2 2.982 05/25/2029	98,594.28	09/19/2024 3.82%	95,120.37 96,079.83	97.33 3.84%	95,959.74 245.01	0.85% (120.09)	Aa1/AA+ AAA	3.40 2.98
Total Agency CMBS		**916,430.46**	**4.31%**	**879,020.66** **897,197.96**	**98.56** **3.77%**	**902,989.28** **2,449.02**	**8.01%** **5,791.32**		**2.24** **2.01**
CASH									
CCYUSD	Receivable	185.65	--	185.65 185.65	1.00	185.65 0.00	0.00% 0.00	Aaa/AAA AAA	0.00 0.00
Total Cash		**185.65**		**185.65** **185.65**	**1.00**	**185.65** **0.00**	**0.00%** **0.00**		**0.00** **0.00**
CORPORATE									
341081GR2	FLORIDA POWER & LIGHT CO 4.45 05/15/2026	125,000.00	05/18/2023 4.65%	124,325.00 124,916.94	100.16 4.00%	125,194.25 710.76	1.11% 277.31	A1/A A+	0.37 0.28
74340XBK6	PROLOGIS LP 3.25 10/01/2026	125,000.00	01/16/2024 4.53%	120,963.74 123,883.59	99.59 3.81%	124,481.75 1,015.63	1.10% 598.16	A2/A NA	0.75 0.73
26442CAS3	DUKE ENERGY CAROLINAS LLC 2.95 12/01/2026	100,000.00	04/10/2023 4.43%	95,073.00 98,761.76	99.27 3.77%	99,271.10 245.83	0.88% 509.34	Aa3/A NA	0.92 0.89

HOLDINGS REPORT

CHANDLER ASSET MANAGEMENT

City of Citrus Heights | Account #11026 | As of December 31, 2025

Cusip	Security Description	Par Value/ Units	Purchase Date Purchase Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody's/ S&P/ Fitch	Maturity Duration
17275RBQ4	CISCO SYSTEMS INC 4.8 02/26/2027	120,000.00	-- 4.98%	119,441.00 119,774.43	101.12 3.79%	121,345.32 2,000.00	1.08% 1,570.89	A1/AA- NA	1.16 1.02
857477CL5	STATE STREET CORP 4.993 03/18/2027	120,000.00	03/13/2024 4.99%	120,000.00 120,000.00	101.34 3.85%	121,606.80 1,714.26	1.08% 1,606.80	Aa3/A AA-	1.21 1.08
89115A2W1	TORONTO-DOMINION BANK 4.98 04/05/2027	90,000.00	03/26/2024 4.98%	90,000.00 90,000.00	101.27 3.93%	91,141.38 1,070.70	0.81% 1,141.38	A2/A- AA-	1.26 1.20
06406RBQ9	BANK OF NEW YORK MELLON CORP 4.947 04/26/2027	110,000.00	-- 5.60%	109,476.40 109,942.11	100.32 4.54%	110,351.34 982.53	0.98% 409.23	Aa3/A AA-	1.32 0.31
74456QBS4	PUBLIC SERVICE ELECTRIC AND GAS CO 3.0 05/15/2027	75,000.00	04/18/2023 4.48%	70,921.50 73,630.44	98.92 3.82%	74,188.35 287.50	0.66% 557.91	A1/A NA	1.37 1.32
91324PEG3	UNITEDHEALTH GROUP INC 3.7 05/15/2027	100,000.00	03/23/2023 4.28%	97,802.00 99,273.64	99.82 3.84%	99,816.00 472.78	0.89% 542.36	A2/A+ A	1.37 1.32
22160KAM7	COSTCO WHOLESALE CORP 3.0 05/18/2027	40,000.00	03/17/2023 4.28%	38,067.20 39,361.25	99.26 3.55%	39,705.80 143.33	0.35% 344.55	Aa3/AA AA	1.38 1.33
437076DB5	HOME DEPOT INC 4.875 06/25/2027	135,000.00	06/20/2024 4.92%	134,821.80 134,912.12	101.69 3.69%	137,282.85 109.69	1.22% 2,370.73	A2/A A	1.48 1.34
09290DAH4	BLACKROCK INC 4.6 07/26/2027	125,000.00	07/18/2024 4.57%	125,107.50 125,054.61	101.32 3.73%	126,644.25 2,475.69	1.12% 1,589.64	Aa3/AA- NA	1.57 1.40
532457CP1	ELI LILLY AND CO 4.15 08/14/2027	70,000.00	08/12/2024 4.18%	69,943.30 69,969.45	100.74 3.67%	70,515.34 1,105.51	0.63% 545.89	Aa3/A+ NA	1.62 1.45
06368LAQ9	BANK OF MONTREAL 4.7 09/14/2027	125,000.00	11/14/2023 5.56%	121,346.25 123,376.98	101.30 3.90%	126,623.75 1,746.18	1.12% 3,246.77	A2/A- AA-	1.70 1.53
24422EXZ7	JOHN DEERE CAPITAL CORP 4.65 01/07/2028	90,000.00	01/06/2025 4.66%	89,973.00 89,981.82	101.72 3.75%	91,548.18 2,022.75	0.81% 1,566.36	A1/A A+	2.02 1.87
46647PEA0	JPMORGAN CHASE & CO 5.04 01/23/2028	75,000.00	01/17/2024 4.99%	75,109.50 75,038.66	101.03 4.46%	75,776.18 1,659.00	0.67% 737.51	A1/A AA-	2.06 1.00
02665WFX4	AMERICAN HONDA FINANCE CORP 4.55 03/03/2028	100,000.00	03/06/2025 4.60%	99,851.00 99,891.93	101.05 4.04%	101,045.20 1,491.39	0.90% 1,153.27	A3/A- NA	2.17 2.02
00287YDY2	ABBVIE INC 4.65 03/15/2028	70,000.00	02/18/2025 4.70%	69,906.90 69,932.75	101.68 3.85%	71,173.76 958.42	0.63% 1,241.01	A3/A- NA	2.21 1.98
14913UBB5	CATERPILLAR FINANCIAL SERVICES CORP 4.1 08/15/2028	125,000.00	08/12/2025 4.07%	125,115.00 125,100.42	100.65 3.84%	125,810.63 1,936.11	1.12% 710.21	A2/A A+	2.62 2.43
02079KAV9	ALPHABET INC 3.875 11/15/2028	45,000.00	11/03/2025 3.91%	44,961.30 44,963.26	100.49 3.69%	45,219.51 266.41	0.40% 256.25	Aa2/AA+ NA	2.88 2.60

HOLDINGS REPORT

CHANDLER ASSET MANAGEMENT

City of Citrus Heights | Account #11026 | As of December 31, 2025

Cusip	Security Description	Par Value/ Units	Purchase Date Purchase Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody's/ S&P/ Fitch	Maturity Duration
023135CS3	AMAZON.COM INC 3.9 11/20/2028	65,000.00	11/17/2025 3.91%	64,985.70 64,986.25	100.31 3.79%	65,198.90 288.71	0.58% 212.65	A1/AA AA-	2.89 2.62
46647PEU6	JPMORGAN CHASE & CO 4.915 01/24/2029	60,000.00	01/16/2025 4.92%	60,000.00 60,000.00	101.86 4.14%	61,115.40 1,286.09	0.54% 1,115.40	A1/A AA-	3.07 1.91
756109CW2	REALTY INCOME CORP 3.95 02/01/2029	130,000.00	09/25/2025 4.14%	129,235.60 129,290.38	99.65 4.07%	129,550.46 1,212.43	1.15% 260.08	A3/A- NA	3.09 2.85
713448FX1	PEPSICO INC 4.5 07/17/2029	125,000.00	07/16/2024 4.52%	124,872.50 124,909.72	101.96 3.90%	127,447.00 2,562.50	1.13% 2,537.28	A1/A+ NA	3.54 3.12
025816EJ4	AMERICAN EXPRESS CO 4.351 07/20/2029	90,000.00	07/21/2025 4.35%	90,000.00 90,000.00	100.73 4.18%	90,656.64 1,696.89	0.80% 656.64	A2/A- A	3.55 2.35
171239AL0	CHUBB INA HOLDINGS LLC 4.65 08/15/2029	120,000.00	08/22/2024 4.31%	121,780.80 121,286.52	102.21 3.99%	122,650.92 2,108.00	1.09% 1,364.40	A2/A A	3.62 3.19
61748UAK8	MORGAN STANLEY 4.133 10/18/2029	125,000.00	-- 4.20%	125,030.10 125,028.18	99.97 4.27%	124,959.75 990.20	1.11% (68.43)	A1/A- A+	3.80 2.59
38141GD27	GOLDMAN SACHS GROUP INC 4.153 10/21/2029	105,000.00	-- 4.26%	105,019.50 105,018.27	99.98 4.27%	104,976.48 847.90	0.93% (41.79)	A2/BBB+ A	3.80 2.60
63743HFX5	NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORP 4.95 02/07/2030	100,000.00	02/20/2025 4.90%	100,220.00 100,181.21	102.92 4.17%	102,917.50 1,980.00	0.91% 2,736.29	A2/NA A	4.10 3.55
69371RT71	PACCAR FINANCIAL CORP 4.55 05/08/2030	120,000.00	05/05/2025 4.59%	119,814.00 119,838.24	101.85 4.08%	122,216.28 803.83	1.08% 2,378.04	A1/A+ NA	4.35 3.89
Total Corporate		**3,005,000.00**	**4.61%**	**2,983,163.59 2,998,304.92**	**100.86 3.96%**	**3,030,431.06 36,191.03**	**26.90% 32,126.14**		**2.24 1.87**
MONEY MARKET FUND									
31846V203	FIRST AMER:GVT OBLG Y	105,072.48	-- 3.38%	105,072.48 105,072.48	1.00 3.38%	105,072.48 0.00	0.93% 0.00	Aaa/AAAm AAA	0.00 0.00
Total Money Market Fund		**105,072.48**	**3.38%**	**105,072.48 105,072.48**	**1.00 3.38%**	**105,072.48 0.00**	**0.93% 0.00**		**0.00 0.00**
MUNICIPAL BONDS									

HOLDINGS REPORT

CHANDLER ASSET MANAGEMENT

City of Citrus Heights | Account #11026 | As of December 31, 2025

Cusip	Security Description	Par Value/ Units	Purchase Date Purchase Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody's/ S&P/ Fitch	Maturity Duration
13063DRE0	CALIFORNIA ST 2.5 10/01/2029	150,000.00	03/24/2025 4.33%	138,834.00 140,741.22	95.59 3.77%	143,385.15 937.50	1.27% 2,643.94	Aa2/AA- AA	3.75 3.51
Total Municipal Bonds		**150,000.00**	**4.33%**	**138,834.00 140,741.22**	**95.59 3.77%**	**143,385.15 937.50**	**1.27% 2,643.94**		**3.75 3.51**
SUPRANATIONAL									
459058LN1	INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPM 3.875 10/16/2029	100,000.00	12/17/2024 4.32%	98,079.00 98,491.97	100.70 3.68%	100,699.80 807.00	0.89% 2,207.83	Aaa/AAA NA	3.79 3.47
459058LR2	INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPM 4.125 03/20/2030	65,000.00	03/14/2025 4.20%	64,767.95 64,804.42	101.49 3.74%	65,967.27 752.24	0.59% 1,162.84	Aaa/AAA NA	4.22 3.80
Total Supranational		**165,000.00**	**4.27%**	**162,846.95 163,296.39**	**101.01 3.70%**	**166,667.07 1,559.24**	**1.48% 3,370.68**		**3.96 3.60**
US TREASURY									
91282CHB0	UNITED STATES TREASURY 3.625 05/15/2026	250,000.00	06/08/2023 4.15%	246,435.55 249,554.03	100.03 3.53%	250,067.75 1,176.62	2.22% 513.72	Aa1/AA+ AA+	0.37 0.36
91282CJC6	UNITED STATES TREASURY 4.625 10/15/2026	150,000.00	10/19/2023 5.05%	148,265.63 149,543.75	100.81 3.57%	151,208.55 1,486.61	1.34% 1,664.80	Aa1/AA+ AA+	0.79 0.76
912828U24	UNITED STATES TREASURY 2.0 11/15/2026	250,000.00	05/18/2023 3.83%	235,195.31 246,310.43	98.68 3.56%	246,696.75 649.17	2.19% 386.32	Aa1/AA+ AA+	0.87 0.85
91282CEF4	UNITED STATES TREASURY 2.5 03/31/2027	250,000.00	03/24/2023 3.52%	240,556.64 247,073.53	98.76 3.53%	246,904.25 1,596.84	2.19% (169.28)	Aa1/AA+ AA+	1.25 1.20
91282CKJ9	UNITED STATES TREASURY 4.5 04/15/2027	200,000.00	04/24/2024 4.80%	198,351.56 199,287.45	101.23 3.51%	202,461.00 1,928.57	1.80% 3,173.55	Aa1/AA+ AA+	1.29 1.23
91282CKV2	UNITED STATES TREASURY 4.625 06/15/2027	160,000.00	06/20/2024 4.48%	160,637.50 160,310.26	101.60 3.48%	162,556.32 345.60	1.44% 2,246.06	Aa1/AA+ AA+	1.45 1.39
91282CLG4	UNITED STATES TREASURY 3.75 08/15/2027	175,000.00	06/17/2025 3.96%	174,254.88 174,441.16	100.41 3.48%	175,724.68 2,478.77	1.56% 1,283.52	Aa1/AA+ AA+	1.62 1.54
91282CMW8	UNITED STATES TREASURY 3.75 04/15/2028	125,000.00	05/14/2025 4.03%	124,057.62 124,261.83	100.52 3.51%	125,649.38 1,004.46	1.12% 1,387.54	Aa1/AA+ AA+	2.29 2.16

HOLDINGS REPORT

CHANDLER ASSET MANAGEMENT

City of Citrus Heights | Account #11026 | As of December 31, 2025

Cusip	Security Description	Par Value/ Units	Purchase Date Purchase Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody's/ S&P/ Fitch	Maturity Duration
91282CHE4	UNITED STATES TREASURY 3.625 05/31/2028	225,000.00	03/26/2025 4.03%	222,266.60 222,925.82	100.26 3.51%	225,588.83 717.03	2.00% 2,663.01	Aa1/AA+ AA+	2.42 2.28
91282CHX2	UNITED STATES TREASURY 4.375 08/31/2028	175,000.00	12/11/2024 4.12%	176,497.07 176,072.64	102.11 3.53%	178,698.28 2,601.43	1.59% 2,625.63	Aa1/AA+ AA+	2.67 2.46
91282CJR3	UNITED STATES TREASURY 3.75 12/31/2028	250,000.00	12/08/2025 3.62%	250,957.03 250,937.34	100.57 3.55%	251,416.00 25.90	2.23% 478.66	Aa1/AA+ AA+	3.00 2.81
91282CJW2	UNITED STATES TREASURY 4.0 01/31/2029	175,000.00	04/28/2025 3.78%	176,353.52 176,110.02	101.27 3.56%	177,228.45 2,929.35	1.57% 1,118.43	Aa1/AA+ AA+	3.08 2.83
91282CLK5	UNITED STATES TREASURY 3.625 08/31/2029	150,000.00	09/18/2024 3.48%	150,972.66 150,720.21	99.98 3.63%	149,976.60 1,847.55	1.33% (743.61)	Aa1/AA+ AA+	3.67 3.36
91282CFL0	UNITED STATES TREASURY 3.875 09/30/2029	150,000.00	10/23/2024 4.07%	148,705.08 149,016.95	100.86 3.62%	151,294.95 1,485.06	1.34% 2,278.00	Aa1/AA+ AA+	3.75 3.42
91282CLR0	UNITED STATES TREASURY 4.125 10/31/2029	100,000.00	11/18/2024 4.32%	99,152.34 99,343.73	101.71 3.64%	101,710.90 706.49	0.90% 2,367.17	Aa1/AA+ AA+	3.83 3.49
91282CMA6	UNITED STATES TREASURY 4.125 11/30/2029	150,000.00	01/21/2025 4.38%	148,306.64 148,635.19	101.73 3.65%	152,589.90 543.96	1.35% 3,954.71	Aa1/AA+ AA+	3.91 3.58
91282CGB1	UNITED STATES TREASURY 3.875 12/31/2029	200,000.00	09/22/2025 3.66%	201,710.94 201,601.26	100.85 3.64%	201,695.40 21.41	1.79% 94.14	Aa1/AA+ AA+	4.00 3.67
91282CGZ8	UNITED STATES TREASURY 3.5 04/30/2030	200,000.00	07/23/2025 3.91%	196,476.56 196,802.39	99.28 3.68%	198,554.60 1,198.90	1.76% 1,752.21	Aa1/AA+ AA+	4.33 3.95
91282CNG2	UNITED STATES TREASURY 4.0 05/31/2030	175,000.00	06/11/2025 4.04%	174,685.55 174,720.74	101.27 3.68%	177,228.45 615.38	1.57% 2,507.71	Aa1/AA+ AA+	4.41 4.00
Total US Treasury		**3,510,000.00**	**4.03%**	**3,473,838.68** **3,497,668.74**	**100.50** **3.57%**	**3,527,251.02** **23,359.11**	**31.31%** **29,582.28**		**2.46** **2.28**
Total Portfolio		**11,212,701.86**	**4.34%**	**11,125,416.85** **11,170,902.78**	**99.58** **3.73%**	**11,267,258.70** **85,334.03**	**100.00%** **96,355.92**		**2.13** **1.77**
Total Market Value + Accrued						**11,352,592.73**			

CHANDLER ASSET MANAGEMENT

TRANSACTIONS

TRANSACTION LEDGER

City of Citrus Heights | Account #11026|10/01/2025 Through 12/31/2025|

Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/ Sold	Total Amount	Gain/Loss
ACQUISITIONS										
Purchase	10/15/2025	05594HAD5	55,000.00	BMWLT 2025-2 A3 3.97 09/25/2028	100.000	4.32%	(54,999.85)	0.00	(54,999.85)	0.00
Purchase	10/21/2025	38141GD27	55,000.00	GOLDMAN SACHS GROUP INC 4.153 10/21/2029	100.000	4.37%	(55,000.00)	0.00	(55,000.00)	0.00
Purchase	10/22/2025	61748UAK8	40,000.00	MORGAN STANLEY 4.133 10/18/2029	100.000	4.36%	(40,000.00)	0.00	(40,000.00)	0.00
Purchase	10/22/2025	61748UAK8	35,000.00	MORGAN STANLEY 4.133 10/18/2029	100.026	4.12%	(35,009.10)	0.00	(35,009.10)	0.00
Purchase	10/24/2025	38141GD27	50,000.00	GOLDMAN SACHS GROUP INC 4.153 10/21/2029	100.039	4.14%	(50,019.50)	(17.30)	(50,036.80)	0.00
Purchase	10/24/2025	61748UAK8	50,000.00	MORGAN STANLEY 4.133 10/18/2029	100.042	4.12%	(50,021.00)	(11.48)	(50,032.48)	0.00
Purchase	11/06/2025	02079KAV9	45,000.00	ALPHABET INC 3.875 11/15/2028	99.914	3.91%	(44,961.30)	0.00	(44,961.30)	0.00
Purchase	11/20/2025	02582JKV1	170,000.00	AMXCA 2025-4 A 4.3 07/15/2030	101.219	3.85%	(172,071.88)	(101.53)	(172,173.41)	0.00
Purchase	11/20/2025	023135CS3	65,000.00	AMAZON.COM INC 3.9 11/20/2028	99.978	3.91%	(64,985.70)	0.00	(64,985.70)	0.00
Purchase	12/09/2025	91282CJR3	250,000.00	UNITED STATES TREASURY 3.75 12/31/2028	100.383	3.62%	(250,957.03)	(4,127.04)	(255,084.07)	0.00
Total Purchase			**815,000.00**				**(818,025.36)**	**(4,257.35)**	**(822,282.71)**	**0.00**
TOTAL ACQUISITIONS			**815,000.00**				**(818,025.36)**	**(4,257.35)**	**(822,282.71)**	**0.00**
DISPOSITIONS										
Sale	10/14/2025	91282CGL9	(100,000.00)	UNITED STATES TREASURY 4.0 02/15/2026	100.043	4.22%	100,042.97	652.17	100,695.14	113.01
Sale	10/21/2025	06051GLE7	(40,000.00)	BANK OF AMERICA CORP 5.08 01/20/2027	100.184	5.89%	40,073.60	513.64	40,587.24	121.43

TRANSACTION LEDGER

City of Citrus Heights | Account #11026|10/01/2025 Through 12/31/2025|

Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/ Sold	Total Amount	Gain/Loss
Sale	10/24/2025	037833BY5	(125,000.00)	APPLE INC 3.25 02/23/2026	99.695	4.10%	124,618.75	688.37	125,307.12	(49.16)
Sale	11/19/2025	06051GLE7	(60,000.00)	BANK OF AMERICA CORP 5.08 01/20/2027	100.120	5.89%	60,072.00	1,007.53	61,079.53	120.88
Sale	12/09/2025	91282CGV7	(250,000.00)	UNITED STATES TREASURY 3.75 04/15/2026	100.031	3.75%	250,078.13	1,416.55	251,494.68	74.77
Total Sale			**(575,000.00)**				**574,885.45**	**4,278.26**	**579,163.71**	**380.93**
TOTAL DISPOSITIONS			**(575,000.00)**				**574,885.45**	**4,278.26**	**579,163.71**	**380.93**

IMPORTANT DISCLOSURES

2025 Chandler Asset Management, Inc, An Independent Registered Investment Adviser.

Information contained herein is confidential. Prices are provided by ICE Data Services Inc ("IDS"), an independent pricing source. In the event IDS does not provide a price or if the price provided is not reflective of fair market value, Chandler will obtain pricing from an alternative approved third party pricing source in accordance with our written valuation policy and procedures. Our valuation procedures are also disclosed in Item 5 of our Form ADV Part 2A.

Performance results are presented gross-of-advisory fees and represent the client's Total Return. The deduction of advisory fees lowers performance results. These results include the reinvestment of dividends and other earnings. Past performance may not be indicative of future results. Therefore, clients should not assume that future performance of any specific investment or investment strategy will be profitable or equal to past performance levels. All investment strategies have the potential for profit or loss. Economic factors, market conditions or changes in investment strategies, contributions or withdrawals may materially alter the performance and results of your portfolio.

Index returns assume reinvestment of all distributions. Historical performance results for investment indexes generally do not reflect the deduction of transaction and/or custodial charges or the deduction of an investment management fee, the incurrence of which would have the effect of decreasing historical performance results. It is not possible to invest directly in an index.

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This report is provided for informational purposes only and should not be construed as a specific investment or legal advice. The information contained herein was obtained from sources believed to be reliable as of the date of publication, but may become outdated or superseded at any time without notice. Any opinions or views expressed are based on current market conditions and are subject to change. This report may contain forecasts and forward-looking statements which are inherently limited and should not be relied upon as indicator of future results. Past performance is not indicative of future results. This report is not intended to constitute an offer, solicitation, recommendation or advice regarding any securities or investment strategy and should not be regarded by recipients as a substitute for the exercise of their own judgment.

Fixed income investments are subject to interest, credit and market risk. Interest rate risk: the value of fixed income investments will decline as interest rates rise. Credit risk: the possibility that the borrower may not be able to repay interest and principal. Low rated bonds generally have to pay higher interest rates to attract investors willing to take on greater risk. Market risk: the bond market in general could decline due to economic conditions, especially during periods of rising interest rates.

Ratings information have been provided by Moody's, S&P and Fitch through data feeds we believe to be reliable as of the date of this statement, however we cannot guarantee its accuracy.

Security level ratings for U.S. Agency issued mortgage-backed securities ("MBS") reflect the issuer rating because the securities themselves are not rated. The issuing U.S. Agency guarantees the full and timely payment of both principal and interest.

BENCHMARK DISCLOSURES

Benchmark	Disclosure
ICE BofA 1-3 Yr US Treasury & Agency Index	The ICE BofA 1-3 Year US Treasury & Agency Index tracks the performance of US dollar denominated US Treasury and nonsubordinated US agency debt issued in the US domestic market. Qualifying securities must have an investment grade rating (based on an average of Moody's, S&P and Fitch). Qualifying securities must have at least one year remaining term to final maturity and less than three years remaining term to final maturity, at least 18 months to maturity at time of issuance, a fixed coupon schedule, and a minimum amount outstanding of $1 billion for sovereigns and $250 million for agencies.

CITY OF CITRUS HEIGHTS

CITY COUNCIL STAFF REPORT MEMORANDUM

DATE: February 11, 2026

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

FROM: Meghan Huber, Economic Development and Community Engagement Director

SUBJECT: **History and Arts Grant Requests – Committee Recommendation for Approval**

Recommendation

Following review and discussion at its February 2, 2026 meeting, the City Council Arts & Culture Committee recommended approval of the History & Arts Grant requests as presented.

- Royal Stage: $5,000
- Citrus Heights Veterans Memorial Project: $20,000

City Council Strategic Goal/Objective

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

Goal: Enhance Community Vibrancy and Engagement.

Fiscal Impact

The adopted FY 2025–26 History & Arts Grant Program budget includes $20,000 specifically earmarked for History & Arts grant awards. In addition, approximately $17,700 remains available due to an under-appropriation in the FY 2025–26 Nonprofit Community Support Fund. Any use of supplemental funding is one-time in nature and does not establish a precedent for future funding. Funding is available through June 30, 2026, and allocations are subject to City Council approval.

Background and Analysis

The History & Arts Grant Program provides financial support to individuals and organizations for projects that advance historical preservation, cultural events, arts promotion, beautification, and placemaking within the City of Citrus Heights. Applications are accepted year-round.

The Program Guidelines are intended to inform and guide staff and Committee review; all funding decisions remain at the discretion of the City Council, including whether to award funds, the amount awarded, and the timing or conditions of any allocation.

The City Council Arts & Culture Committee reviewed the History & Arts Grant requests received from Royal Stage and the Citrus Heights Veterans Memorial Project (CHVMP), both of which meet the eligibility requirements and intent of the History & Arts Grant Program.

In its review, the Committee considered program alignment, community benefit, fiscal context, and the prioritization of actions that advance the City's adopted arts and culture goals for the current fiscal year. The Committee also considered prior City Council direction to utilize existing available funding to support place-based arts and culture initiatives.

Based on this review, the Arts & Culture Committee recommended approval of the requests, subject to final determination by the City Council.

Attachments

1. Resolution No. 2026-____ , A Resolution of the City Council of the City of Citrus Heights, California, Approving the History and Arts Grant Requests.
2. Royal Stage History & Arts Grant Program Application
3. Citrus Heights Veterans Memorial Project History & Arts Grant Program Application

RESOLUTION NO. 2026-___

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CITRUS HEIGHTS, CALIFORNIA, APPROVING HISTORY & ARTS GRANT REQUESTS

WHEREAS, the purpose of the History & Arts Grant Program is to promote historic preservation and arts programs within the Citrus Heights community; and

WHEREAS, the City has received a grant application from Royal Stage for $5,000 and a grant application from the Citrus Heights Veterans Memorial Project in the amount of $20,000; and

WHEREAS, following review and discussion at its February 2, 2026 meeting, the City Council Arts & Culture Committee recommended approval of the History & Arts Grant requests as presented.

NOW THEREFORE BE IT RESOLVED AND ORDERED that the City of Citrus Heights does hereby approve both requests totaling $25,000; and

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

PASSED AND ADOPTED by the City Council of the City of Citrus Heights, California, this 11th day of February 2026, by the following vote, to wit:

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

_____
MariJane Lopez-Taff, Mayor

ATTEST:

_____
Amy Van, City Clerk

History and Arts Grant Application - Royal Stage

Project Plan and Description

With the History & Arts grant, Royal Stage hopes to offer their Heart of Arts project, which connects both individuals and organizations to the arts. Heart of Arts offers free and deeply discounted performing arts opportunities for children, teens, and women within city limits. We waive the participation fees for dance classes and performing in our stage musicals so that we have an equitable group where all can create. Secondly, we reach out to other organizations and get them involved. We make our dance studio space accessible to all groups who need a place for a class, fundraiser, birthday party, or other special event. We believe that we are stronger together, and a significant portion of this grant would go towards marketing, outreach, and scholarships to make this a community hub for Citrus Heights residents and groups.

We believe that Royal Stage holds an art benefit to the community, as we are currently the only live theater group in Citrus Heights, and one of very few dance studios.. We are also an art benefit to the community because we offer not only entertainment but also education. Through participation in the theater and arts, young people are learning employable skills like public speaking, basic finance, administrative tasks, and time management. We also partner with two organizations that work with intellectually disabled adults to offer job training opportunities including janitorial, sales, and administration. This all takes place at our dance studio, right on the border of Citrus Heights and Roseville.

Royal Stage also provides a reprieve for busy working parents by offering affordable and free summer camps, after-school classes, and the assurance that children are actively engaging with their peers and the arts - we are a no-screen zone! Finally, we are a cultural and art benefit to the community by supporting other groups' endeavors. Both the studio and theater are always bustling with activity, whether it's our own programming or another group. Over the years, we have had many different types of community groups use our space, including:

- A chamber orchestra
- An acapella group
- Dance and theater companies
- A murder mystery party company
- Citrus Heights Chamber of Commerce installation dinner
- Wedding receptions
- Birthday parties and quinceañeras

- Bridal and baby showers
- Open mic and karaoke nights
- Korean and Russian school presentations
- Weight loss and healthy living workshops

It feels as if we have had a group from every walk of life come through our doors, and we would like to continue offering an open, accessible space for this.

Steps for implementation will include:

- A marketing campaign to ensure every Citrus Heights business and resident is aware of who we are and what we offer. This will be done through social media, direct mail, free community events, and free tickets to our upcoming productions.
- Seek out more community groups - especially those involved in the causes of the arts, women, and children - to let them know our space is a safe and impactful hub for their events and celebrations.
- Advertise our performances and events - reach out to local media outlets, distribute posters and flyers, and network at city events to ensure we are maximizing our reach, potential, and purpose.
- We will, of course, be implementing our usual programming cycle of class and show registrations, rehearsals, performances, and outreaches. This includes 8 stage plays each year where everyone is given a role in the show, regardless of experience level or financial status, and the same goes for over 22 dance class options.

Our Heart of Arts outreach runs from January through April each year, and then students remain through the end of summer, with the option to continue.

Upcoming Event Proposals

- January - April 2026 - Auditions, rehearsals, and performances for our spring shows - Matilda the Musical and The Prince of Egypt. Funding would go towards our rehearsal studio space and Citrus Heights residents participating, while the theater is funded through ticket sales and outside fundraising.
- Community Fellowship Nights of food, music, acting classes, and mini performances at our Roseville studio (4 per year)
- Spring 2026 - Touring Company events to local festivals, nursing homes, schools, and more serving primarily Citrus Heights

- *Friday Night Shine* - the return of our community talent/open mic nights. Every other month beginning in January, first Friday evening of the month.

Project Budget & Grant Request

The total project cost is $34,500 The cost is broken down below, along with how we intend to acquire the remaining funds outside of the $5,000 requested here. We are asking the City to provide 15% of our total project cost.

Item	Estimated Cost	Funding Source	Notes
Online marketing	$500	History and Arts Grant ($500)	This will be used to connect us to the community - advertising use of our space and encouraging others to be involved in our programming, including partnerships with other local groups.
Print marketing	$2,000	History and Arts Grant ($1500) and See's Candy fundraiser ($500)	Flyers, postcards, and direct mailing for Citrus Heights businesses, groups, and residents
Programming	$18,000	History and Arts Grant ($2,000), Fireworks booth profit ($16,000)	Scholarship program, art supplies, scripts, and costuming
Staffing	$9,000	History and Arts Grant ($1000), Private monthly donations ($8,000)	Teachers, admin, janitorial

Outside of the History & Arts Grant, we are also requesting funding from Roseville Soroptimists, Fair Oaks Rotary Club, and the California Arts Council. We have also partnered with local schools and organizations to purchase ad space in exchange for their programs to be featured/free tickets distributed to their networks. Some of these businesses include Victory Christian School, Bella Vista Marching Band, Sun River Church, and Here For You LLC.

We plan to make this project ongoing and intend to fund it in the future through renewed grant applications, fundraisers (fireworks booth, holiday carnival, and raffles at all

performances), selling additional advertising slots in our playbills and on our website, and identifying more individual and community financial partners.

CITRUS HEIGHTS
ECONOMIC DEVELOPMENT & COMMUNITY ENGAGEMENT DEPARTMENT

History and Arts Grant Program Application

The History and Arts Grant offers financial support to individuals and organizations for projects focused on historical preservation, cultural events, and arts promotion within the City.

Eligibility Requirements	**Eligible Projects**
• Historical Preservation • Historical Awareness • Promotion of the arts • Beautification of the City • Create or enhance a sense of place through the use of history and/or arts • Engagement of existing arts and/or history groups operating within the City Partnerships with existing non-profits, residents, service clubs, etc.	• Expansion of existing qualified projects • Start-up artistic or historic endeavors • School art shows • Public art creation • Theater production • Historical documentaries • Public art shows • Historical preservation needs
Applicant Name & Title (if any):	Scott F. Miller, Board Chairman
Organization:	Citrus Heights Veterans Memorial Project
501(c)(3) Number (if applying as a nonprofit): *(Include a copy of the IRS Letter w/Application)*	93-1916981
Primary Contact Name: *(If other than the applicant)*	
E-mail and Phone Number:	scottmiller@chvmp.org
Requested Grant Amount ($):	$20,000.00

By signing this document, I agree I have read (1) the Program Guidelines and (2) the City-administered Grant and Incentive Programs Review and Approval Process. I certify that funds will be used for the purpose specified in the application and supplemental documents. I understand that a final report and summary of the award are due no later than 45 days after the final project is completed or within 12 months from the award. I understand that failure to adhere to all program guidelines could prohibit me or my organization from applying for future funding.

Signature and Date: Scott F. Miller January 13, 2026

Approved by City Council January 11, 2024; Revised July 2024

Project Plan & Description

Attach the following details to the application: A maximum of three (3) pages.

- ***Provide a project description: Detail the proposal's historical, cultural, or art benefit to the community.***
- ***Detail the steps for implementation and a schedule for completion.***
- **If you propose an event, provide details on the date, time, and location and an anticipated number of attendees. (All activities MUST take place within City Limits)**

Project Budget & Grant Request

Attach the following details to the application: A maximum of two (2) pages.

- ***What are the total project costs?***
- ***List other organizations/agencies for which your organization will fund this project.***
- ***For ongoing programs, describe how your organization will fund future expenses.***
- ***How much of the total project costs is your organization requesting from the City?***

Application Submittal Process: Applications are accepted year-round on the availability of funds.
E-mail the signed application packet and all attachments to communityengagement@citrusheights.net.

Post Award Reporting Requirements

- All City-Administrated Grants and incentive programs require a final project report to demonstrate that the applicant achieved the program's goals and utilized the funding appropriately. This provides a framework for accountability and highlights the organization's worthiness for future funding.
- All reports are due within 12 months of approval or 45 days after completion. Applicants who fail to provide a final report may be denied future funding.

Approved by City Council January 11, 2024; Revised July 2024

Vietnam Veterans Memorial Wall @ Calvary Cemetery

Project Plan and Description

Project Description

The Citrus Heights Vietnam Veterans Memorial Wall replica is a one-of-a-kind tribute — the first replica west of Missouri to receive official support from the Vietnam Veterans Memorial Fund (VVMF), ensuring both national recognition and historical integrity.

This project is being entirely developed by volunteers; driven by the passion, dedication, and respect of citizens, veterans, and community leaders of Citrus Heights and the surrounding area. This grassroots effort resulted in a powerful collaboration between our nonprofit (Citrus Heights Veterans Memorial Project), a religious nonprofit (Catholic Funeral and Cemetery Services of the Diocese of Sacramento), and the City of Citrus Heights — a rare and inspiring three-way partnership.

Constructed on consecrated ground in the Veterans Section of Calvary Cemetery, the Vietnam Veterans Memorial Wall will be crafted from 470 linear feet of India Black Granite and will stand nearly 9 ½' tall at the apex. This magnificent piece or art will be highly visible from eastbound I-80 and will serve as a constant and public reminder of service and sacrifice of 58,318 men and women. Additionally, the Wall will feature engraved names for pencil rubbings, creating a deeply personal, reverent and interactive experience.

The location will accommodate bus parking, ideal for school field trips or traveling groups from outside the area allowing large numbers of people to experience its artistic beauty and deep meaning simultaneously providing both individual and shared experiences for generations to come.

Implementation and Schedule for Completion

The land for this memorial has been provided by Catholic Funeral and Cemetery Services of the Diocese of Sacramento (CFCS) through the Memorandum of Understanding between CFCS, the City of Citrus Heights and the Citrus Heights Veterans Memorial Project. Equating to a land value donation of over $3,000,000.

The design of the Wall and the surrounding area was completed during the summer of 2025 and was submitted to the City of Citrus Heights for a Building Permit review. This review was conducted by the City and necessary agencies and approval has been granted to obtain the Building Permit.

Based upon the approved plans, contractors were solicited to participate in this project and bids have been received. Oregon Memorial Stone (OM Stone) will be the granite supplier and are providing the granite at cost; creating a project savings of over $400,000 based on other bids received. OM Stone has executed the confidentiality agreement with the Vietnam Veterans Memorial Fund and is currently working to resize the naming files and prepare them for the engraving process.

Citrus Heights contractors Lund Construction and All Phase Construction will also be part of this project, offering substantial savings. Other contractors from the general area consist of Jackson Construction, LCS Construction and Procida Landscape Construction. In all, their joint efforts to work with suppliers and to limit their own costs are resulting in another $250,000 in savings.

There are only two phases of this project remaining; fundraising and construction. Fundraising continues to be ongoing and construction shall begin as soon as 100% of the funding is in place, per the Memorandum of Understanding.

Construction is estimated to take approximately 4-6 months depending on the time of year we can break ground and the granite will be on site and engraved within 8 months from the time of order.

It is the current goal of CHVMP to complete the fundraising efforts by early summer 2026 and have the project completed and ready for a grand opening on Memorial Day of 2027.

Project Budget and Grant Request

Project Budget

The total project budget includes land value, marketing and administrative expenses, architectural and engineering designs, construction documents, permitting, construction costs and an endowment care fund.

The value of this project has been estimated to be $7,396,775. However, due to donations of land, time and talent from the Cemetery, the City of Citrus Heights, the Vietnam Veterans Memorial Fund and a variety of contractors and supplier our estimated monetary need to complete this project is **$3,310,600.** A detailed budget has been provided to City staff as part of this grant request.

Organizations and Agencies providing significant financial support

City of Citrus Heights
Catholic Funeral and Cemetery Services of the Diocese of Sacramento, Inc.
Vietnam Veterans Memorial Fund
The Citrus Heights Rotary Club
Knights of Columbus, Fr. Greely Council
Stones Gambling Hall
Lund Construction
All Phase Construction
Jackson Construction
LCS Construction
Procida Landscape Construction
The John McGinnes Show
Oregon Memorial Stone
EDA Land Planning
VFW Post 1487, Roseville

Grant Request

The Citrus Heights Veterans Memorial Project respectfully requests a History and Arts grant of $20,000.00 for this project to be used for the construction of the Wall.

JACKSON CONSTRUCTION

Vietnam Veterans Memorial Wall
Engineer's Estimate

Citrus Heights Veterans Memorial Project

			Estimated Value	Budget
A		**Location**		
	0001	**Land / Site Value**		
		Land / Site Value	3,000,000	-
B		**Administrative**		
	0002	**Marketing**		
		Printing, Social Media, Presentations	40,000	25,000
	0003	**Banking**		
		Bank fees, donation fees, etc.	20,000	20,000
C		**PreConstruction Services**		
	0010	**Civil Engineering**		
		Civil Engineer - CD Design	60,000.00	46,700.00
	0015	**Architectural Design**		
		Architectural & Structural Design	250,000.00	20,000.00
	0020	**Permit Fees**		
		Permit Fees	18,300.00	-
	0025	**Name Files**		
		Name Files	50,000.00	-
D		**General Requirements**		
	0110	**Job Site Requirements**		
		Construction office related supplies	13,849.00	12,590.00
		Construction site related supplies	14,740.00	13,400.00
	0130	**Project Supervision Requirements**		
		Project Manager and Site Superintendent	140,800.00	128,000.00
	0140	**Testing and Inspections**		
		Earthwork Observations	13,332.00	12,120.00
		Structural Concrete	42,923.10	39,021.00
		SMARTS Reporting	20,000.00	20,000.00
	0170	**Surveying and Staking**		
		Site Surveys and Topo Mapping	26,000.00	13,000.00
		Site Staking	38,812.40	35,284.00
E		**Site Improvements**		
	0220	**Grading**		
		Clear/Grub and Demo	51,141.20	46,492.00
		Rough Grade	53,394.00	48,540.00
		Subgrade - Road	28,820.00	26,200.00
		Place and Finish AB	288,751.10	262,501.00
		Striping and Pavement Marking	11,000.00	10,000.00
		SWPPP BMP	21,562.20	19,602.00
	0290	**Landscaping**		
		Landscape and Irrigation	424,050.00	385,500.00
	0330	**Concrete**		
		Curbing	164,907.60	149,916.00
		Pedestian and Paver Paving	241,584.20	219,622.00
		Footings and Foundations	352,295.90	320,269.00

Vietnam Veterans Memorial Wall

JACKSON CONSTRUCTION

Citrus Heights Veterans Memorial Project

	0410	**Concrete Masonry**			
		Brick Pavers over sand	117,733.00		107,030.00
	0440	**Stone Masonry**			
		Granite Panels			220,000.00
		Naming Files	50,000.00		-
		Installation of Granite Panels	750,000.00		445,000.00
	1610	**Electrical**			
		Poles, Well lights/bases and Panel	284,680.00		258,800.00
F		**Subtotal**	**$ 6,588,675.70**	**$**	**2,904,587.00**
		Builders Risk Insurance	*$ 10,000.00*	*$*	*10,000.00*
		Contingency 10% (construction only)	*$ 298,098.67*	*$*	*263,889.70*
		Additional Anticipated Savings at time of build			
		Construction Office related supplies		$	(12,590.00)
		Project Manager and Site Superintendent		$	(128,000.00)
		0220 Grading - Clear and Grub		$	(46,492.00)
		10% of 0220, 0290, 0330, 0410, 1610		$	(180,798.00)
G		**Endowment Care**	**$ 500,000.00**	**$**	**500,000.00**
		Grand Total	**$ 7,396,774.37**	**$**	**3,310,596.70**

CITY OF CITRUS HEIGHTS

CITY COUNCIL STAFF REPORT MEMORANDUM

DATE: February 11, 2026

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

FROM: Meghan Huber, Economic Development & Community Engagement Director
Casey Kempenaar, Community Development Director
Alex Turcotte, Chief of Police
Steffane Lui, Associate Planner
Alicia Aguirre, Economic Development Management Analyst

SUBJECT: **Second Reading – Ordinance Establishing Commercial Property Reoccupancy Program**

Recommendation

On January 28, 2026, the City Council introduced, read by title only, and waived the first full reading of Ordinance No. 2026-___, adding Chapter 52 to the Citrus Heights Municipal Code to establish a Commercial Property Reoccupancy (CPR) Program.

The background, policy rationale, and public outreach associated with this ordinance are contained in the January 28, 2026, City Council Meeting Staff Report, available on the City's website.

Following the Council meeting, staff became aware that some community stakeholders were not aware the ordinance would be considered by the City Council on January 28, 2026. While all legal noticing requirements were met, staff determined that outreach materials intended to notify stakeholders of the updated ordinance and meeting did not include the date of the City Council hearing unless the email recipient clicked on link to a webpage.

As stated, all legal notice requirements were met—including publication in the *Citrus Heights Messenger*—some stakeholders were nonetheless unaware of the Council's consideration of the ordinance. Adoption of an ordinance requires two readings: a first reading, which includes a public hearing and occurred on January 28, 2026, and a second reading, typically scheduled on the consent calendar, currently set for February 11, 2026.

Given that some stakeholders that attended prior workshops lacked awareness of the meeting prior to the January 28 hearing, staff recommends that the second reading be placed on the regular calendar to allow for additional public comment. On January 30, 2026, stakeholders were notified via email of the opportunity to continue to provide written comment and public

comment at the February 11, 2026 Council Meeting. The City Council may receive public input, take action to adopt the ordinance, or direct modifications to the ordinance as deemed appropriate, or pursue other actions at its discretion.

Written comments received after publication of the January 28, 2026 agenda packet are attached as Attachment 2.

Staff recommends that the City Council receive public comment and adopt Ordinance No. 2026-___, an Ordinance of the City Council of the City of Citrus Heights, California, adding Chapter 52 to the Citrus Heights Municipal Code to establish the Commercial Property Reoccupancy Program.

Strategic Plan Alignment

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

> **Goal:** "Diversify for a vibrant economy."
> **Objective:** To allow for cost recovery and mitigate risk from vacant buildings, present a Vacant Building Ordinance for the City Council's review and consideration.

Fiscal Impact

The Commercial Property Reoccupancy Program is structured as a cost recovery program. Registration and monitoring fees are intended to offset the staff time and resources required to administer inspections, compliance monitoring, and enforcement activities.

While adoption of the ordinance does not generate new discretionary revenue, the program is intended to reduce long-term costs associated with deteriorated vacant properties and support reoccupancy of commercial buildings. Over time, improved maintenance and faster reactivation of vacant properties may contribute to stronger commercial corridors and long-term economic vitality.

Attachments

1. Ordinance No. 2026-___, An Ordinance of the City Council of the City of Citrus Heights, Californina, Adding Chapter 52 to the Citrus Heights Municipal Code to establish a Commercial Property Reoccupancy Program.
2. Comments received after publication of January 28, 2026 Agenda
    a. Gary Kniesel
    b. Shawn Stoval

ORDINANCE NO. 2026- ___

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CITRUS HEIGHTS, CALIFORNIA, ADDING CHAPTER 52 TO THE CITRUS HEIGHTS MUNICIPAL CODE TO ESTABLISH A COMMERCIAL PROPERTY REOCCUPANCY PROGRAM

The City Council of the City of Citrus Heights does ordain as follows:

SECTION 1. There is hereby added as Chapter 52 "Commercial Property Reoccupancy Program" of the City of Citrus Heights Municipal Code of the following:

CHAPTER 52

Sec. 52-1. Title.

This subdivision shall be known as the "Commercial Property Reoccupancy Program," may be cited as such, and is referenced herein as "the program."

Sec. 52-2. Purpose.

The purpose of this chapter is to ensure all vacant commercial properties comply with minimum property maintenance requirements, while ensuring the City's commercial properties remain viable and leasable for reoccupancy. The intent is to alleviate visual blight and nuisance conditions associated with vacant commercial properties and encourage proactive and preventive maintenance of properties to promote the health, safety, and welfare of the people of the City of Citrus Heights.

Sec. 52-3. Definitions.

For the purposes of carrying out the intent of this chapter, phrases and words shall have the meanings set forth below.

"Commercial Property" means any parcel with a building, structure, or portion thereof within the City that is designed, intended, used or historically used for commercial uses (retail, office, automotive, industrial, or other business purposes). This includes, but is not limited to, properties such as shopping centers, storefronts, multi-tenant space, service stations, public or private meeting facilities, and care facilities.

"Continuous Physical Monitoring" means ongoing physical monitoring conducted by a licensed security company retained for monitoring of the commercial property. Onsite monitoring shall occur at a minimum of four times every 24-hours.

"Office" as defined in Title 106 of the Citrus Heights Zoning Code.

"Owner" means and includes any person having legal title to, or who leases, rents, occupies or has charge, control or possession of, any real property in the City, including all persons shown as owners on the last equalized assessment roll of the County Assessor's Office. Owners include persons with powers of attorney, executors of estates, trustees, or who are court-appointed administrators, conservators, guardians, receivers, and any beneficiary and trustee who holds a deed of trust on a property in the City.

"Person" means any natural person or legal entity.

“Program Administrator” means the city employee designated by the City Manager to administer the Commercial Property Reoccupancy Program or their designee.

“Self- Register” means that a property owner or responsible party voluntarily submits required registration information to the city before being notified or cited for non-compliance.

"Unoccupied" means not legally occupied. Factors that may be used, typically in combination, to determine whether a building is unoccupied include, but are not limited to: overgrown or dead vegetation; accumulation of newspapers, circulars, flyers, or mail; past due utility notices; the existence of real property tax delinquencies for the land upon which the building is located; disconnected utilities; accumulation of trash, junk, or other debris; the presence of non-functional or broken doors or windows; the absence of furnishings or items consistent with the permitted uses within the zone of the real property; statements by neighbors, passersby, delivery agents, government employees that the property is unoccupied.

"Vacant Commercial Property" means any building that: (1) is unoccupied and unsecured; (2) is unoccupied and secured by boarding or other similar means; (3) is unoccupied and has multiple code violations; (4) has been unoccupied for more than 60 days; (5) is unoccupied and subject to a current notice of default, notice of trustee's sale, or pending tax assessors lien sale; (6) is unoccupied and conveyed by a foreclosure sale resulting in the acquisition of title by an interested beneficiary of a deed of trust or conveyed via a deed in lieu of foreclosure; or (7) is otherwise determined as vacant as determined by the Program Administrator.

Sec. 52-4. Monitoring Program; Authority to Administer and Enforce Chapter.

A. Administration. The program administrator is authorized to administer and enforce this chapter. The program administrator may adopt supplemental regulations or policies to implement and interpret this chapter. These regulations or policies must conform to the purpose of this chapter.

B. Monitoring Program for Vacant Properties. A program monitoring vacant properties is hereby established. The program administrator has the duty to do the following pursuant to the monitoring program:

1. Inspect properties in the City to identify commercial properties that are vacant.

2. Order vacant commercial properties to comply with this chapter and any other applicable codes.

3. Order vacant commercial properties that are open and accessible to be secured against unlawful entry in accordance with this chapter.

4. Initiate proceedings against the owner of any vacant properties found to be in violation of this chapter or any other applicable code.

5. Maintain surveillance over vacant commercial properties so that timely code enforcement proceedings are commenced in the event the property becomes substandard or a nuisance.

Sec. 52-5. Scope.

A. Applicability. The provisions of this chapter apply to all improved commercial properties, real property throughout the City of Citrus Heights where any of the conditions specified in this chapter are found to exist.

B. Regulations Cumulative. The regulations provided by this chapter are cumulative to each other and to any other regulations under City, State, or Federal law.

Sec. 52-6. Service Requirements.

All notices and service requirements pursuant to Chapter 52 shall adhere to the provisions outlined in Chapter 50.

Sec. 52-7. Registration and Exemptions.

A. Registration Required. An owner of a vacant commercial building must register their property with the Program Administrator within 60 days of the building becoming vacant, in accordance with the requirements of this chapter.

B. Exemptions. The provisions of this chapter do not apply to the following vacant commercial properties:

1. Active Construction. Vacant buildings where all of the following conditions are satisfied as determined by the program administrator:

    a. There is a valid building permit for repair, rehabilitation, or construction of the vacant commercial property or there is a valid planning permit for reoccupancy, such as but not limited to a use permit, minor use permit, or design review permit;

    b. The program administrator determines the owner is progressing diligently to complete such repair or rehabilitation within six months of the issuance of the building or planning permit; and

    c. The owner maintains the property free of trash, debris, and graffiti in compliance with applicable codes.

2. Partially Vacant Office Buildings as determined by the program administrator:

    a. Office Buildings without a Code violation within the last 12 months and at least 50% occupied as long as the owner maintains the property free of trash, debris, and graffiti in compliance with applicable codes.

Sec. 52-8. Registration Procedure.

A. Application Required. Any Person seeking to register a vacant property must submit a complete, written application to the City using a form adopted by the City for that purpose.

1. Parcels under Common Ownership. For the purposes of this program, multiple abutting parcels under identical ownership may be considered a single registration if they function as one site or property. This option is available when parcels are:

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- contiguous - parcels sharing a common boundary with no physical separation such as a public right of way (public or private street)
- under identical ownership; and
- are part of the same vacant or partially vacant commercial use.

The monitoring fee, however, may reflect the overall size, configuration, or condition of the combined property as determined by the program administrator.

B. Application Contents. The City will not deem an application complete until all information, documents, and fees required under this chapter have been provided to the City. At a minimum, any applicant requesting registration of a vacant property pursuant to this chapter must submit the following information and documentation:

1. The name and address of each owner and any property management company (as applicable) responsible for the security, maintenance, and marketing of the property in question.
2. A maintenance plan describing and documenting how the maintenance requirements of this chapter will be complied with.
3. The methods by which the owner has secured the property against unauthorized entry.
4. A statement regarding any future plans for the property.
5. Proof of fire and liability insurance coverage.
6. Proof of active, continuous monitoring of the property through a monitored burglar and fire alarm system or continuous physical monitoring.
7. Such other identification and information as the program administrator may require.

C. Self Registration. Owners of vacant commercial properties that self-register within 60 days will have the registration fee waived.

- Properties that fail to self register and are identified by the City as vacant will be required to pay applicable registration fee.

D. Registration Fee. Properties that fails to self register, will be notified by the City and must pay the nonrefundable registration fee, as established by resolution of the City Council, at the time of registration and annually thereafter.

E. Annual Registration and Renewal. The registration pursuant to this section must be renewed annually. A registration is valid upon issuance and continues in effect for one year from the date of issue. The registration expires automatically one year following the date of its issuance. Properties that remain vacant after 12 months must renew in accordance with this chapter. The registration fee shall be set by resolution of the City Council for properties that fail to self-register. The fee required is in addition to any other license, permit, or fee required by any other section or chapter of this code. The amount of any fee, cost or charge imposed pursuant to this chapter is a debt to the City of Citrus Heights that may be recovered by any means authorized by law.

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F. Annual Monitoring Fee. The owner shall also be required to pay a monitoring fee covering the full 12-month period at the time of registration for each vacant property registered. The annually paid monitoring fee is intended to cover costs of City staff, including code compliance personnel, to conduct regular inspections of the vacant property to ensure compliance with maintenance and security requirements as outlined in this Article. A monitoring fee shall be set by resolution of the City Council and shall be paid in addition to the annual vacant property registration fee. Failure to pay the monitoring fee may result in enforcement actions as outlined in this Code.

G. Refund of Monitoring Fees. Upon occupation of property. The program administrator shall have the authority to refund monitoring fees for any property that becomes occupied after having been registered as vacant, provided that the property has been inspected and deemed to be in compliance with applicable City codes and ordinances.

1. Conditions for Refund. The refund shall apply only to the monitoring fee, and no portion of the registration fee shall be refunded. The monitoring fee refund will be calculated based on the following criteria:

- If the property becomes occupied on or before the 15th day of any given month, the monitoring fee for that month and all subsequent months shall be refunded.
- If the property becomes occupied after the 15th day of the month, the monitoring fee for that month will not be refunded, but the fees for all subsequent months, if any, will be refunded.

H. Notice City of Changes to Registration. Any person, partnership, association, corporation, fiduciary, or other legal entity that has registered a property under this chapter must notify the program administrator in writing of any change of information contained in the registration within 10 days of the change.

I. Failure to Register. Any failure of an owner to register after notification from city shall be subject to the City's enforcement provisions contained in Section 52-12.

Sec. 52-9. Notice.

If the program administrator has reason to believe that a commercial property is vacant and not registered as required by this chapter, the program administrator may take action. This belief may be based on an inspection, a complaint, or a report from another agency or person. The program administrator may serve the owner with a written notice. The notice will require the owner to register the property as vacant and pay the registration fee. The owner must do so within the time specified in the notice, which may not exceed 30 days.

Sec. 52-10. Maintenance Requirements for Vacant Properties; Inspections.

A. Maintenance Required—Program administrator modification. Each vacant property that is subject to registration must be maintained in compliance with applicable Federal, State, and local law and the maintenance and security requirements provided in Subsections (b) through (g) below. The program administrator may also modify or waive some or all of these requirements in the case of a building that has been damaged by fire, a natural disaster, or other calamity, or if the vacant commercial property has received approval under a Request for Relief.

B. Exterior Maintenance. The owner must actively maintain and monitor the exterior of the vacant commercial property and the grounds so that they remain in continuing compliance with all applicable codes and regulations, and do not contribute to and are not likely to contribute to blight. Active maintenance and monitoring shall include, but not be limited to:

1. Maintenance of landscaping and plant materials in good condition.

2. Regular removal of all exterior trash, debris, and graffiti.

3. Maintenance of the exterior of the commercial property in a good condition that is structurally safe and preserves the physical integrity of the structure, including but not limited to paint and finishes, foundation, roof, flues, gutters, downspouts, scuppers, flashing, skylights, windows, exterior stairs and decks.

4. Prevention of criminal activity on the premises and trespass by unauthorized persons.

5. Turning off all utilities that are not necessary for the upkeep and maintenance of the commercial property.

C. Interior Maintenance. The owner must preserve the interior of the commercial property from damage by the elements or plumbing leaks and keep it free from accumulation of garbage and other debris, and from infestation by rodents, insects, or other pests.

D. Security. Each vacant property must be secured against unauthorized entry. The methods of security shall be as approved by the program administrator, who shall take into consideration whether the property has been cited for nuisance activities or criminal conduct by another department of the City or another government agency.

E. Insurance. The owner must maintain fire and liability insurance coverage as determined necessary by the program administrator. Any insurance policy requires advanced, written notice to the program administrator in the event of cancellation of insurance or a reduction in coverage.

F. Sign Posting. The owner of the vacant property is required to post a sign at the front of the building, in a conspicuous location protected from the weather, that provides the current name and phone number of the owner of record or property manager. If a notice of default or foreclosure has been recorded for the property, the lender's name, address, and telephone number must also be provided. The sign may be no smaller than eight and one-half (8½) inches by 11 inches.

G. Vacant Commercial Property Monitoring. In addition to the above requirements, any vacant commercial building must be maintained in accordance with the following requirements:

1. Commercial properties with fire sprinkler systems must be maintained in working order.

2. Commercial properties shall maintain a centralized and registered fire and burglar alarm system which must be maintained in working order.

3. Commercial properties without fire sprinkler systems or fire alarm or burglar alarm systems shall be provided with continuous physical monitoring by means of an on-site patrol approved by the program administrator.

H. Inspections. The City shall inspect each registered vacant property on a regular basis to ensure ongoing compliance with the requirements of this section. Any failure of an owner to comply shall be subject to the City's enforcement of the provisions of this chapter.

Sec. 52-11. Request for Relief.

Request for Relief may be considered at registration to exempt a property from annual monitoring fees, if all of the following conditions are met:

A. The commercial property is maintained in good repair, meets all maintenance requirements outlined in this ordinance and is free of;

   1. Graffiti, litter, illegal dumping; and

   2. Broken windows, boarded entrances, deteriorating facades; and

   3. Overgrown or unmaintained landscaping.

B. No public nuisance or enforcement activity

   1. No open or outstanding code enforcement cases or nuisance abatement actions within the last 12 months; and

   2. The property has not generated excessive calls for police, fire, or public service response related to its vacant portions.

C. Time Limitation:

   1. A Request for Relief may be submitted at the time of registration to exempt the property from the monitoring fees. If approved, the relief runs concurrently with the 12-month registration term.

D. Revocation or Renewal

   1. A Request for Relief may be revoked if the site falls out of compliance with any of the conditions above.

Should the property remain vacant after 12 months, the owner may submit a new Request for Relief at the time of annual registration renewal; however, approval and exemption from monitoring fees is not guaranteed.

Sec. 52-12. Penalties.

A. The owner of any property found in violation of the provisions of this section may receive immediate Notice of Violation from the City. Accordingly and notwithstanding other provisions in the Citrus Heights Municipal Code, Notices to Abate are not required under this Section. Registered properties are deemed to have proper notice under this section relative to their maintenance responsibility.

B. Any person who violates the provisions of this section may be subject to any of the following legal enforcement remedy, including but not limited to: Criminal prosecution of a misdemeanor or infraction, civil action, including injunctive relief, administrative enforcement actions, including administrative citation, and/or revocation of a use permit, if applicable. These remedies shall be in addition to any other remedy authorized by law.

C. A vacant property subject to registration and not maintained in accordance with the provisions of this section is hereby declared to be a public nuisance, subject to abatement, including, without limitation, by rehabilitation, demolition, or repair. The procedures for abatement shall not be exclusive and shall not in any manner limit or restrict the City from abating public nuisances in any other manner authorized by law.

D. The remedies, procedures, and penalties provided by this chapter are cumulative to each other and any others available under this Code or State law. The imposition of a fee or fine under this section shall not preclude the City officials from seeking all other remedial penalties available under this Code.

E. The City's failure to provide notices within any time specified does not constitute waiver by the City of the provisions of this chapter.

SECTION 2. Severability. If any section, subdivision, sentence, clause, phrase or portion of this Ordinance is for any reason held invalid or unconstitutional by any court of competent jurisdiction, such portion shall be deemed a separate, distinct and independent provision, and such holding shall not affect the validity of the remaining portions thereof.

SECTION 3. Effective Date and Notice. This ordinance shall take effect thirty (30) days after its adoption, provided it is published in full or in summary within fifteen (15) days of its adoption, in a newspaper of general circulation published and circulated in the City of Citrus Heights.

PASSED AND ADOPTED by the City Council of the City of Citrus Heights this ___day of _____, 2026, by the following vote:

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

_____
MariJane Lopez-Taff, Mayor

ATTEST:

_____
Amy Van, City Clerk

Written Opposition to Proposed Commercial Beautification and Registration Program

1. Undefined Budget and Reliance on Fees and Fines

The City has acknowledged that this program has no defined budget and that the number of blighted or non-compliant commercial properties has not been identified. Without this information, it is speculative to assume that fees and fines will be paid primarily by so-called "bad actors." The City has stated that program revenues are intended to recover staff time and help fund additional code-enforcement and police resources, creating a self-funding enforcement model that depends on penalties rather than demonstrated need or measurable outcomes.

2. No Evidence the Program Will Be Effective

The City has cited a questionnaire indicating that the public "overwhelmingly wants" to beautify the city. Beautification, however, is a universally supported concept and does not constitute support for mandatory registration, annual fees, or additional penalties imposed on compliant commercial property owners. The survey framing advances a blanket solution without showing that existing enforcement tools are failing or that a registration program would meaningfully reduce blight.

3. Unclear Authority and Oversight

The proposal does not specify who will control the program over time. It is unclear whether future fee changes, enforcement priorities, or administrative rules will require City Council approval or will be determined internally by the department administering the program. This lack of clarity raises concerns regarding transparency, accountability, and potential fee escalation.

4. Redundancy With Existing Regulations

Commercial properties in Sacramento are already regulated by multiple city, county, and state agencies governing building safety, zoning, code compliance, environmental health, air quality, and business licensing. These agencies already have authority to address blight and unsafe conditions on a targeted basis. Creating a new registration and fee program duplicates existing oversight rather than improving enforcement. A more effective alternative is to identify known problem properties and utilize current enforcement mechanisms.

5. Claims That Owners Cannot Be Identified Are Unsupported

Property ownership is easily determined through County Assessor parcel records and property-tax billing data. Corporate and out-of-state owners are publicly identifiable through California Secretary of State filings, including responsible managing officers and registered agents for service of process. If the City can assess taxes, issue citations, and record liens, it already has the ability to identify and contact property owners.

6. Unnecessary Burden on Compliant Property Owners

Requiring annual registration and recordkeeping for compliant "good actor" owners in the name of prevention imposes new administrative costs without a demonstrated benefit. This approach treats all commercial properties as potential problems rather than focusing limited resources on actual blight. At a time when commercial property owners are already facing increased costs, including proposed statewide property-tax increases, adding a new municipal fee structure risks discouraging reinvestment.

7. Conclusion

Beautification and prevention of blight are appropriate goals, but this proposal lacks a defined budget, relies on speculative revenue, duplicates existing regulation, and imposes unnecessary burdens on responsible property owners. A targeted, transparent approach using existing enforcement tools is more effective and fiscally responsible than a new fee-based registration program.

Outlook

Feedback on Commercial Property Reoccupancy Ordinance

From Shawn Stoval <stoval@gmail.com>
Date Fri 1/30/2026 4:56 PM
To Planning <planning@citrusheights.net>

You don't often get email from stoval@gmail.com. Learn why this is important

Dear Sir or Madam,

I am writing as a commercial property owner in Citrus Heights to express my strong opposition to the proposed **Commercial Property Reoccupancy (CPR) Ordinance**. While I share the City's goal of maintaining vibrant commercial corridors, this ordinance imposes unfair financial and administrative burdens on the very people working to revitalize our community. It is counter-productive.

I urge you to reconsider this proposal for the following reasons:

1. **Counterproductive Financial Burden:** The proposed annual registration fee is non-refundable and punitive. Forcing owners to pay thousands in fees while they are already suffering from a lack of rental income is counter-intuitive. These funds would be better spent on property improvements or marketing to attract new tenants. Further, when a property is vacant, the Insurance cost skyrockets -- 4-5 times higher is common. As such, hitting landlords with further fees at a time when they are in dire financial straits is punitive.

2. **Increased Costs for Small Businesses:** As noted by the Citrus Heights Chamber of Commerce, these high annual fees will likely be passed on to future tenants. This increases overhead for small businesses and makes Citrus Heights less competitive compared to neighboring jurisdictions that do not penalize vacancies.

3. **Unrealistic Timelines:** The 60-day vacancy trigger for registration is far too short. Finding, vetting, and negotiating a quality commercial lease often takes much longer than two months. This ordinance essentially penalizes landlords for the natural, often lengthy, cycles of the commercial real estate market.

4. **Redundant Enforcement:** The City already has **Code Enforcement** tools to address blight, safety, and nuisance issues. Adding a new layer of bureaucracy and mandatory monitoring fees —even for well-maintained properties—is an overreach that targets responsible owners alongside absentee ones.

5. **Economic Chilling Effect:** Excessive regulation can discourage future investment. If Citrus Heights becomes known as a difficult or expensive place to own commercial property,

developers and investors will simply look elsewhere, leading to long-term economic stagnation and decreased property values (and decreased tax revenue)

Instead of a punitive fee-based system, I encourage the City to focus on **incentive-based programs** that help owners fill vacancies, such as expedited permitting for tenant improvements or grants for facade upgrades.

Thank you for your time and for considering the perspective of the local business community.

Many thanks.

Shawn Stoval

Owner of Citrus Heights Commercial Real Estate

CITY OF CITRUS HEIGHTS

CITY COUNCIL STAFF REPORT MEMORANDUM

DATE: February 11, 2026

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

FROM: Meghan Huber, Economic Development & Community Engagement Director
Alicia Aguirre, Economic Development Analyst II

SUBJECT: **1 Year Update: 2025-2027 Economic Development Work Plan**

Recommendation

Staff recommends that the City Council accept the one-year progress update on the 2025–2027 Economic Development Work Plan.

City Council Strategic Goal/Objective

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

> **Goal:** Diversify for a Vibrant Economy
> **Objective:** Prepare and present an Economic Development Work Plan to City Council, as well as establish a suite of incentives to attract sit-down dining and entertainment options. (2025 Strategic Planning)

Fiscal Impact

There is no fiscal impact associated with this report. Implementation of the Economic Development Work Plan 2025–2027, including the Business Attraction Incentive Program and Small Business Design Support Program, is being advanced primarily through existing City resources. Some initiatives such as business attraction incentives, placemaking enhancements, or new economic development tools may require future funding consideration. Any related requests will be evaluated through the City's regular budget process and incorporated into the two-year budget cycle for City Council consideration as needed. All funding requests will be tied directly to the adopted Economic Development Work Plan to ensure alignment with long-term strategy.

Background and Analysis

The Economic Development Work Plan (EDWP) 2025-2027 has been developed in direct response to the City Council's strategic goal to "Diversify for a Vibrant Economy" and the specific strategic objective to "Prepare and present an Economic Development Work Plan to City

Council, as well as establish a suite of incentives to attract sit-down dining and entertainment options." This plan serves as the economic development policy framework for the City, providing a structured approach to business attraction and commercial revitalization and creating a dynamic, business-friendly environment in Citrus Heights. The Council adopted the plan on February 12, 2025, along with the Business Attraction Incentive Program Guidelines and the Small Business Design Support Program Guidelines.

The development of the EDWP was guided by staff subject matter expertise, extensive market research and analysis, stakeholder engagement, and community input. City staff conducted outreach to business owners, property owners, managers, brokers, and industry experts to assess challenges and opportunities. Additionally, resident feedback was gathered to ensure that economic development priorities align with community needs.

The Economic Development Work Plan was designed as a policy framework to guide the City's economic development activities over a three-year period. When it was adopted, staff anticipated that the first several months would focus on launching core programs, building momentum to then accelerate and strengthening initiatives to demonstrate measurable outcomes aligned with the plan's metrics.

At the six-month mark, staff prepared and presented a progress report to the City Council. Now, at the one-year mark, first year implementation progress will be shared with the Council through a PowerPoint presentation. Staff have prepared a comprehensive update that highlights key accomplishments and organizes progress across the major categories of the Work Plan.

During Year One, staff focused on launching foundational programs, improving internal development coordination, expanding data-driven recruitment tools, and advancing business retention efforts. Major accomplishments include zoning and code updates to reduce barriers to reinvestment, deployment of enhanced market analytics tools, completion of 50 business retention site visits, expansion of Love Local communications, launch of the Business of Distinction program, and continued momentum on placemaking efforts such as Sylvan Corners.

The **Attraction and Development Services** section of the Work Plan addressed four primary goals: improving regulatory processes to support business development, implementing a refreshed business recruitment strategy, adopting additional tools to incentivize near-term investment in Citrus Heights, and enhancing development services support.

- **Zoning Code Updates:** On June 11, the City Council adopted zoning code updates, which became effective on July 11. The changes modernize the City's regulatory framework by broadening permitted uses, simplifying review processes, and creating more opportunities for investment and redevelopment. These updates are designed to protect community character while also supporting business growth and attracting new development opportunities in Citrus Heights.
- **Building Code Updates:** The City implemented local building code updates aimed at improving flexibility for commercial projects and streamlining permitting requirements. Focusing on making tenant improvements feasible and reducing unnecessary barriers while maintaining building safety.

- **Fire Code Amendments:** The City's proposed amendments to the Fire Code were accepted, offering added flexibility for tenant improvements and commercial occupancy classifications.
- **Incentive Programs:** The Business Attraction Incentive Program and the Small Business Design Support Fund were adopted in February alongside the Economic Development Work Plan. The Design Support Fund was utilized by Black Sails to secure a temporary certificate of occupancy. Other business support programs include the Sign Support Program, and the Activate Auburn Facade Improvement Program.
- **Banking Services RFP:** In mid-September, the City issued a request for proposals for banking services. The RFP includes an economic development perspective by encouraging community engagement and requesting information on business support tools, such as revolving loan fund partnerships and other alternative funding mechanisms the City may consider in the future.
- **Development Process Liaison:** Management Analyst was brought onboard to serve as Development Process Liaison and has been working closely with new businesses to help them navigate the City's permitting and regulatory processes.
- **Data Tools: T**he City renewed its GSEC membership to continue access to regional economic data and expanded analytic capabilities. In addition, visitation data tools have been deployed to measure customer traffic at commercial centers. These tools have already proven valuable in prospecting conversations by providing reliable visitation counts and demonstrating potential market reach to prospective tenants.
- **Trade Show Attendance:** Staff attended a International Council of Shopping Centers (ICSC) trade show in September 2025 to showcase available commercial inventory and connect with brokers, retailers, and developers. The event provided opportunities for industry conversations and market visibility for Citrus Heights. Staff will plan to attend ICSC trade shows in March and May 2026 to continue outreach and relationship-building within the commercial real estate community.
- **Broker and Commercial Real Estate Outreach:** In January 2026, the City launched a quarterly broker-focused newsletter to strengthen communication with the commercial real estate community and support a more consistent pipeline for business attraction. The newsletter includes market updates and highlights from recent commercial activity across Citrus Heights. It also provides information about City incentives, development services, and staff support available to help facilitate investment.
- **Pre-Application Coordination:** Early coordination supports businesses and developers by clarifying requirements, identifying potential challenges, and connecting with the right departments before formal applications are submitted. These discussions clarify review pathways for a more efficient development process.

The **Business Retention & Expansion** section of the Work Plan establishes goals to retain and grow key business anchors, strengthen partnerships and resource sharing, support workforce development, and enhance job retention. Over the last year, the City has advanced several initiatives aligned with these objectives:

- **Business Toolkit:** Welcome Kits were reintroduced in June 2025. All new businesses with a physical location in Citrus Heights now receive a kit that includes a welcome letter from the City, Economic Development contact information, and resources from regional partners (Sacramento Sewer District, Sacramento County Business Environmental

Resource Center, SMUD Supplier Education and Economic Development Program, Small Business Administration, Citrus Heights Chamber, and Citrus Heights Police Department Crime Prevention Through Environmental Design tools). To date, over 200 kits have been distributed, providing a consistent first point of contact with the City.

- **Annual Business Survey:** A business retention survey was distributed at the end of September 2025. The survey directed at business owners asked about their general experience operating a business in Citrus Heights. Results established baseline data on business climate, workforce needs, financing needs, and satisfaction with City services. In the first benchmark year, respondents rated overall business satisfaction and business friendliness at 3.5 out of 5. These results will serve as a reference point for tracking trends over time.
- **Business Safety Hub:** This online resource was launched in collaboration with the Citrus Heights Police Department. The Hub offers businesses access to crime prevention through environmental design (CPTED) resources, retail theft prevention materials, the Chronic Nuisance Offender program, and a dedicated business liaison within the Citrus Heights Police Department. This initiative reinforces the City's commitment to safety and security as a component of economic vitality. Resources from the business safety hub are regularly featured on the Business Bulletin and consistently rank among the most clicked stories.
- **Quarterly Business Recognition Program:** The Business of Distinction Program has officially launched and recognizes one business per quarter through a City Council proclamation. Awards are given in four categories: Civic Heights Award, Legacy Business, Top of the Trade, Blight to Bright. Byers Gymnastics was recently recognized as the Civic Heights recipient and honored at the State of the City event. Nominations for the Legacy Business category close on February 6, and the recipient will be recognized at an upcoming City Council Meeting.
- **Love Local Campaign:** The shop local campaign continued during Auburn Boulevard Phase 2 construction, featuring 20 businesses on the City's website, social media platforms, and newsletter. The campaign highlights resiliency and drives local support during construction impacts.
- **Business Retention Site Visits:** The plan sets a goal of 50 annual site visits annually. All 50 visits were completed in 2025. Five site visits have already been conducted in 2026.
- **Open Data Portal Awareness:** Staff supported promotion of the City's Open Data Portal to increase awareness among residents, businesses, and the development community. The platform is maintained by the City's IT Department, and Economic Development staff helped highlight its value as a business resource. The portal provides public access to real tome zoning information and business license data.

The **Small Business Support & Innovation** section of the Work Plan outlines initiatives like partnerships with Small Business Development Center to host programming, explore potential business incubation and acceleration programs, and support small business participation in community events.

- **Business Support:** Staff have advanced technical assistance efforts informed by feedback in the business retention survey. Survey responses showed interest in support related to social media and marketing. In response, staff released an invitation for proposals from qualified providers to deliver a turn-key technical assistance workshop

series. The target launch for the program is Q3 2026, offering workshops and practical training focused on helping small businesses strengthen their marketing.

- **Economic Development Grants:** Through the Economic Development Support Fund, staff also supported a business-led activation at Smash Sacramento. The fall event brought more than 400 attendees to a local shopping center and created pop-up opportunities for over 25 small business craft and food vendors.
- **Love Local Chamber Membership Sponsorship Pilot *coming soon*:** To further support new entrepreneurs and connect them with existing business resources, the department is launching a pilot program to sponsor Citrus Heights Chamber of Commerce memberships for first-time business owners opening a storefront in the City. This initiative is intended to help new businesses access networking opportunities and technical assistance as they establish operations. The program aligns with the work plan's focus on strengthening small businesses and supporting entrepreneurs.
- **Chamber of Commerce Business Expo *coming soon* (Q3 2026):** Partnering with the Citrus Heights Chamber of Commerce to facilitate a business expo. This event will serve as a local marketing platform for businesses to increase community visibility, engage in peer-to-peer networking, and showcase products and services to residents.

The **Marketing and Placemaking** goals in the work plan include a focus on economic development communications, transforming of spaces through placemaking, and establishing micro- geography-specific spaces, and reimaging spaces to support community and commerce.

- **Sylvan Corners Activation:** Sylvan Corners is a strong example of public–private partnership and grant-leveraged investment. Through an arts and history grant, paired with Activate Auburn grant funds, the City partnered with local businesses to support the installation of three murals and the expansion of patio spaces between DarkHeart Brewing and Ciro's Pizza. These improvements have enhanced the visibility and vibrancy of the corner. The project demonstrates how targeted grant funding, combined with private reinvestment, can catalyze transformation of key nodes into active, community-oriented destinations.
- **Commercial Property Reoccupancy Ordinance:** While not originally included in the Economic Development Work Plan, the Commercial Property Reoccupancy Ordinance emerged as a City Council objective for exploration in response to growing concerns around long-term commercial vacancies. Once identified, staff recognized the opportunity to shape the ordinance as more than a regulatory requirement, positioning it as a flexible, education-forward tool that supports commercial reinvestment, corridor beautification, and overall community vibrancy. Economic Development partnered closely with the Police Department and Community Development to bring an economic development and placemaking lens to an approach that, in many jurisdictions, is solely regulatory in nature. Outreach and engagement included direct stakeholder communications, coordination with the Citrus Heights Chamber of Commerce and Sunrise MarketPlace, and two public workshops held on August 11, 2025 and December 3, 2025 to gather input and refine the framework.
- **Holiday Seasonal Communications:** Seasonal business communications were coordinated around the winter holiday shopping period, beginning with Small Business Saturday, observed the day after Black Friday, and every weekend thereafter until the weekend before Christmas. Messaging focused on reminding the Citrus Heights

community of the economic impact of shopping locally and encouraging residents to support small businesses during the holiday season. Included in these social posts were a series of gift guides featuring local ideas organized by recipient type. The guides were intended to inspire some local gift shopping. The guides were picked up by the Sentinel supporting reach and visibility of the initiative. To support local retail during the spring season, staff developed a Love Local Valentines Day promotional guide. This post is scheduled to highlight Citrus Heights-based floral shops and small businesses to encourage residents to shop locally for the holiday while increasing visibility for the service and retail sectors.

- **Citrus Heights Community Storytelling:** Staff are in discussion with the Citrus Heights Chamber of Commerce to potentially support a Relocation Guide initiative as part of ongoing efforts to showcase what makes Citrus Heights a strong place to live, work, and do business. This includes contributing local context and insight that highlight community amenities and overall quality of place for visitors, business owners and residents. This collaboration is consistent with the plan's goals around economic development communication by helping showcase Citrus Heights businesses, community assets, and overall identity to external audiences.

The **Organizational Culture** goals in the Work Plan reinforce that all City departments are engaged in economic development efforts, as each play a role in supporting business and community vitality. Staff continue to collaborate across divisions on initiatives such as property maintenance and business safety hub. In addition, the City is expanding the use of shared data tools and insights across departments to improve service delivery.

- **Internal Development Services Training:** Coordinated and strengthened cross-department alignment on development processes, customer service, and economic development priorities.
- **Internal Placer.ai Training:** Hosted internal training on Placer.ai to expand staff capacity to use location-based data insights for decision-making, planning, and performance measurement.
- **Livability Summit (External Regional Hosting)**: Supported the Valley Vision/SACOG Livability Summit by participating in a regional panel highlighting Citrus Heights' economic development efforts and cohosting a mixer with the Chamber of Commerce at City Hall to showcase community identity and strengthen regional visibility.

Year One Progress

Economic development outcomes such as vacancy reduction, new business openings, and job growth often trail policy adoption and program launch by 12 to 36 months. As a result, Year One of the Economic Development Work Plan focused intentionally on establishing the regulatory, incentive, and operational foundation necessary to unlock private reinvestment in Years Two and Three.

A key performance objective of the Work Plan is reducing commercial vacancy Citywide, with goals to lower retail vacancy from 12.1 percent to 9 percent and office vacancy from 14.2 percent to 10 percent over the plan period. Current market data shows steady improvement in both categories. Retail vacancies have decreased to 10.8 percent, and office vacancies have fallen to 9.5 percent, exceeding the plan goal.

Vacancy figures represent point-in-time market snapshots and may vary slightly between reporting periods and data sources. Overall, trends indicate continued stabilization. These changes are influenced by broader market conditions, property owner decisions, and ongoing City efforts to improve the business climate and support reinvestment.

Year Two Priorities

In Year Two, staff will continue implementing core Work Plan initiatives while expanding outreach, incentive utilization, and corridor revitalization efforts. To maintain transparency and accountability, staff will continue providing quarterly updates to City leadership and annual reports to the City Council, tracking key performance metrics and adjusting strategies based on market conditions, vacancy trends, and business feedback.

Attachments

1. Economic Development Work Plan 2025-2027
2. Economic Development Work Plan Dashboard
3. Executive Summary Love Local Chamber Membership Scholarship Pilot Program

CITRUS HEIGHTS

ECONOMIC DEVELOPMENT WORK PLAN

2025-2027

The City of Citrus Heights is committed to fostering a thriving, diverse local economy through strategic economic development initiatives that align with the City Council's goals of encouraging private investment, supporting local businesses, and enhancing community vibrancy. This Economic Development Work Plan (EDWP) builds on these priorities, serving as a roadmap for advancing economic opportunities and addressing key challenges over the next three years.

The EDWP framework is guided by five strategic focus areas: Business Attraction & Development Services, Business Retention and Expansion, Small Business Support, Marketing and Placemaking, and Organizational Culture. These focus areas provide a comprehensive structure for the City's efforts, ensuring resources and activities are aligned with the community's long-term economic development goals.

The City's approach reflects its built-out established nature, emphasizing "quality over quantity" in economic development. Strategies focus on revitalizing and reusing existing commercial properties and attracting quality tenants to vacant spaces. Additionally, the plan prioritizes supporting small businesses, marketing the city's assets, and enhancing Citrus Heights' sense of place to drive private investment and create a vibrant, welcoming community.

The EDWP is designed to be dynamic, adapting to changes in market conditions and other external factors. A progress dashboard with specific indicators for each priority area will be used to track activity and outcomes, allowing for regular evaluation and recalibration of initiatives as needed.

By embracing its role as a leader in the region of catalytic economic development and cultivating strong partnerships with public and private entities, Citrus Heights aims to maximize the economic impact of its resources, fill vacant spaces, promote redevelopment and infill opportunities, and grow its status as a dynamic and prosperous community.

The EDWP is informed by the expertise and experience of the City of Citrus Heights staff, data analysis, business stakeholder outreach, and community outreach.

BACKGROUND & DATA

An effective economic development strategy relies on a thoughtful combination of pragmatic commercial real estate assessments, comprehensive demographic data analysis, and a clear community vision. By aligning these elements, the strategy ensures that the right types of businesses are attracted to the area, that growth opportunities are maximized, and that development efforts are in harmony with the needs and aspirations of the community. This approach allows for informed decision-making, a more targeted recruitment strategy, and the creation of a sustainable, thriving local economy that benefits residents, businesses, and the broader region. This section provides an in-depth analysis of Citrus Heights, focusing on its 1.

demographic and economic forecasts, 2. commercial real estate assets, and 3. the community's priorities and aspirations.

1. CITRUS HEIGHTS DEMOGRAPHIC & INDUSTRY DATA OVERVIEW

Demographic and economic data are essential for shaping economic development strategies, especially in retail attraction, where population size, income levels, and spending power drive business decisions. In Citrus Heights, workforce trends, education levels, and cost of living factors also influence job growth, workforce retention, and the city's ability to attract new businesses that align with community needs.

Citrus Heights has a population of 87,127 residents, with a labor force of 45,965 and a labor force participation rate of 64.6%. The city's median household income is $75,022, and the median home value is $407,500, making it relatively affordable compared to surrounding communities in the Sacramento region. Educational attainment levels show that 22.1% of residents aged 25-64 hold a bachelor's degree or higher, which is below the national average of 35.8% and the Sacramento metro area's rate of 33.3%. This education gap presents an opportunity for workforce training programs and partnerships with local institutions to increase access to higher-wage employment opportunities.

While total employment in Citrus Heights has grown by 2.5% year-over-year, reaching 19,926 jobs, the cost of living is 24.7% higher than the national average. This dynamic impacts resident's purchasing power and workforce retention efforts, underscoring the need for workforce development initiatives and an increase in local jobs that provide sustainable wages.

Data Source: JobsEQ

1a. TOP INDUSTRY CLUSTERS BY EMPLOYMENT

The following five industry clusters represent the city's most established economic drivers by job count. These industries form the foundation of the local economy and will continue to play a significant role in employment, business growth, and economic stability. Top industry clusters are measured by employment volume as well as location quotient (LQ). A location quotient greater than 1.0 indicates that the City has a higher concentration of employment in a particular industry or occupation than the nation;

Source: JobsEQ

1. Healthcare and Social Assistance

Healthcare is the largest employment sector in Citrus Heights, accounting for 4,901 jobs, or 24.6% of the total workforce. With a location quotient of 1.65, this industry has a higher concentration locally than the national average. The city's aging population (20.6% over 60) is driving demand for expanded medical services, specialized senior care, and home health solutions. The sector has grown by 5.2% over the past five years, with continued expansion expected, making healthcare a priority for workforce development and business recruitment.

Example business use types include hospitals, medical and diagnostic laboratories, nursing care facilities, home health care services, and outpatient care centers.

2. Retail Trade

Retail remains a dominant industry, employing 4,240 workers and accounting for 21.3% of total employment. Citrus Heights is a strong regional shopping hub, anchored by Sunrise Marketplace. However, shifting consumer preferences and e-commerce trends have led to a 0.34% projected decline in employment, emphasizing the need for retail revitalization and adaptation to new consumer behaviors.

Example business use types include department stores, specialty food stores, clothing stores, electronics and appliance stores, and building material and garden equipment dealers.

3. Accommodation and Food Services

Citrus Heights' hospitality and food services sector plays a key role in both local economic activity and regional tourism. This sector provides 2,814 jobs, supporting both local demand and tourism-related activity. While the restaurant industry remains strong, Citrus Heights has limited hospitality infrastructure (no hotels and one motel). The sector has seen a 4.1% employment increase over the past five years, indicating opportunities for hospitality expansion, entertainment venues, and event spaces to increase economic activity.

Example business use types include full-service restaurants, limited-service restaurants, caterers, hotels (except casino hotels), motels, and drinking places serving alcoholic beverages.

4. Professional, Scientific, and Technical Services

The professional services sector provides a wide range of high-skill, high-wage jobs in industries such as legal, accounting, consulting, and engineering services. This sector plays a critical role in the local economy, employing 10.3% of the workforce. The industry has grown 7.5% since 2018, fueled by increasing demand for remote work support, business-to-business services, and IT consulting.

Example business use types include legal services, accounting and tax preparation, payroll services, management consulting services, advertising and public relations firms, and architectural and engineering services.

5. Administrative and Support Services

Administrative and support services are key business-to-business industries, providing back-office operations, employment services, and customer service functions. This industry cluster employs nearly 8% of the city's workforce. Over the past five years, the sector has added more than 300 jobs, supported by affordable office space and the city's proximity to Sacramento's economic hub.

Example business use types include employment placement agencies, telemarketing bureaus, document preparation services, and call centers.

1B. TOP TARGET GROWTH SECTORS IN CITRUS HEIGHTS

As Citrus Heights looks to expand its economic base, targeting industries with high growth potential will be critical for job creation and business attraction. Citrus Heights has several strong and emerging industry sectors that serve as key drivers of economic activity. These sectors offer high

employment concentrations, regional competitiveness, and opportunities for future growth. The following sectors have been identified based on location quotient (or LQ), employment levels, occupational strengths, and alignment with regional economic priorities.

Health Care and Social Assistance

The health care and social assistance sector is one of the most prominent industries in Citrus Heights, with a high employment concentration of 4,901 jobs and an LQ of 1.65, indicating that this sector is significantly more concentrated in Citrus Heights compared to the national average. Occupational strengths in human services and health sciences provide a strong talent pipeline for continued growth in this sector, with average wages ranging from $44,700 to $84,900.

This sector aligns with the Greater Sacramento Economic Council's (GSEC) regional clusters, positioning Citrus Heights as a strong player in the expansion of medical services, senior care, and specialized health care innovation. Given the city's aging population and demand for accessible medical services, further investment in healthcare facilities, medical technology, and workforce development programs could drive continued economic growth.

Consumer Services: Arts, Entertainment, and Recreation

Citrus Heights is a regional hub for consumer services, arts, entertainment, and recreation, with a high industry concentration (LQ 2.50) and a consumer services cluster LQ of 1.52. This sector employs 4,622 workers, demonstrating a strong local market for hospitality, tourism, and entertainment-related businesses.

The city's existing event spaces and recreational facilities contribute to its reputation as a destination for consumer services. With increasing demand for experiential retail, leisure activities, and arts-driven commerce, there is potential to expand entertainment venues, cultural attractions, and nightlife options to further capitalize on the city's strengths. Targeted incentives and placemaking strategies could help attract new entertainment and recreation-based businesses, enhancing Citrus Heights' position as a vibrant regional center for consumer experiences.

Retail

Retail remains a core economic driver for Citrus Heights, with an LQ of 2.17 and an employment base of 4,340 workers. The city serves as a regional shopping destination with major retail corridors and centers like Sunrise Marketplace.

Despite slower growth in the retail sector overall, opportunities exist in specialty retail, experience-driven shopping, and hybrid business models that blend retail, dining, and entertainment. Additionally, retail expertise and sales skills can translate into workforce mobility across other industries, such as hospitality and business services. The city's focus on revitalizing commercial corridors, improving shopping center aesthetics, and attracting high-quality tenants will be critical in sustaining retail's role as an economic pillar for Citrus Heights.

Financial and Professional Services

The financial and professional services sector is an area of high-value growth potential for Citrus Heights. With an average wage exceeding $114,000, this sector provides some of the highest-

paying jobs in the region. While total employment in this sector is smaller compared to retail and health care, the combined financial and professional services clusters account for over 2,000 jobs and are positioned for continued expansion.

This sector aligns with Greater Sacramento Economic Council's regional focus on tech, mobility, and advanced business services, creating opportunities for Citrus Heights to attract finance, legal, and professional consulting firms. The forecasted growth rate for this cluster is among the highest in the city, second only to health care. Expanding Class A and modern office spaces, as well as supporting flexible co-working environments, could further facilitate business retention and attraction in this high-wage sector.

Entrepreneurship and Start-Ups

Citrus Heights has an opportunity to foster entrepreneurship and start-ups by leveraging its existing industry strengths while addressing challenges related to limited commercial real estate inventory. Supporting emerging businesses in consumer services, health care, and professional services will help reinforce the city's economic base while creating pathways for job creation and innovation.

Expanding business incubation programs, access to capital, and networking opportunities for entrepreneurs can help drive local business development. With rising demand for flexible workspaces and e-commerce opportunities, the city can play a key role in supporting small business growth through targeted incentives, co-working hubs, and digital infrastructure enhancements.

Source: JobsEQ & analysis by Greater Sacramento Economic Council research team

These five key sectors represent Citrus Heights's strongest areas of economic opportunity. The city can foster a diverse, resilient, and forward-thinking economy by aligning business attraction strategies, workforce development initiatives, and targeted incentives with these high-growth industries.

Workforce Development and Economic Resilience

A skilled and adaptable workforce is essential for sustaining economic vitality, and Citrus Heights can play a role in aligning training programs with high-growth industries to support local employment opportunities. Strengthening partnerships with institutions like the Los Rios Community College District, Sacramento State University, and UC Davis can help bridge skill gaps in key sectors such as healthcare, professional services, and construction. Expanding career pathways in healthcare and human services aligns with the sector's strong job growth, while investing in workforce training for skilled trades and infrastructure projects can drive expansion in the construction industry. Additionally, workforce attraction and retention efforts are increasingly important, given the city's cost of living is 24.7% higher than the national average. By supporting these initiatives, Citrus Heights can enhance economic resilience, attract new businesses, and ensure that residents have access to sustainable, high-quality job opportunities.

The comprehensive demographic and economic analysis above provides a data-driven foundation for a targeted business recruitment strategy. By leveraging industry trends, workforce insights, and commercial opportunities, the Economic Development Work Plan will outline pragmatic actions to

attract businesses, and advance economic development goals. This approach ensures sustainable job growth, business retention, and long-term economic resilience for Citrus Heights.

2. CITRUS HEIGHTS COMMERCIAL REAL ESTATE OVERVIEW

Economic development is dependent on businesses having access to real estate that meets their needs. In Citrus Heights, commercial property availability and condition shape business attraction, retention, and overall economic vitality. The city must balance a strong retail legacy with shifting consumer trends, adapt to evolving office demand, and navigate a highly constrained industrial market. Understanding these dynamics is key to positioning Citrus Heights for long-term growth. The following sections examine the retail, office, and industrial markets, highlighting key trends and opportunities for strategic investment.

2.a RETAIL REAL ESTATE

Citrus Heights' retail market is at a pivotal moment, balancing the challenges of an aging commercial inventory with opportunities to attract new tenants and adapt to shifting consumer trends. As of January 2025, the city's retail vacancy rate stands at 12.1%, reflecting a slight increase over previous periods and continuing an upward trend from pre-pandemic levels when vacancy rates hovered around 9-10%. Currently, 725,069 square feet of vacant retail space (across a total market of about 6 million square feet) highlight ongoing shifts in retail demand, with larger vacancies persisting in legacy shopping centers that require repositioning to attract new tenants.

Comparatively, the Sacramento region retail market maintains a lower 6.4% vacancy rate as of January 2025, a figure that has remained relatively stable over the past few years. The region's limited new retail construction and resilient leasing market have contributed to this lower vacancy rate. Discount retailers, grocery stores, and quick-service restaurants have been among the most active tenants, while larger anchor spaces continue to pose leasing challenges. Rent growth in the region has been modest at 1.1% year-over-year, lagging behind the national average of 1.8%, signaling a softening in retail demand despite stable occupancy rates.

Looking at historical trends, Citrus Heights' retail sector has struggled with higher-than-average vacancy rates compared to the broader Sacramento region, reflecting the aging commercial inventory and the challenges of repositioning older retail centers. Adaptive reuse strategies and targeted business attraction efforts are increasingly necessary to fill larger spaces and revitalize underperforming retail corridors. Given the Sacramento market's tight retail space availability, Citrus Heights has an opportunity to attract businesses seeking expansion outside of the metro core.

A retail property's location and physical condition remain critical factors influencing occupancy and long-term success. Prominent destination centers like Citrus Town Center, Sunrise Village, and Marketplace at Birdcage benefit from prime locations, strong tenant mixes, and consistent property maintenance, allowing them to remain competitive. However, retail trends continue to evolve, emphasizing mixed-use integration, experiential shopping, and digital adaptation.

In contrast, neighborhood retail centers present a wider range of conditions, with some maintaining high occupancy while others struggle with vacancies and visible signs of neglect. For these underperforming properties, targeted reinvestment—such as façade updates, landscaping improvements, and enhanced pedestrian access—can play a crucial role in attracting tenants and revitalizing commercial activity.

Exploring opportunities to encourage higher property maintenance standards, including potential refinements to municipal code enforcement approaches, could further support efforts to improve underutilized centers. By recognizing the critical relationship between location, property upkeep, and occupancy, the city can better support strategies that sustain a thriving retail environment and ensure long-term economic vitality.

Quick Guide to Retail Recruitment

Retail recruitment is a strategic process that involves attracting businesses to a market while ensuring long-term viability. Successful recruitment requires understanding key factors that influence site selection, market demand, and business sustainability.

Key Retail Recruitment Factors:

- Trade Area Requirements: Retailers analyze trade areas—geographic regions from which they draw customers—based on population density, demographics, traffic patterns, and spending power. The size of the trade area depends on the business type; for example, convenience stores need smaller trade areas than regional shopping centers.
- Cannibalization: When a retailer considers opening a new location, they assess whether it will take away sales from an existing store. Companies aim to expand their footprint without oversaturating a market, which can reduce profitability for all locations.
- Co-Tenancy & Complementary Retail Mix: Retailers prefer locations with strong anchor tenants or complementary businesses that drive customer traffic. For example, a fitness center near a health food store creates synergy that benefits both businesses.
- Market Gap Analysis: Cities and developers use gap analyses to identify underserved retail categories, helping recruit businesses that fill consumer demand without excessive competition.
- Site Selection Criteria: Retailers evaluate visibility, accessibility, parking, zoning regulations, and infrastructure when choosing a location. Factors like major roadway access, traffic counts, and adjacent land uses impact site desirability.
- Retailer Expansion Strategies: National brands and franchises follow structured expansion plans based on growth potential, existing market performance, and corporate objectives. Cities that align incentives and regulatory processes with these strategies improve recruitment success.
- Local Incentives & Support: Competitive cities offer economic development tools such as grants, tax incentives, and infrastructure improvements to attract and retain retailers. Business-friendly permitting and zoning policies also enhance recruitment efforts.

Understanding these factors helps local governments and economic developers create effective strategies to attract and sustain retail businesses, ensuring a vibrant commercial environment that meets community needs.

2.b OFFICE REAL ESTATE

Over the past decade, the Citrus Heights office market has evolved in response to economic cycles, business trends, and broader shifts in workplace behavior. Historically, the market maintained moderate but steady demand, with vacancy rates averaging between 8% and 10% from 2013 to 2019. During this period, leasing activity was driven largely by local professional services, medical offices, and small businesses seeking cost-effective alternatives to downtown Sacramento. Rental rates followed a gradual upward trend, with average asking rents increasing from approximately $1.50 per square foot in 2015 to $1.75 by late 2019, reflecting steady market confidence.

However, the onset of the COVID-19 pandemic in 2020 fundamentally altered the office landscape, leading to an abrupt decline in occupancy across the region. Citrus Heights, like many suburban markets, experienced a surge in office vacancies, rising to nearly 15% by early 2021, as businesses restructured their work environments, embraced hybrid work models, or downsized their office footprints. Despite these challenges, the impact in Citrus Heights was comparatively less severe than in downtown Sacramento, where vacancy rates surpassed 20% amid widespread corporate downsizing and a shift away from large-scale office leases.

Post-pandemic, the Citrus Heights office market has remained in a period of adjustment. While some businesses have returned to physical offices, demand patterns have changed, favoring smaller, flexible spaces over traditional large office footprints. Over the past year, vacancy rates have increased modestly from 12.8% in early 2024 to 14.2% in early 2025, a reflection of ongoing hybrid work adoption and a measured pace of office space absorption. The Citrus Heights-Orangevale submarket has seen a slightly higher vacancy rate of 15.1%, signaling some softening in demand, though still more favorable compared to the Sacramento metro area's 18.7% vacancy rate.

Leasing activity remains selective but steady, with demand concentrated in professional services, healthcare, and small-to-mid-sized businesses seeking cost-effective suburban office locations. Larger office spaces, particularly those exceeding 10,000 square feet, remain more difficult to lease, aligning with national trends as companies reassess their long-term office needs. To maintain competitiveness, landlords are offering flexible lease terms, tenant improvement packages, and attractive rental incentives, ensuring that Citrus Heights continues to present an affordable and accessible alternative within the region.

The comparison between pre- and post-pandemic conditions highlights a key structural shift: while Citrus Heights historically benefited from steady occupancy and rising rental rates pre-2020, the market today is shaped by tenant preferences for flexibility, increased remote work adoption, and a slower overall recovery in office demand. The pre-pandemic vacancy rate of 8-10% may not return in the near term, but the market's adaptability and affordability provide stability in contrast to the downtown Sacramento office sector, which continues to experience deeper challenges.

Looking ahead, the Citrus Heights office market is expected to remain resilient but evolving. Medical office space has been a strong performer, with sustained demand from healthcare providers. There is growing interest in adaptive reuse strategies, such as repurposing traditional office spaces into mixed-use, medical, or flex-office configurations. While leasing activity is not accelerating at a rapid pace, Citrus Heights remains well-positioned within the regional office landscape, offering cost-effective options for tenants prioritizing affordability and convenience.

As the broader office market continues to adjust to long-term workplace trends, Citrus Heights' suburban appeal, competitive pricing, and adaptable office spaces will remain key strengths. With a tenant base focused on flexibility and affordability, the market is likely to see stabilization in vacancy rates over the next two years, with potential declines to the 10-12% range if economic conditions strengthen. While the long-term trajectory of office demand remains uncertain, the city's suburban character and cost advantages will continue to support steady levels of interest from tenants navigating the evolving workplace landscape.

Quick Guide to Office User Recruitment

Recruiting office tenants requires a strategic approach that aligns market demand with site selection criteria, workforce availability, and real estate conditions. The quality and readiness of available office space significantly impact tenant attraction, influencing which businesses choose to locate in a given area.

Key Office Recruitment Factors:

- Workforce Availability & Labor Market Fit: Employers prioritize locations with access to a skilled workforce aligned with their industry needs. Cities with strong talent pools in key sectors—such as healthcare, finance, or professional services—are more attractive to office users.
- Trade Area & Market Demand: Office users analyze trade areas based on employee commute patterns, client access, and business clustering. Proximity to transit, major highways, and workforce hubs significantly impacts location decisions.
- Office Space Condition & Classifications: Office spaces are categorized based on quality, amenities, and infrastructure, which directly influence the types of tenants they attract:
    - Class A: High-end, modern buildings in prime locations with premium amenities, advanced infrastructure, and strong property management. These spaces appeal to corporate headquarters, financial firms, and professional service providers.
    - Class B: Well-maintained buildings with functional layouts, though they may lack high-end finishes or prime locations. These spaces attract mid-sized businesses, growing firms, and back-office operations.
    - Class C: Older buildings with minimal updates, lower lease rates, and limited amenities. These often require renovations and typically attract startups, nonprofits, and cost-sensitive tenants.

- Hybrid Work & Office Space Demand: The rise of remote and hybrid work models has shifted office leasing trends. Many businesses now seek smaller, high-quality spaces with flexible layouts, collaboration areas, and enhanced amenities rather than large, traditional office footprints.
- Co-Tenancy & Industry Clustering: Office tenants prefer locations near complementary businesses or industry hubs that provide networking, collaboration, and talent-sharing opportunities. For instance, medical offices benefit from proximity to hospitals and clinics.
- Local Incentives & Business Support: Competitive cities offer economic development tools such as tax incentives, relocation grants, and workforce training programs to attract office tenants. A business-friendly permitting and entitlement process can further enhance recruitment success.

By understanding these factors and ensuring a strong mix of high-quality office spaces, local governments, and property owners can create targeted strategies to attract office users, fill vacancies, and drive commercial growth.

2.c INDUSTRIAL REAL ESTATE

The industrial real estate market in Citrus Heights is exceptionally small, with only 11 industrial properties in the entire city. Unlike larger industrial hubs in the Sacramento region, Citrus Heights has historically been a suburban retail and residential community with minimal industrial activity. Over time, the industrial sector has remained stable but highly constrained, as the city has little available land for expansion.

As of early 2025, the Citrus Heights industrial market continues to be one of the smallest in the region. The limited supply has led to extremely low vacancy rates and steady rental growth as businesses compete for the few available spaces. The market primarily serves local and regional businesses needing small-scale industrial or flex space rather than large warehouse or logistics operations. Rent growth has been consistent due to persistent demand, but the lack of new development options means businesses requiring more space often have to relocate elsewhere. The constrained inventory also limits Citrus Heights' ability to participate in regional business attraction efforts for key industry clusters such as mobility, advanced manufacturing, agriculture, and ag tech, which require larger-scale industrial facilities and specialized infrastructure.

Looking ahead, the lack of industrial space will continue to constrain economic opportunities in the sector. While adaptive reuse of commercial or retail properties could help address some demand, traditional industrial expansion remains highly unlikely. Nearby submarkets such as McClellan, West Sacramento, and Rancho Cordova—which offer significantly more industrial space—will continue to absorb businesses looking for larger facilities, leaving Citrus Heights with a niche role in the broader regional industrial market.

Source for all commercial real estate information and data: CoStar

Quick Guide to Industrial User Recruitment

Recruiting industrial tenants requires a strategic approach that aligns market demand with site selection criteria, logistics needs, and infrastructure capabilities. Industrial users—manufacturers,

logistics firms, and warehouse operators—prioritize locations supporting efficient operations, workforce availability, and long-term growth potential.

Key Industrial Recruitment Factors:

- Site Selection & Infrastructure Readiness: Industrial users evaluate access to major highways, rail lines, ports, and airports for efficient distribution. Sites must also accommodate large truck traffic, offer ample loading dock space, and have the necessary utilities (power, water, gas, broadband) to support operations.
- Zoning & Land Use Compatibility: Industrial businesses require properly zoned land that permits manufacturing, distribution, and warehousing activities. Cities that streamline industrial zoning approvals and offer flexibility in land use attract more investment.
- Building Classifications & Suitability:
    - Class A: Newer, state-of-the-art facilities with modern amenities, high ceilings (32+ feet), energy-efficient features, and strong connectivity. These spaces appeal to large-scale logistics, e-commerce, and advanced manufacturing users.
    - Class B: Functional but older industrial spaces with lower ceiling heights, fewer modern features, and some deferred maintenance. Often suitable for smaller manufacturers, suppliers, and local distributors.
    - Class C: Outdated facilities with limited infrastructure that require significant upgrades. These attract cost-sensitive users or businesses with less intensive operational needs.
- Workforce Availability & Labor Market Fit: Industrial users prioritize locations with a strong blue-collar workforce skilled in manufacturing, logistics, and supply chain management. Workforce training programs and partnerships with trade schools enhance recruitment appeal.
- Supply Chain & Logistics Access: Proximity to suppliers, customers, and transportation hubs is a key factor in industrial site selection. Cities with robust logistics infrastructure can attract large-scale distribution centers and manufacturers.
- Industrial Market Demand & Competition: Cities must assess vacancy rates, absorption trends, and rental pricing to position themselves competitively. A lack of available industrial space may require investment in new developments or repurposing underutilized properties.
- Sustainability & Energy Efficiency: Green industrial development, including solar energy integration, LED lighting, and water conservation measures, is increasingly attractive to tenants with corporate sustainability goals. LEED-certified industrial facilities have a competitive edge.
- Building Size & Customization Options: Industrial users require flexibility in space configurations, including the ability to expand operations. High-clearance ceilings, large bay spacing, and adaptable floor plans make properties more attractive.

- Incentives & Business-Friendly Policies: Competitive cities offer tax incentives, infrastructure support, and workforce development assistance to attract industrial tenants. Fast-tracking permitting processes and reducing regulatory burdens also enhance recruitment efforts.

By addressing these key factors, local governments and economic developers can position their communities as prime destinations for industrial investment, job creation, and economic growth.

3. STAKEHOLDER INPUT

The economic development work plan is informed by input from the City Council, business community, and residents to reflect shared priorities. Ongoing outreach helps ensure the plan supports local businesses, economic growth, and community objectives.

3.a DEVELOPMENT & BUSINESS COMMUNITY FEEDBACK

In late 2024, the Community Development and Economic Development and Community Engagement Departments conducted extensive stakeholder outreach to property owners, managers, brokers, and prospective business representatives to identify challenges and opportunities within Citrus Heights' regulatory and development processes. Engagement included surveys, interviews, and tracking inquiries from prospective businesses to better understand barriers to filling vacancies and streamlining development.

Key Insights from Stakeholders:

- Evolving Retail Landscape: Stakeholders emphasized the challenges posed by aging retail spaces, which require significant investment to adapt to modern retail demands or alternative uses. Building and fire code compliance, especially the cost of retrofitting fire sprinklers for non-retail uses, was noted as the most significant obstacle to repurposing retail spaces.
- Responsive City Staff: Stakeholders praised City staff for being problem-solvers and responsive to development concerns, often working creatively within regulations to facilitate projects while maintaining community standards.
- Emerging Uses: Innovative uses, such as immersive entertainment and axe-throwing venues, present opportunities but often face zoning and regulatory hurdles due to their unconventional nature.
- Increased Demand for Drive-Thrus: Stakeholders highlighted a need for greater flexibility in approving drive-through uses, reflecting changing consumer behaviors since the pandemic.

Challenges Identified:

- Permitting Complexity: Many new business owners struggle with navigating building and fire codes, often due to low budgets or unfamiliarity with permitting processes, which can delay or deter projects.
- Zoning Thresholds: Rigid thresholds in the Zoning Code, such as square footage limits requiring Use Permits, were cited as unnecessarily burdensome for minor overages.

- Flat-Rate Fees: Current flat-rate planning entitlement fees were seen as disproportionately high for simpler projects, creating cost barriers for smaller businesses.
- Limited Light Industrial Opportunities: While growth potential exists for light industrial and manufacturing sectors, the city's built out, suburban character limits compatible locations for such uses.

This outreach underscores the need for nimble, proactive approaches to address evolving market demands, streamline regulatory processes, and enhance Citrus Heights' ability to attract and retain diverse business uses.

3.b RESIDENT FEEDBACK

Resident sentiment data gathered through a recent FlashVote survey (January 2025) provides valuable feedback and insights into residents' perspectives on economic development in Citrus Heights. The survey revealed a generally neutral sentiment toward current shopping and dining options, with an average satisfaction rating of 3.04 out of 5. Younger residents, particularly those aged 35 and under, expressed a slightly higher satisfaction level than other age groups.

When asked about barriers to shopping and dining more frequently within the city, respondents highlighted two primary concerns: the lack of higher-end stores and restaurants and the need for renovations to shopping centers and storefronts. These findings indicate that addressing aesthetic and quality issues in commercial areas could significantly improve local engagement with businesses.

Residents also voiced a strong desire for additional restaurants, cafes, entertainment, and recreational options. This preference underscores the community's interest in diversifying and enhancing the local retail and dining landscape. To attract these desired businesses, respondents identified three key priorities: improving the appearance and cleanliness of commercial areas, upgrading infrastructure, and enhancing safety in these spaces.

This feedback provides a clear mandate for targeted economic development efforts that focus on revitalizing commercial areas, addressing community needs for modern amenities, and creating an inviting and safe environment to attract both businesses and customers.

3.c CITY COUNCIL FEEDBACK

The City Council's feedback on economic development priorities for Citrus Heights aligns with a strategic approach centered on business attraction and retention, infrastructure and zoning improvements, community engagement, and overall economic vitality. Their collective input highlights several key focus areas that will shape the City's Economic Development Work Plan, ensuring a strong and resilient local economy.

A primary focus is fostering a thriving business environment that attracts and retains businesses aligned with the City's long-term vision. Councilmembers expressed a strong interest in proactively recruiting businesses that enhance the City's economic landscape, rather than waiting for opportunities to emerge. There is a desire to support a diverse range of businesses, from small, neighborhood-serving enterprises to larger commercial investments that contribute to a vibrant and sustainable economy. Expanding business incentive programs, streamlining permitting

processes, and enhancing marketing efforts to showcase Citrus Heights as a prime business destination were identified as key strategies to improve the overall business climate.

Another critical priority is commercial corridor revitalization and infrastructure investment to enhance the aesthetic appeal, functionality, and long-term viability of the City's business districts. Councilmembers highlighted the need for targeted improvements to key corridors, including upgrading streetscapes, enhancing public spaces, and ensuring commercial areas remain competitive and attractive for both businesses and consumers. There is strong support for policies that encourage mixed-use development, allowing for more dynamic and pedestrian-friendly environments that blend retail, office, and residential uses. Additionally, modernizing zoning regulations to support business growth and increasing investment in transportation and mobility solutions, such as public transit and walkability enhancements, were identified as long-term strategies for economic sustainability.

Enhancing community engagement and business collaboration emerged as a key theme, with an emphasis on strengthening relationships between the City, business owners, and residents. Councilmembers underscored the importance of regular dialogue with local businesses through structured engagement opportunities, such as business roundtables and partnerships with economic development organizations. Increasing outreach efforts to better understand why businesses choose Citrus Heights or opt for other locations will help refine attraction strategies and ensure business retention. Additionally, fostering a strong local business network, supporting entrepreneurs, and encouraging collaboration between the public and private sectors will contribute to a more resilient and interconnected economy.

A focus on industry diversification and workforce development was also emphasized as a pathway to long-term economic stability. Councilmembers highlighted the importance of attracting a mix of industries that align with regional trends, such as technology, education, healthcare, and creative industries. Investing in workforce development programs, including trade schools, job training initiatives, and partnerships with educational institutions, will help prepare residents for emerging job opportunities while strengthening the local talent pipeline. Supporting entrepreneurs and home-based businesses through mentorship programs and business resource networks was also identified as a strategy to cultivate economic growth and innovation.

Finally, quality of life and economic resilience remain central to the City's economic development approach. Ensuring that economic initiatives benefit the broader community by enhancing safety, accessibility, and public spaces is a priority. This includes maintaining clean and well-lit commercial areas, activating vacant properties for temporary community-oriented uses, and integrating sustainable development practices into the City's economic strategy. Encouraging businesses to engage in community-oriented initiatives and supporting economic equity through targeted development efforts will help ensure that all residents benefit from economic growth.

The City Council's input underscores a comprehensive approach to economic development, balancing business attraction, infrastructure investment, community engagement, industry diversification, and quality of life improvements. These priorities will serve as guiding principles in the development of the Economic Development Work Plan, ensuring that Citrus Heights remains a competitive, vibrant, and economically resilient city.

Community feedback played a critical role in shaping the priorities and recommendations outlined in the Economic Development Workplan. Input from residents, businesses, and stakeholders helped identify key challenges, opportunities, and areas for investment, ensuring that the plan reflected the community's needs and aspirations.

A note on the Sunrise Tomorrow Specific Plan: The Sunrise Tomorrow Specific Plan represents a transformative economic development opportunity for Citrus Heights, positioning the former mall site as a catalyst for revitalization and long-term growth. Given the scale and significance of this project, specific actions and direction for its advancement will take place through the City Council's annual strategic planning process and other public meetings. This ensures a nimble and rapid response to emerging opportunities, allowing for timely decision-making, resource allocation, and policy adjustments that drive efficient project implementation, rather than confining progress within the broader three-year Economic Development Work Plan framework. It is also important to note that much of the analysis and initiatives outlined in this work plan are aligned with and will naturally benefit the Sunrise Tomorrow project, supporting business attraction efforts, infrastructure investments, and workforce development that align with the vision for the site. For more information and updates on the Sunrise Tomorrow Specific Plan, visit www.sunrisetomorrow.net

ECONOMIC DEVELOPMENT WORK PLAN: IMPLEMENTATION FRAMEWORK

The Citrus Heights Economic Development Work Plan (EDWP) implementation framework provides a strategic approach to strengthening the local economy through business growth, investment, and community vitality. Informed by demographic and economic data, real estate assessments, and community feedback, the plan aligns economic initiatives with the city's unique market conditions and opportunities.

With input from stakeholders and industry best practices, the EDWP builds on ongoing efforts to attract and retain businesses, foster entrepreneurship, and streamline development processes. It prioritizes practical, data-driven strategies to support economic growth, enhance business opportunities, and create a welcoming environment for investment.

The plan is organized around five key focus areas: Business Attraction and Development Services, Business Retention and Expansion, Small Business Support and Innovation, Marketing and Placemaking, and Organizational Culture. Each area includes clear implementation steps and measurable outcomes to ensure accountability, track progress, and drive long-term economic success in Citrus Heights.

1. BUSINESS ATTRACTION & DEVELOPMENT SERVICES

Citrus Heights hosts various commercial real estate opportunities, ranging from prime retail corridors and neighborhood service centers to adaptable office spaces. By aligning available properties with high-demand industry segments—such as dining, breweries and nightlife, entertainment, healthcare, and professional services—the city can enhance its economic base and meet the community's evolving needs.

The following are recommended actions to advance business attraction in Citrus Heights:

I. Improve Regulatory Processes to Support Business Development

Efficient regulations are key to attracting and retaining businesses. Burdensome processes can delay projects, drive up costs, and discourage investment. By reducing red tape, clarifying requirements, and streamlining approvals, Citrus Heights can create an even more business-friendly environment that supports growth and development.

a. Streamline City Zoning and Permit Processes to Support Business Recruitment and Retail-Compatible Uses

The City of Citrus Heights offers simple and low-barrier zoning and permit processes but always seeks improvement. The Community Development and Economic Development departments have gathered feedback from the development community and conducted analysis, leading to new recommendations for improvement. By streamlining approvals, increasing flexibility, and clarifying guidelines, the city can further attract diverse businesses, repurpose existing spaces, and enhance economic growth while reducing barriers for developers and property owners.

Implementation steps (as detailed in Attachment 1):

- **Allow Minor Use Permits (staff level) for uses that currently need Use Permits** (Planning Commission level), especially for uses that fit well in retail areas, particularly within existing buildings.
- **Update the Zoning Code to allow the Community Development Director to approve uses that exceed current use Permit thresholds,** as long as the use is compatible with its surroundings and won't negatively impact the community (up to a 75% increase from the threshold).
- **Update the Land Use Table in the Zoning Code** to include non-retail uses suitable for retail areas but not currently listed.

Recommendation: To streamline the approval process and better align the Zoning Code with current retail trends, it is recommended that Community Development staff bring forward the above implementation steps for City Council consideration and approval.

b. Partner and Advocate to Streamline Third Party Agency Regulations and Processes

Collaboration with partner agencies is essential to creating a business-friendly environment and fostering economic growth in Citrus Heights. By identifying and addressing burdensome or unnecessary regulations and processes, the city can remove barriers to investment, encourage development, and support the success of local businesses. Reform efforts improve efficiency and demonstrate the city's commitment to being a proactive and supportive partner. Citrus Heights can ensure its regulatory environment aligns with modern business needs and community priorities through partnerships with regional agencies and stakeholders.

Implementation Steps

- **Perform an inventory of third-party agency regulations** that currently guide development processes and collaborate to review and reform regulations that impact businesses and development projects, focusing on eliminating unnecessary steps or duplicative requirements.
    - **Work with Sacramento Metro Fire District** to simplify and clarify fire code compliance for infill and redevelopment projects (background information for this item is included in Attachment 1)
    - **Collaborate with the Sacramento County Health Department** to identify opportunities to streamline health permitting and inspection processes, reducing delays and minimizing barriers for food-related businesses and other health-regulated developments.
- **Advocate for state or regional policy changes** that promote economic development while maintaining safety and environmental standards.

II. Implement Refreshed Business Recruitment Strategy

A comprehensive business recruitment strategy focuses on preparing target sites for development, fostering strong partnerships with property owners, and increasing outreach efforts to attract businesses in target industries. By enhancing marketing efforts, participating in trade shows, and conducting direct outreach, the city can connect with prospective businesses and showcase Citrus Heights as a desirable location. Cultivating a referral network of brokers, industry professionals, and regional partners further amplifies recruitment efforts, ensuring vacancies are filled strategically to align with economic development goals and community needs.

Implementation steps:

- **Identify high-priority target sites** for reuse and **perform an assessment** of property needs to attract target industry businesses
- **Coordinate with property owners** to maximize the use of available City incentives and resources (including façade improvement grants and other financial support of retail building reinvestment) and along with other potential regional, state, and federal tools
- **Source and implement market intelligence software** to enhance data-driven prospecting and gain access to insights on market demand to strengthen recruitment efforts and improve engagement with prospective businesses.
- Conduct targeted, **proactive outreach** to attract tenants and fill vacancies efficiently
- **Cultivate third-party referral network** through marketing, communications, and relationship management
- Continually **promote Citrus Heights** and its business opportunities at events and trade shows that allow connections and relationships to be built in the targeted industries

III. Adopt additional tools to incentivize near-term investment in Citrus Heights

Local governments can differentiate themselves in competitive markets by leveraging strategic tools and incentives that attract and retain businesses. Financial incentives, tailored support programs, and targeted resources create a business-friendly environment, making investment more appealing and driving long-term economic growth.

a. Reestablish the Business Attraction Incentive Program

Building on the proven success of the Business Attraction Incentive Program, Citrus Heights will continue leveraging financial tools to attract targeted industries and activate key commercial spaces. The program has already helped bring new business to the city, boosting economic growth and revitalizing underutilized properties. The city will further position itself as a competitive destination for business investment by reestablishing this initiative.

Implementation Steps:

- **Actively recruit businesses** in high-priority sectors, such as restaurants, breweries, and entertainment, by offering grants and other financial incentives
- **Identify and promote vacant or underutilized commercial properties**, using economic development marketing and direct outreach to maximize visibility and engagement
- **Strengthen partnerships with property owners and brokers** to align incentives with market demand and accelerate business attraction efforts

Recommendation: Staff recommends reinstatement of the Citrus Heights Business Attraction Incentive Program Guidelines (Attachment 2)

b. Launch a Small Business Design Support Program

Provide technical assistance to small businesses to navigate design and permitting challenges, particularly for projects requiring minimal or no structural modifications.

Implementation Steps:

- **Offer subsidized consultations with identified design professionals** to help businesses comply with zoning and safety requirements.
- **Develop clear guidelines** for the "no-work" certificate of occupancy process, reducing delays for businesses making no structural changes.
- Assign a liaison from Development Services **to guide small business applicants through requirements and approvals**.

Recommendation: Staff recommends City Council approve the Small Business Design Support Program Guidelines (Attachment 3)

c. Incorporate Economic Development Tools in Banking RFP

To strengthen business attraction efforts, it is recommended that the upcoming banking RFP include a section focused on economic development tools and services. This section should seek innovative banking solutions such as tailored small business loan programs, public-private partnership financing options, and resources to support entrepreneurs. By integrating these tools into the city's financial services, Citrus Heights can better attract and support new businesses, fostering economic growth and reinforcing its commitment to creating a business-friendly environment.

Implementation Steps:

- Work with the Administrative Services Department to add an Economic Development tools section to the RFP.

IV. Enhance Development Services Support

Improve the experience of businesses navigating the City's development processes by offering tailored assistance, streamlined guidance, and technical support to encourage

timely openings and successful operations. The following are recommendations to enhance development services support:

a. **Establish Development Process Liaison Services**
The City will assign a dedicated representative to assist businesses through the development and permitting process. Serving as a single point of contact, the Development Services ombudsman will guide businesses through zoning, permitting, and regulatory steps while coordinating interdepartmental reviews to streamline approvals.

An existing full-time employee in the Economic Development and Community Engagement Department will cover this role. A management analyst position will shift from primarily community engagement to a stronger focus on economic development. The ombudsman will also proactively reach out to new business applicants to identify and address potential roadblocks early.

Implementation Steps:

- Designate staff for ombudsman responsibilities and **provide necessary training**
- **Launch an awareness campaign** for support services targeting brokers, property owners, and prospective business owners.

b. **Develop Comprehensive Support Materials**
Provide clear and accessible resources to help businesses understand and complete City requirements.

Implementation Steps:

- Conduct a **review of existing materials** to identify gaps and areas for improvement.
- **Create user-friendly checklists** for common application processes, such as certificates of occupancy, tenant improvements, and business licenses.
- **Collaborate with stakeholders**, including brokers and small business owners, to ensure materials are practical and comprehensive.
- **Enhance the City's website** with interactive tools and updated content for development services.
- **Regularly update materials** based on policy changes and user feedback.

Goals & Metrics – Business Attraction & Development Services:

- Increase business occupancy by reducing retail vacancy from 12.1% to 9% and office vacancy from 14.2% to 10% by 2027.
- Enhance recruitment efforts and secure 5 new business commitments in priority industry sectors annually
- Improve coordination with third-party agencies to simplify development processes and reduce barriers to investment.

BUSINESS RETENTION AND EXPANSION

Business retention is critical in fostering economic stability and growth by identifying businesses at risk of closure or relocation and those primed for expansion. Retaining and supporting existing businesses preserves local jobs and sales tax revenues and strengthens Citrus Heights' reputation as a city committed to its business community. A proactive approach ensures that growing businesses remain within the city and continue to thrive.

Following are recommended actions to advance Business Retention and Expansion:

I. **Keep and Grow Critical Business Anchors**

A business retention program will codify and facilitate proactive engagement with local businesses to identify challenges, provide support, and strengthen their connection to Citrus Heights.

Implementation Steps:

- Reintroduce **welcome kits** to help new businesses navigate local resources and processes, ensuring they feel supported and connected from day one.
- **Conduct annual business surveys** to identify trends, challenges, and opportunities for support.
- **Implement formal direct outreach program**, including site visits to small and mid-sized businesses, will also be implemented. Staff will schedule annual meetings with the City's top 25 sales tax producers and top 25 employers to understand their needs and ensure satisfaction with City services.
- Develop a **database of businesses** to track outreach, support requests, and follow-ups.
- **Train staff** to conduct effective site visits and collect actionable feedback.
- **Use survey results** and meeting insights to solve programs, assist growth, and inform City programs and policies.

II. Strengthen Partnerships and Resource Sharing

Strengthening partnerships and resource sharing is essential for fostering a collaborative and thriving business environment in Citrus Heights. By building stronger connections with local business organizations, chambers of commerce, and economic development stakeholders, the city can leverage shared resources and knowledge to support businesses better. These partnerships will provide valuable opportunities for businesses to access networking, training, and funding resources while also helping the city stay informed about emerging trends and needs in the local economy. Collaborative efforts will enable more effective problem-solving, create synergies between public and private sectors, and ensure businesses have the support they need to succeed and grow. Ultimately, this approach will help attract new businesses, retain existing ones, and position Citrus Heights as a dynamic and business-friendly community.

Implementation Steps:

- Develop a **business resource hub** on the City's economic development website to centralize information on local/state/federal/private funding opportunities, training programs, and other resources.
- Partner with neighboring jurisdictions on **regional initiatives** such as workforce mobility and infrastructure improvements.

III. Create a Business Safety Hub & CHPD Business Liaison Program

The **Business Safety Hub & Liaison Program** will strengthen partnerships between the City, Police Department, and business community to enhance public safety. Building on the strong support already provided by the Citrus Heights Police Department, this initiative will provide businesses with crime prevention resources, security guidance, and direct assistance with public safety concerns. The **Business Safety Hub** will serve as an online resource center with crime prevention strategies, CPTED best practices, trespassing enforcement, illegal dumping mitigation, and retail theft prevention. The **Business Safety Liaison** will act as a dedicated contact, helping businesses address safety concerns such as graffiti, loitering, and security enhancements while facilitating direct coordination with public safety personnel.

Implementation Steps:

- Launch the **Business Safety Hub** as a centralized online resource for business safety tools and reporting
- Designate a CHPD **Business Safety Liaison** as a direct point of contact for business safety concerns
- Promote the program through **outreach** to business owners and property managers and all economic development **communications**
- **Streamline reporting and response processes** for business-related safety issues
- Maintain an updated business contact list for emergency communication
- Provide CPTED consultations and access to security tools through the **Crime Prevention Library of Things**
- Regularly **share safety updates** and gather feedback

IV. Increase Visibility Through Marketing and Recognition

The recommendation to increase marketing and recognition efforts will provide significant value to businesses in Citrus Heights by enhancing their visibility and showcasing their contributions to the local economy. By establishing a business recognition program and promoting success stories through targeted communications, businesses will gain increased exposure to potential customers, investors, and the broader community. These initiatives will not only build pride and loyalty among local residents but also create opportunities for business growth and expansion by drawing attention to Citrus Heights as a thriving place to do business. Additionally, campaigns like "Love Local" will drive more foot traffic and support the long-term success of businesses throughout the city.

Implementation Steps:

- Launch a **quarterly business recognition program** to highlight local success stories and contributions to the community.
- Share **business success stories** through economic development communications to inspire confidence and attract investment.
- Organize a **shop local campaigns** to encourage community support for Citrus Heights businesses.

V. Support Workforce Development and Job Retention

Workforce development is a key driver of economic success, ensuring that residents have access to training and career opportunities aligned with the evolving needs of local businesses. By equipping the community with the skills needed for high-demand industries, Citrus Heights can attract and retain businesses while enhancing the quality of life for residents. Effective workforce development helps businesses meet staffing needs, fosters career growth, and supports economic sustainability across all sectors.

Implementation Steps:

- **Collaborate with educational institutions** to offer training in earlier identified top and target industry clusters
- Use city communications channels **to promote available skills-based programs** to meet the needs of local employers
- **Enhance career pathways and apprenticeship opportunities** in growing fields

Goals & Metrics – Business Retention & Expansion:

- Maintain a strong local business base, achieving a 95% retention rate for the top 50 employers.
- Measure, benchmark, and increase business satisfaction, targeting a 4.5/5 rating in annual surveys.
- Conduct proactive outreach, including 50 business retention visits annually, to identify growth opportunities and challenges.
- Enhance business safety and engagement by launching Business Safety Hub

SMALL BUSINESS SUPPORT & INNOVATION

Small businesses are the backbone of the Citrus Heights economy, providing jobs, fostering innovation, and contributing to the community's unique character. Supporting small businesses ensures they have the resources, tools, and environment necessary to thrive in an increasingly competitive landscape. By investing in small business success, the city enhances its economic resilience, creates a stronger sense of community, and drives local spending. Small businesses also serve as incubators for entrepreneurship and innovation, attracting talent and fostering pride in the community. To ensure Citrus Heights remains a hub for small business growth, the city must focus on addressing its unique needs and challenges.

Citrus Heights will support entrepreneurs and small businesses with the right tools to start, stay, grow, adapt, and flourish by working with technical assistance partners and trusted messengers to

preserve and increase the number of local establishments. Key external partners include but are not limited to the Small Business Development Center (SBDC), California Capital, Citrus Heights Chamber of Commerce, Sunrise MarketPlace, Greater Sacramento Economic Council (GSEC), and Sacramento Metro Chamber of Commerce.

Implementation Steps:

- **Explore partnerships** with Small Business Development Center and other business support organizations to host technical assistance workshops, office hours, and other business resource programming in Citrus Heights
- **Explore potential business incubation/acceleration programs** focused on packaging startup assistance resources offered by other entities within region
- **Support Small Business Participation in Community Events**
  Ensure that small businesses have access to vendor opportunities, sponsorship roles, and promotional partnerships at community events. This provides visibility, connects them with customers, and reinforces their role as part of the community fabric.

Goals & Metrics – Small Business Support & Innovation:

- Expand technical assistance, supporting 100+ businesses annually through workshops and consultations.
- Encourage entrepreneurship, launching at least one new business incubation partnerships with regional organizations.
- Increase small business participation in local events, ensuring at least 50% representation at major city events.

MARKETING AND PLACEMAKING

Effective marketing and placemaking are vital tools for fostering economic growth and community engagement in Citrus Heights. By investing in tailored economic development communications and creating vibrant, inviting spaces, the City can strengthen its identity as a business-friendly and community-centered destination. These efforts create significant value by attracting new businesses, retaining existing ones, and driving consumer activity. Through strategic messaging and dynamic public spaces, the City can cultivate a thriving local economy, enhance the quality of life for residents, and solidify Citrus Heights as a regional hub for commerce and connection.

I. **Expanded Focus on Economic Development Communications**
Effective marketing and communication are essential to economic development, helping to attract investment, support local businesses, and strengthen Citrus Heights' brand. This expanded focus ensures outreach is tailored to key audiences, including residents, visitors, business owners, and investors. By maintaining consistent, targeted messaging, the City can enhance engagement, promote economic opportunities, and showcase the advantages of doing business in Citrus Heights.

a. **Consumer-Facing Communications**
Engaging directly with residents, visitors, and potential customers is vital for supporting local businesses and enhancing Citrus Heights' brand.

Implementation Steps

- Launch social media campaigns highlighting business success stories and unique local experiences.
- Develop seasonal campaigns to promote Citrus Heights shopping, dining, and events.
- Partner with influencers and local media outlets to amplify reach.
- Refresh and expand the "Love Local" initiative, including digital and print marketing materials.
- Regularly feature business spotlights in City newsletters and on social platforms.

b. **Stakeholder-Facing Communications**
Targeted outreach to property owners, brokers, developers, and investors is critical for attracting and retaining businesses.

Implementation Steps

- Create tailored marketing materials such as investment prospectuses and market analysis reports
- Enhance the City's economic development webpage with up-to-date data, property listings, and success stories
- Launch a quarterly e-newsletter for economic development stakeholders (property owners, property manager, brokers, etc.), including updates on projects, incentives, and market trends.
- Develop a toolkit for brokers and property owners to help market Citrus Heights to prospective tenants and investors.

II. Initiate Transformation through Placemaking

Placemaking initiatives aim to transform public spaces and commercial areas into dynamic, engaging environments that enhance community identity and economic vitality. By prioritizing these efforts, the City can boost consumer engagement, increase property values, and attract businesses.

a. Enliven and Add Vibrancy to Commercial Corridors
Collaborate with the Planning and Code Enforcement Divisions to align code enforcement efforts focused on commercial center improvement. Efforts should address issues including but not limited to property maintenance (landscaping, debris, building maintenance, etc.), illegal outdoor storage, trash and refuse containment, overnight parking and other performance metrics identified within the municipal code.

Implementation Steps

- Collaborate with Planning and Code Enforcement **to identify and prioritize recurring issues in commercial centers**, such as property maintenance and illegal outdoor storage.

- **Increase the effectiveness of code enforcement efforts** aligned with municipal code to improve compliance and blighted commercial property conditions.
- **Educate property owners and tenants** on code requirements through materials and informational sessions.
- **Partner with business organizations** to promote compliance and encourage self-reporting of issues.
- **Enhance community reporting tools** and ensure timely response and follow-up on violations.

b. Establish Micro geography-specific Placemaking and Marketing Partnerships

Partner with local business owners in micro geographies (such as Sylvan Corners) to co-develop and implement targeted placemaking and marketing campaigns. This will involve engaging business owners within specific neighborhoods to collaboratively enhance the area's visual appeal, promote local businesses, and create a unique, cohesive brand identity for micro geographies. The partnership will focus on co-financing marketing initiatives tailored to the character of each district, such as local events, signage, and digital campaigns while leveraging business networks to increase visibility and attract new customers. These campaigns will be designed to celebrate the unique attributes of each micro geography, strengthen community connections, and drive economic activity in those areas

Implementation Steps

- **Identify high priority site and business owner** for potential partnership
- **Empower and cocreate marketing and placemaking campaign** to drive awareness and visitor traffic

c. Reimagining Spaces for Community and Commerce

Strategic placemaking efforts have the potential to reshape how residents and visitors experience Citrus Heights. By enhancing navigation, activating underutilized spaces, and creating vibrant public areas, the city can encourage local spending, strengthen community ties, and support economic development.

Implementation Steps

- **Install cohesive, branded wayfinding signage** to improve navigation, highlight local attractions, and reinforce Citrus Heights' identity, supporting businesses and community pride.
- **Partner with property owners and business districts** to activate underutilized spaces, supporting pop-up shops, outdoor dining, public art, and cultural events.

Recommendation: Scope wayfinding signage needs and collect at least three proposals and present to Council

Goals & Metrics – Marketing & Placemaking:

- Strengthen Citrus Heights' brand, launching a quarterly business recognition program and promoting 12+ businesses per year.
- Expand digital engagement, increasing business-focused social media and online interactions by 30% within two years.
- Enhance commercial corridor aesthetics, completing 3+ placemaking projects annually and implementing wayfinding signage.
- Drive local shopping activity, rolling out 5+ targeted marketing campaigns like “Love Local.”

ORGANIZATIONAL CULTURE

An organizational culture that prioritizes economic development is essential for achieving the city's economic goals. By creating a responsive, knowledgeable, and customer-centric environment, we can effectively facilitate growth, streamline development processes, and ensure the city remains a welcoming destination for new businesses. Building a culture of collaboration, innovation, and customer service will allow the City of Citrus Heights to support local businesses, attract new ones, and foster community pride.

Implementation Steps

- **Launch an internal training program** to train staff on their roles in Economic Development, including a City tour for all new staff to understand how they influence resident and business satisfaction.

Goals & Metrics – Organizational Culture:

- Foster an economic development mindset, training 100% of new city staff on economic development within their first year.
- Enhance internal capacity, conducting quarterly workshops on business-friendly processes.
- Improve business service responsiveness, resolving 75% of business inquiries within 30 days through the development ombudsman program.
- Keep resources up-to-date, ensuring all business-facing materials are reviewed and refreshed annually.

CONCLUSION

Citrus Heights is at an exciting turning point, where thoughtful investment, business-friendly policies, and strong community partnerships can drive long-term economic success. This plan lays out a clear path to revitalize commercial corridors, support local businesses, and attract new industries, all while maintaining the city's unique character. By focusing on smart growth, streamlined processes, and placemaking, we can fill vacant spaces, enhance our business climate, and create opportunities that benefit both residents and entrepreneurs.

Economic development is not just a function of government—it’s a collective effort where every business owner, property manager, community leader, and resident plays a role in shaping the future of Citrus Heights. Every new storefront opening, every business expansion, and every public space improvement moves us closer to a more vibrant, welcoming, and prosperous city. With a

commitment to adaptability and responsiveness, we will track progress, adjust strategies as needed, and ensure our actions align with long-term goals. Regular reporting will demonstrate our shared commitment to economic growth and community engagement, reinforcing that everyone has a hand in building a stronger local economy.

With the framework in place, it's time to turn plans into progress. By working together, investing in our community, and championing a thriving local economy, we can make Citrus Heights a premier destination for businesses and a place where opportunity flourishes for all.

ATTACHMENTS:

1. City of Citrus Heights Development Process Analysis
2. Business Attraction Incentive Program
3. Small Business Design Support Program

ECON DEV WORKPLAN DASHBOARD

TOPLINE PERFORMANCE								
Metric	**Due**	**Target**	**2025**	**Notes**	**2026**	**Notes**	**2027**	**Notes**
Reduce retail vacancy from 12.1% to 9%	Plan period	9%	On Track		On Track	10.8% Retail Vacancy		
Reduce office vacancy office vacancy from 14.2% to 10%	Plan period	10%	On Track		On Track	9.5% Office Vacancy		
Achieve 95% retention rate for top 50 employers	Plan period	95%	On Track		On Track			
Business satisfaction rating (survey)	Plan period	4.5/5	On Track	3.5/ 5 Y1 (benchmark)	In Progress	Will send out another survey Q3 2026		
Conduct 50 business retention visits annually	Annually	50 visits	Completed	(20 through Love Local) (4 through Auburn Blvd Plaza) (1 CPTED visit) (25 Chamber Business Walk)	In Progress	3 visits in January		
Technical assistance (100 businesses)	Annually	100 businesses assisted	Incomplete	Love Local (20 businesses) SBDC referral (2 businesses)	In Progress	Love Local Marketing Workshops launching Q3 2026		
Small business incubator program	Plan period	1 launched	In Progress		In Progress			
Small business participation in events	Plan Period	50% representation	On Track	Economic Development Support Grant to SMASH Sacramento supported participation of 25+ small business food and craft vendors at the fall event.	On Track	Tools of the Trade April 2026		
Placemaking projects (3/yr)	Annually	3 projects	On Track	1. Patio Expansion 2. Art District Murals (2)	In Progress			
Launch 5 marketing campaigns	Plan period	5 campaigns	In Progress	1- Love loal Auburn Blvd 2-Shop local winter holiday	In Progress	Planned for Q2 2026: Small Business Week 2026		
Business spotlights (12/yr)	Annually	12 features	Completed	25+ Business Spotlights on Social media in 2025	On Track	February Valentines Day Shopping Highlight Scheduled (9 businesses)		
Wayfinding signage proposals	Annually	3 proposals	Incomplete		In Progress			

BUSINESS ATTRACTION & DEVELOPMENT SERVICES								
Metric	**Due**	**Target**	**2025**	**Notes**	**2026**	**Notes**	**2027**	**Notes**
I. Improve Regulatory Processess to Support Business Development								
Streamline zoning/permit process	Q2 2025		Completed	Zoning code updates adopted, effective July 11, 2025.				
Partner and Advocate to Streamline Third Party Agency Reg	Plan Period		On Track	Fire Code recommendations accepted, adding flexibility for existing buildings.	On Track	Efforts to streamline regulations are ongoing through practices like porject coordination meetings.		
II. Implement Refreshed Business Recruitment Strategy								
Identify high-priority vacant sites	Q1 2025		Completed	High-priority sites identified and tracked for prospects.				
Recruit 5 businesses in priority sectors annually	Annually		In Progress	Attending ICSC, actively outreaching to potential tenants.	On Track	Attending ICSC Monterrrey in March Launched Broker Communications for business attraction pipeline		
III. Adopt additional tools to incentivize near-term investment in Citrus Heights								
Reestablish Business Attraction Incentive	Q1 2025		Completed	Attraction incentive established Feb 12.				
Launch a Small Business Design Support Program	Q1 2025		Completed	Small business design support established Feb 12.				
Incorporate Economic Development Tools in Banking RFP	Q 3 2025		Completed	RFP is open, with econ dev tools section.				
IV. Enhance Development Services Support								
Establish Development Process Liaison Services	Q 2 2025		Completed	Management Analyst started June 2, 2025.				

Develop Comprehensive Support Materials	Plan period		On Track	“Priority Sector Highlights" on website. "Data Portal" available on website.	On Track			

BUSINESS RETENTION & EXPANSION								
Implementation	**Due**	**Target**	**2025**	**Notes**	**2026**	**Notes**	**2027**	**Notes**
I. Keep and Grow Critical Business Anchors								
Reintroduce welcome kits	Q 2 2025		Completed	160 + kits mailed to date.				
Conduct annual business surveys	Q4 2025		Completed	Benchmark survey calendared for Sept 31, 2025. Plan to send another in 2026 Q4				
II. Strengthen Partnerships and Resource Sharing								
Develop a business resource hub	Plan period		On Track	"Business Toolkit" on website	On Track	"Business Toolkit" on website		
Partner with neighboring jurisdictions on regional initiatives such as workforce mobility/infrastructure improvements	Plan period		Not Started		In Progress			
III. Create a Business Safety Hub & CHPD Business Liaison Program								
Launch the business safety hub	Q2 2025		Completed	Business Safety Hub launched July 2025.				
Designate a CHPD liasion	Q3 2025		Completed	Desingated liason + POP team corrdination.				
IV. Increase Visibility Through Marketing and Recognition								
Launch a quarterly business recognition program	Q 4 2025		Completed	Launched BOD on October 2025, with recognition at 20225 SOTC.				
Share business success stories	Plan period		On Track	Continuing to share grand openings, milestones, and highlights on socials & newsletter.	On Track	Business Highlight Interest Form Sharing New Businesses through community newsletter and business bulletin Business of Distinction Q1 will highlight a business wihtin Citrus Heights over 15+ years		
Organize a shop local campaign	Plan period		On Track	Love Local Summer 2025 Holiday Gift Guides Winter 2025	On Track	Shop Local Campaigns Upcoming: Valentine's Day, Spring Break, and Small Business Week		
V. Support Workforce Development and Job Retention								
Collaborate with educational institutions to offer training in earlier identified top and target industry clusters	Plan period		On Track		On Track	Youth and Civic Gov		
Use city communications channels to promote available skills-based programs to meet the needs of local employers	Plan period		On Track	The Business Retention Survey was one of several ways we gathered baseline information to better understand employer needs and workforce skill gaps.	On Track	SETA, job fair Q2		

SMALL BUSINESS SUPPORT & INNOVATION								
Implementation	**Due**	**Target**	**2025**	**Notes**	**2026**	**Notes**	**2027**	**Notes**
Explore partnerships with Small Business Development Center to host programming	Plan period		In Progress	Met with SBDC; timing not aligned for programming	On Track	Ongoing quarterly partnership discussions		
Explore potential business incubation/acceleration programs	Q2 2026		Not Started		In Progress			
Support Small Business Participation in Community Events	Plan period		In Progress	Economic Development Support Grant to SMASH Sacramento supported participation of 25+ small business food and craft vendors at the fall event.	On Track	Tools of the Trade 2026, department focus on reaching out to local employers for event participation		

MARKETING & PLACEMAKING								
Implementation	**Due**	**Target**	**2025**	**Notes**	**2026**	**Notes**	**2027**	**Notes**
I.Expanded Focus on Economic Development Communications								

Develop seasonal campaigns to promote shopping, dining, and events	Plan period		On Track	Love Local Summer 2025 Holiday Gift Guides Winter 2025	On Track	Shop Local Campaigns Upcoming: Valentine's Day, Spring Break, and Small Business Week		
Partner with influencers and local media outlets to amplify reach	Plan period		On Track	Holiday Gift Guides for December were picked up by the Sentinel	In Progress			
II. Initiate Transformation through Placemaking								
a. Enliven and Add Vibrancy to Commercial Corridors								
Collaborate with Planning and Code Enforcement to identify and prioritize recurring issues in commercial centers	Q3 & 4 2025		On Track	Public Workshp on Commercial Property Reoccupancy Orinance August 11, 2025.	On Track	Collaboration with Code Enforcement on the Commercial Property Reoccupancy Ordinaince Business Safety Hub CPTED Assesments		
Increase the effectiveness of code enforcement efforts aligned with municipal code to improve compliance and blighted commercial property conditions.	Q1 2026		On Track		On Track			
Educate property owners and tenants on code requirements through materials and informational sessions.	Q1 2026		In Progress		On Track			
Partner with business organizations to promote compliance and encourage self-reporting of issues.	Plan period		In Progress		On Track			
Enhance community reporting tools and ensure timely response and follow-up on violations.	Plan period		In Progress		In Progress			
b. Establish Micro geography-specific Placemaking and Marketing Partnerships								
Identify high priority site and business owner for potential partnership	Q 3 2025		On Track	Sylvan Corners murals and expanded patio supported with Activate Auburn and Arts History Grants.	On Track			
Empower and cocreate marketing and placemaking campaign to drive awareness and visitor traffic	Plan period		In Progress		In Progress			
c. Reimagining Spaces for Community and Commerce								
Installing cohesive. branded wayfinding signange	Plan period		In Progress		In Progress			
Partner with property owners and business districts to activate underutlilized spaces	Plan period		On Track		On Track			

ORGANIZATIONAL CULTURE								
Implementation	**Due**	**Target**	**2025**	**Notes**	**2026**	**Notes**	**2027**	**Notes**
Train 100% of staff in economic development	Plan period	5 events	On Track	Placer AI Training	In Progress			
Business service inquiries resolved in 30 days	Plan period	3 projects	On Track		On Track			

City of Citrus Heights x Citrus Heights Chamber of Commerce
Love Local Chamber Scholarship

Executive Summary

The City of Citrus Heights Economic Development and Community Engagement Team, in partnership with the Citrus Heights Chamber of Commerce, is launching a Love Local Chamber Membership Scholarship. The program is intended to support entrepreneurs and small businesses during the early stage of operation by strengthening their connection to the local business community and improving access to business resources.

This initiative aligns with the City's Economic Development Work Plan priority to support small business success and improve long-term business stability. Connecting new businesses to established networks early can improve their ability to navigate challenges, access trusted resources, and remain rooted in Citrus Heights over time.

Love Local Strategy

The scholarship builds on the City's Love Local initiative. Love Local began as a visibility campaign to support local businesses during the pandemic and has since evolved into a broader approach to supporting small businesses as they open, grow, and become part of the Citrus Heights community.

Program Purpose

The purpose of the scholarship is to help new businesses become integrated into the local business network during their first year of operation. Through Chamber membership, participating businesses connect with other local business owners and increase their visibility in the community, while also having access to learning opportunities that support day-to-day operations as the business matures.

This approach reflects the EDWP emphasis on strengthening the small business ecosystem and supporting business retention through relationship-building and access to practical support.

CITRUS HEIGHTS
Solid roots. New growth.

Eligibility Criteria

Eligible participants must:

- Have secured a new City of Citrus Heights business license during the current calendar year (2026).
- Be a new business. Renewals, ownership changes, and transfers of previously licensed businesses do not qualify
- Operate from a brick-and-mortar location within the City of Citrus Heights
- Be a first-time Chamber member

Participant Commitments

In exchange for the scholarship, participating businesses will:

- Activate their Chamber membership within 30 days of award notification
- Participate in at least three Chamber programs, events, or engagement opportunities during the scholarship year
- Take part in at least one Business Booster session
- Allow the City and Chamber to recognize participation in program reporting or promotional materials

Program Impact

By reducing the upfront cost of Chamber membership, the program allows new businesses to access local relationships and support earlier than they might otherwise. This strengthens their connection to the Citrus Heights business community and supports the City's broader goals related to small business support and long-term economic resilience.

CITY OF CITRUS HEIGHTS

CITY COUNCIL STAFF REPORT MEMORANDUM

DATE: February 11, 2026

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

FROM: Amy Van, City Clerk

SUBJECT: **Presentation of Findings and Recommendations for a Youth Advisory Commission or Youth Advisory Liaison**

Recommendation

Staff recommends the following:

1. Receive a presentation on findings for a Youth Advisory Commission or Youth Advisory Liaison to City Council; and
2. Consider adoption of Resolution No. 2026-___ A Resolution of the City Council of the City of Citrus Heights, California Establishing a Youth Advisory Commission.

Strategic Plan Alignment

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

> **Goal:** Enhance Community Vibrancy and Engagement
> **Objective:** Conduct a comprehensive assessment on the establishment of a Youth Advisory Council or a Youth Advisory Liaison to City Council and present the findings and recommendation to the City Council for consideration.

Fiscal Impact

There is no immediate fiscal impact associated with this item. The fiscal impact of a Youth Commission would involve staff time to provide oversight, scheduling for monthly meetings and other administrative support. Any additional funding needs for youth centered events or projects will be presented by the Youth Advisory Commission to the City Council for consideration during the budget process.

Background and Analysis

During the March 26, 2025 City Council Strategic Planning meeting, the City Council set an objective focused on youth civic engagement and expanding youth engagement opportunities within the City of Citrus Heights.

Youth engagement is a critical component of building a vibrant and inclusive community. Many municipalities have successfully implemented youth advisory bodies to:

- Provide a platform for youth voices in local government.
- Encourage civic responsibility and leadership skills.
- Strengthen connections between young residents and city decision-makers.

Currently, Citrus Heights does not have a formal mechanism for youth input on city policies and programs. Establishing a Youth Commission aligns with the City's strategic goals of community engagement and leadership development.

This report presents the findings and recommendations on the establishment of a Youth Advisory Commission or a Youth Advisory Liaison to the City Council.

Youth Advisory Commission
A Youth Advisory Commission would serve as a voice for the youth of Citrus Heights to identify their unmet needs, review existing programs, and provide recommendations and information to the City Council and the public at large on topics related to youth as follows:

- Advise the City Council and staff on policies, programs, and initiatives impacting youth.
- Provide recommendations to enhance youth engagement in civic life and community development.
- Participate in community projects and City events, serving as ambassadors for City programs.
- Review and comment on proposed ordinances or programs affecting youth.
- Identify and propose youth-led initiatives aligned with City priorities.
- Prepare and present an annual report summarizing activities, recommendations, and accomplishments.
- Attend monthly meetings and periodic City Council meetings to maintain active participation.

The Youth Commission would be comprised of 13 Citrus Heights students who are entering grades 8 through 12 and reside in the City of Citrus Heights. Meetings would be held at least once a month between September and May. Members would serve a one-year term and may be reappointed for one additional consecutive term, for a maximum of two years of service.

The Youth Advisory Commission will be supported through the City Clerk's Office. Staff will develop an application process, including outreach through schools, social media, and community organizations.

Youth Advisory Liaison to the City Council
Some municipalities have developed a Youth Advisory Liaison position, generally open to junior and senior high school students. Some cities provide a monthly stipend or scholarship opportunity for their participation as a Youth Liaison due to the time commitment of attending City Council meetings twice a month, as well as other staff briefings with individual Council Members.

Items to consider with a Youth Liaison position are:

- The Youth Liaison would attend regularly scheduled City Council meetings, except closed session, and have a designated seat at the dais.
- The Youth Liaison would be encouraged to participate in discussions during City Council's deliberation on agenda items and have a non-binding vote.
- The Youth Liaison would be invited to attend staff briefings offered to individual Council Members, except those briefings on any matters that are otherwise privileged.

While this option would engage our local youth by providing a voice in public policy, planning, and decision-making, one liaison may not fully represent the diversity of youth experiences across the City of Citrus Heights. Youth participants may need additional orientation or mentorship to understand complex policy issues and meeting procedures.

Recommendation
To demonstrate the City's commitment to the engagement of a diverse representation of youth in the community, staff recommends the City Council consider adopting a resolution that would formally establish a Youth Advisory Commission. This option is intended to create a structured forum for youth voices, provide meaningful input on City programs and policies, and foster leadership development among students in grades 8–12. Establishing the Commission will ensure ongoing collaboration between young residents and City leadership, strengthen community engagement, and reflect the City's dedication to inclusive governance.

Attachments

1. Resolution Establishing a Youth Advisory Commission

RESOLUTION NO. 2026- ___

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CITRUS HEIGHTS, CALIFORNIA, ESTABLISHING A YOUTH ADVISORY COMMISSION

WHEREAS, the City Council of the City of Citrus Heights ("City") recognizes the importance of civic engagement and leadership development among youth; and

WHEREAS, providing youth with opportunities to participate in local government fosters civic responsibility, promotes diverse perspectives, and strengthens the community; and

WHEREAS, a Youth Advisory Commission can serve as a forum for youth to advise the City Council on matters affecting young people; and

WHEREAS, the local school calendar year is August through June, it is appropriate for the Youth Advisory Commission terms to mirror school terms and commence in August.

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

1. Establishment of a Citrus Heights Youth Advisory Commission
   The City Council hereby establishes a Youth Advisory Commission to act in an advisory capacity to the City Council relative to providing input on City projects and services as they relate to youth as follows:

   a. Advise the City Council and Staff on policies, programs, and initiatives impacting youth.
   b. Provide Recommendations to enhance youth engagement in civic life and community development.
   c. Participate in Community Projects and Events, serving as ambassadors for City programs.
   d. Review and Comment on proposed ordinances or programs affecting youth.
   e. Identify and Propose Youth-Led Initiatives aligned with City priorities.
   f. Prepare and Present an Annual Report summarizing activities, recommendations, and accomplishments.
   g. Attend Monthly Meetings and Periodic City Council Sessions to maintain active participation.

2. Membership/Organization
   a. The Youth Advisory Commission shall consist of 13 youth members who reside in the City of Citrus Heights. The members shall be students who are entering grades 8 through 12.

   b. Members shall serve a one-year term and may be reappointed for one additional consecutive term following re-interview and selection through the established process, for a maximum of two years of service.

   c. The Youth Advisory Commission shall meet at least once each month between September and May.

d. The City Council Education & Community Programs 2x2 Ad Hoc Committee will review Youth Advisory Commission applications and recommend youth members to the City Council for approval.

e. Members of the Youth Advisory Commission will receive no compensation for their services.

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

PASSED AND ADOPTED by the City Council of the City of Citrus Heights, California, this 11th day of February 2026 by the following vote, to wit:

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

MariJane Lopez-Taff, Mayor

ATTEST:

Amy Van, City Clerk

CITY OF CITRUS HEIGHTS

CITY COUNCIL STAFF REPORT MEMORANDUM

DATE: February11, 2026

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

FROM: Casey Kempenaar, Community Development Director
Amy Van, City Clerk
Joesph Cuffe, Chief Building Official

SUBJECT: **First Reading of an Ordinance to Repeal Chapter 2, Article IV, Division 5. Construction Board of Appeals and Add Chapter 18, Article XXXI, Building Code Board of Appeals**

Recommendation

Staff recommends the City Council introduce for a First Reading, read by title only, and waive the first full reading of Ordinance No. 2026-___, An Ordinance of the City Council of City of Citrus Heights, California, Repealing Chapter 2, Article IV, Division 5 Construction Board of Appeals and adding Chapter 18, Article XXXI Building Code Board of Appeals, to the Citrus Heights Municipal Code relating to Buildings and Building Regulations.

Strategic Plan Alignment

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

Goal: Preserve and Enhance Public Safety.

Fiscal Impact

There will be no fiscal impact associated with this ordinance; however, the City will achieve some cost savings through reduced recruitment efforts and other various administrative document filings.

Background and Analysis

At the January 8, 2025 City Council meeting, two members of Council requested staff bring forward amendments to the Municipal Code to modify the Construction Board of Appeals (CBA).

The Municipal Code establishes the CBA, a board appointed by the City Council.
This approach ensures the board is comprised of individuals who have the technical expertise to consider technical appeals and ensure a board with no vested interest or conflict with the appellant. This gives the City the flexibility of always having qualified and trained individuals available to hear these cases, and gives the customer a true, clear direction for code-compliance moving forward.

Existing Ordinance
The current ordinance requires the CBA be comprised of five members of the public, who are "qualified by experience and training" and willing to serve a four-year term as a member of the board.

Since incorporation, the CBA has met 11 times (10 times to elect officers and one time to hear an appeal). Despite the infrequent use of the CBA, the board is necessary to serve for hearing appeals of the Building Code. Although this is an important tool, the infrequent need coupled with the expertise necessary to consider appeals of a technical nature has led to difficulties recruiting residents to serve on the CBA.

Prior to 2013, at least one member of the CBA was required to be a licensed architect. Due to recruitment challenges, the ordinance was modified to eliminate this requirement. The ordinance has not been modified since 2013, and recruitment and maintenance of a board that meets infrequently has proved challenging. Since incorporation, the CBA has met eleven times, with ten out eleven as perfunctory board items with no appeals business, and only one meeting related to an actual appeal.

Proposed Ordinance
In response to challenges with recruitment and technical nature of the building code, the proposed ordinance transitions the CBA from a board of citizens to a board comprised of three Chief Building Officials, with two alternates, from neighboring jurisdictions to serve as the CBA. This approach ensures the board is comprised of individuals who have the technical expertise to consider technical appeals and ensure a board with no vested interest or conflict with the appellant. This gives the City the flexibility of always having qualified and trained individuals available to hear these cases, and gives the customer a true, clear direction for code-compliance moving forward.

The ordinance also proposes relocating the appeals process from Chapter 2 to Chapter 18 to align the process with the existing building codes and regulations, which will consolidate building regulations information in one location.

Environmental Review

The proposed Council action is not a "project" under CEQA.

This action is excluded from the definition of a "project" under §15378(b)(4) of the State CEQA Guidelines, and is exempt from CEQA under § 15061(b)(3) of the CEQA Guidelines (the "common sense exemption") as it does not involve commitment to a "specific project which may result in a potentially significant physical impact on the environment.

Attachment

A. Ordinance No. 2026-____, An Ordinance of the City Council of the City of Citrus Heights, California, Repealing Chapter 2, Article IV, Division 5 Construction Board of Appeals and adding Chapter 18 Article XXXI Building Code Board of Appeals to the Citrus Heights Code relating to Buildings and Building Regulations.

ORDINANCE NO. 2026-001

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CITRUS HEIGHTS, CALIFORNIA, REPEALING CHAPTER 2, ARTICLE IV, DIVISION 5 CONSTRUCTION BOARD OF APPEALS AND ADDING CHAPTER 18, ARTICLE XXXI BUILDING CODE BOARD OF APPEALS TO THE CITRUS HEIGHTS MUNICIPAL CODE RELATING TO BUILDINGS AND BUILDING REGULATIONS

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

SECTION 1. Declaration of Intent.

In order to hear and decide appeals of orders, decisions or determinations made by the Chief Building Official relative to the application and interpretation of the technical building & safety codes of the State of California and the Citrus Heights Municipal Code ("Code"), there shall be and is hereby created a Building Code Board of Appeals.

SECTION 2. Repeal of Municipal Code Chapter 2, Article IV, Division 5 Sections 2-300 to 2-320.

Citrus Heights Municipal Code Article IV, Division 5 – Construction Board of Appeals, Sections 2-300 to 2-320 are hereby repealed in their entirety.

SECTION 3. Add Article XXXI to Chapter 18 of the Citrus Heights Municipal Code

Article XXXI, Chapter 18, Citrus Heights Building Code Board of Appeals, is hereby added to the Citrus Heights Municipal Code and shall read as set forth below:

Sec. 18-900. Title.

This article shall be known as the "Citrus Heights Building Code Board of Appeals" (referred to as the "Board"). The Board has authority to hear appeals to the following laws and regulations of the State of California, the City of Citrus Heights, and other regulations, statues, and standards that pertain to building construction and Fire, Panic and Life-Safety:

- Title 24 of the California Code of Regulations (commonly known as the California Building Codes).
- Citrus Heights Municipal Code Title 18, Buildings and Building Regulations.
- Portions of the 2018 International Swimming Pools and Spa Code.
- Portions of the California Health and Safety Code.
- Portions of the California Business and Professions Code.
- Portions of the California Government Code.

- Other Technical Codes.

Sec. 18-901. Membership:

a. The Building Code Board of Appeals shall be composed of three Chief Building Officials, with two alternates, serving in jurisdictions outside of the City of Citrus Heights, which may include employees of consultant companies serving as Chief Building Officials in a local jurisdiction. A list of accepted board members will be kept by the City Clerk, and members will be called upon in successive order by the City Clerk when needed. Board members will serve until the appeal case reaches its resolution, or they are dismissed by the City Council.

Sec. 18-902. Qualifications:

The Building Code Board of Appeals shall consist of members who are qualified by experience and training to pass upon matters pertaining to building construction, all building systems, and the public health and life-safety aspects of said systems and standards and are not employees of the jurisdiction. A member may not have any interest in the property which is the subject of the appeal to the board.

Sec. 18-903. Administration:

The Citrus Heights Chief Building Official shall take action in accordance with the decision of the Citrus Heights Building Code Board of Appeals.

Sec. 18-904. Meetings:

The Building Code Board of Appeals shall hold meetings as needed. At this meeting, a Board chairperson shall be selected, and the Board may consider items such as implementing processes, and recommendations relating to future hearings and procedures.

Sec. 18-905. Limitations on authority:

a. An application for appeal shall be based on a claim that the true intent of the Code or the rules legally adopted thereunder have been incorrectly interpreted, the provisions of the Code do not fully apply or an equally good or better interpretation of construction is proposed.

b. No decision of the Board may reduce any life-safety issue, fire protection requirements or any degree of structural integrity, nor lessen the strict adherence to the codes. The Building Code Board of Appeals shall not set division policy, or over-ride existing division policy aside from where it involves interpretation of the code.

Sec. 18-906. Granting Modifications:

Whenever there are practical difficulties involved with carrying out the provisions of the technical codes of the City of Citrus Heights, the Building Code Board of Appeals may grant modifications for individual cases, provided it is found that special circumstances make strict adherence to the code(s) impractical and that the modification is in conformity with the intent and purpose of the code(s) and

that such modification does not reduce any life-safety issue, fire protection requirements or any degree of structural integrity.

Sec. 18-907. Hearing Procedure:

a. For any matter in which an action or decision by the jurisdiction has been appealed by the Appellant, no representative of the jurisdiction shall be permitted to participate on the Board, vote on, or consider the matter under appeal. The jurisdiction may only participate in such hearing as an advocate and interested party.

b. The Appellant shall submit the application and payment to the Chief Building Official of the jurisdiction. Once received, the jurisdiction shall date stamp the application; within 10 business days process the payment, schedule and secure a meeting room for the hearing; notify the Board chairperson of the request along with a proposed hearing date. A hearing before the Board of Appeals shall be attempted to be set for a date that is not more than 60 business days from the date that the request for hearing is filed, but in any event, no later than 90 business days. The person requesting the hearing shall be notified of the time and place set for the hearing at least 10 business days before the hearing. If the Chief Building Official submits a written report or other documentation to the Secretary of the Board for consideration at the hearing, then a copy of such report or documentation shall be served on the person requesting the hearing at least five business days before the hearing.

c. No hearing shall be held unless the Building Code Board of Appeals hearing fee has been paid in advance, as adopted by the City.

d. **Failure to Appear.** The failure of the person requesting the hearing to appear at the hearing shall constitute a forfeiture of the fee and will exhaust his or her administrative remedies.

e. The chairperson shall notify the Board of the hearing date requested. If a quorum is available, the chairperson will notify the Jurisdiction which in turn will notify the Appellant confirming the hearing date, time and place.

f. The Jurisdiction, upon confirmation of the hearing date, shall forward any necessary documentation to the Subject Matter Expert (SME) in that jurisdiction, qualified to advocate on that jurisdiction's behalf and make a recommendation to the Board on the subject matter under consideration. The SME at the hearing may or may not necessarily be the Chief Building Official of that jurisdiction.

g. **Rules of Order.** The Board of Building Appeals shall endeavor to follow Robert's Rules of Procedure.

h. At the hearing, the Appellant shall have a time limit of 20 minutes to present its case to the Board. At the Appellant's discretion, the Appellant may provide exhibits; call upon expert testimony; and in any reasonable way, provide evidence to support its case.

i. The Jurisdiction's Subject Matter Expert shall then be given the opportunity to provide exhibits, call upon expert testimony, and in any reasonable way, provide evidence to justify the decision/code interpretation that is being appealed. The Subject Matter Expert will have 20 minutes to present its rebuttal. The Chief Building Official of the Jurisdiction will not have a vote at the hearing and will not serve on the Board which hears the appeal.

j. The appellant and the jurisdiction will be allowed one final summary statement, limited to 10 minutes each, to the Board prior to final deliberations;

k. **Continuances.** The Building Code Board of Appeals may continue the hearing and may request additional information from the Chief Building Official or the person requesting the hearing before issuing the decision.
   l. The Board shall then deliberate:
      I. Render a decision; or
      II. Deem it necessary to set dates/times for additional tests, hear additional witnesses, conduct research, or
      III. deliberate further, as needed prior to rendering a decision.

m. A decision shall be made by a majority of the quorum.

n. Once a decision is rendered, either at the time of the hearing or later, the final determination letter will be prepared within 10 days of the final decision;

o. The Jurisdiction will be responsible for taking minutes of the hearing and preparing the final determination letter;

p. In any appeal, the Appellant making the request shall incur the cost of any tests required by the Board to substantiate the Appellant's claims.

q. The chairperson will forward a digital copy of the application, documents, plans, minutes, letter, etc. after each hearing to the City Clerk for filing and record retention purposes.

Sec. 18-908. Decision:

After considering the testimony and evidence presented at the hearing, the Building Code Board of Appeals shall issue a written decision to uphold, reject, or modify the Chief Building Official's determination. The Building Code Board of Appeals shall state the reasons for the decision and shall send a copy of the decision to the person that requested the hearing and to the Chief Building Official. The decision of the Building Code Board of Appeals is final, and may not be further appealed administratively.

Sec. 18-909. Notices Served:

Method of Service. The decision required to be given shall be served on the responsible party either by personal service, by first class mail, or by certified mail, return receipt requested, or e-mail.

SECTION 4. Severability.

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

SECTION 5. ENVIRONMENTAL REVIEW

This action is excluded from the definition of a "project" under §15378(b)(4) of the State CEQA Guidelines, and is exempt from CEQA under § 15061(b)(3) of the CEQA Guidelines (the "common sense exemption") as it does not involve commitment to a "specific project which may result in a potentially significant physical impact on the environment.

SECTION 6. Effective Date and Notice.

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

PASSED AND ADOPTED by the City Council of the City of Citrus Heights this 11th day of February 2026 by the following vote, to wit:

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

MariJane Lopez-Taff, Mayor

ATTEST:

Amy Van, City Clerk