



JUNE 23, 2022 AGENDA

CITY OF CITRUS HEIGHTS CITY COUNCIL

7:00 PM REGULAR MEETING

City Hall Council Chambers

6360 Fountain Square Drive, Citrus Heights, CA

HOW TO PARTICIPATE:

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

Regular Meeting 7:00 p.m. Zoom Meeting –Webinar

link: <https://us02web.zoom.us/j/81254821465>

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

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

June 23, 2022 City Council Agenda Packet

Documents:

[JUNE 23 2022 CITY COUNCIL AGENDA PACKET.PDF](#)

CALL REGULAR MEETING TO ORDER

1. Flag Salute

2. Roll Call: Council Members: Bruins, Daniels, Miller, Schaefer, Middleton

3. Video Statement

APPROVAL OF AGENDA

COMMENTS BY COUNCIL MEMBERS AND REGIONAL BOARD UPDATES

PUBLIC COMMENT

CONSENT CALENDAR

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

4. SUBJECT: Approval Of Minutes

RECOMMENDATION: Approve the Minutes of the Special/Regular Meeting of June 9, 2022

5. SUBJECT: 2022 Residential Street Resurfacing Project Award Of Construction Contract – City PN 15-21-010

STAFF: R. Cave/ L. Blomquist/ H. Young

RECOMMENDATION: Adopt Resolution No. 2022-____, A Resolution of the City Council of the City of Citrus Heights, California, Authorizing the City Manager to Execute a Contract with All Phase Construction, Inc. for Construction of the 2022 Residential Street Resurfacing Project

6. SUBJECT: 2022 Residential Street Resurfacing Project Award Of Construction Management, Inspection And Materials Testing Services Agreement – City PN 15-21-010

STAFF: R. Cave/ L. Blomquist/ H. Young

RECOMMENDATION: Adopt Resolution No. 2022-____, A Resolution of the City Council of the City of Citrus Heights, California, Authorizing the City Manager to Execute a Contract with Quincy Engineering, Inc. to Provide Construction Management, Inspection, and Materials Testing Services for the 2022 Residential Street Resurfacing Project

7. SUBJECT: Resolution Of Intention To Record Delinquent Solid Waste Service Charges To The Tax Roll

STAFF: R. Cave/ M. Poole

RECOMMENDATION: Adopt Resolution No. 2022-____, A Resolution of the City Council of the City of Citrus Heights, California, To Record Delinquent Solid Waste Service Charges to the Property Tax Roll

8. SUBJECT: Senate Bill 1 Road Maintenance And Rehabilitation Account Funding And Project Expenditure Plan For FY 2022/2023

STAFF: R. Cave/ L. Blomquist

RECOMMENDATION: Adopt Resolution No. 2022-____, A Resolution of the City Council of the City of Citrus Heights, California, Approving the Fiscal Year 2022-2023 Project List to be Funded by Senate Bill 1: The Road Repair and Accountability Act of 2017

PUBLIC HEARINGS

9. SUBJECT: City Impact Fee Update

STAFF: B. Zenoni/ C. Kempenaar/ R. Cave

RECOMMENDATION: The following is recommended;

- a. Adopt Resolution No. 2022-____, A Resolution of the City Council of the City of Citrus Heights, California, Adopting an Affordable Housing Impact Fee Nexus Study and Updating the Affordable Housing Impact Fee
- b. Adopt Resolution No. 2022-____, A Resolution of the City Council of the City of Citrus Heights, California, Adopting the Multimodal Impact Fee Study, Renaming the Roadway and Transit Impact Fee to the Multimodal Impact Fee and Updating the Fee
- c. Adopt Resolution No. 2022-____, A Resolution of the City Council of the City of Citrus Heights, California, Adopting the Park Impact Fee Nexus Study and Updating the Park Impact Fee
- d. Adopt Resolution No. 2022-____, A Resolution of the City Council of the City of Citrus Heights, California, Adopting a Nexus Study for a Fire Capital Facilities Development Impact Fee
- e. Move to Introduce for First Reading, Read by Title Only and Waive the Full Reading of Ordinance 2022-____, an Ordinance of the City Council of the City of Citrus Heights Adding Article XXIX to Chapter 18 of the Municipal Code Related to Fire Capital Facilities Impact Fee

REGULAR CALENDAR

10. SUBJECT: Consideration Of Economic Development Support Fund Grant Request By Royal Stage

STAFF: M. Huber

RECOMMENDATION: Adopt Resolution No. 2022-____, A Resolution of the City Council of the City of Citrus Heights, California, Approving a \$25,000 Economic Development Grant to Royal Stage from the Economic Development Support Fund – Part I

11. SUBJECT: Allocation Of Fiscal Year 22/23 Community Support Funding

STAFF: M. Huber

RECOMMENDATION: Adopt Resolution No. 2022-____, A Resolution of the City Council of the City of Citrus Heights, California, Approving Community Support Funding Award Allocations for Fiscal Year 2022-2023

12. SUBJECT: Fiscal Years 2021-22 And 2022-23 Mid-Cycle Budget Review, Financial Forecast Update And Appropriations Limit For Fiscal Year 2022-23

STAFF: B. Zenoni/ T. Nossardi/ R. Prasad

RECOMMENDATION: The following is recommended;

- a. Adopt Resolution No. 2022-____, A Resolution of the City Council of the City of

Citrus Heights, California, Approving Amendments to the Fiscal Year 2022-23 Budget; and

- b. Adopt Resolution No. 2022-____, A Resolution of the City Council of the City of Citrus Heights, California, Establishing an Appropriation Limit for Fiscal Year 2022-23.

13. SUBJECT: Replacement Of Police Department Equipment Critical Needs And Utilization Of American Rescue Plan Act Funds

STAFF: A. Turcotte/ K. Frey/ C. Burnett

RECOMMENDATION: The following is recommended;

- a. Adopt Resolution No. 2022-____, A Resolution of the City Council of the City of Citrus Heights, California, Authorizing the Acquisition of Police Fleet Vehicles and Fleet Equipment; and
- b. Adopt Resolution No. 2022-____, A Resolution of the City Council of the City of Citrus Heights, California, Authorizing the Acquisition of Public Safety Communications Center Critical Needs

14. SUBJECT: Proposal For Beautification Crew Pilot Program

STAFF: R. Cave/ A. Velasquez

RECOMMENDATION: Adopt Resolution No. 2022-____, A Resolution of the City Council of the City of Citrus Heights, California, Authorizing the Implementation of a Beautification Crew Pilot Program to be Funded by American Rescue Plan Act (ARPA) Funds through Fiscal Year 2025/2026

15. SUBJECT: Resolution Adopting Amended Salary Table

STAFF: B. Zenoni/ M. Dippert/ M. Bushey

RECOMMENDATION: Adopt Resolution No. 2022-____, A Resolution of the City Council of the City of Citrus Heights, California, Adopting the Amended Salary Table, Exhibit A

DEPARTMENT REPORTS

16. SUBJECT: Fireworks Enforcement And Operation Plan

DEPARTMENT: Police Department

CITY MANAGER ITEMS

ITEMS REQUESTED BY COUNCIL MEMBERS / FUTURE AGENDA ITEMS

17. SUBJECT: Provide Direction On School Safety Committee Discussion

ADJOURNMENT



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

**CITY OF CITRUS HEIGHTS
CITY COUNCIL
Regular Meeting of Thursday, June 23, 2022
City Hall Council Chambers
6360 Fountain Square Drive, Citrus Heights, CA
Regular Meeting 7:00 p.m.**

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

IN PERSON	ONLINE	ON TELEVISION
		
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June 17, 2022


Amy Van, City Clerk

REGULAR CITY COUNCIL MEETING
7:00 PM**CALL REGULAR MEETING TO ORDER**

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

APPROVAL OF AGENDA**COMMENTS BY COUNCIL MEMBERS AND REGIONAL BOARD UPDATES****PUBLIC COMMENT****CONSENT CALENDAR**

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STAFF: A. Turcotte/ K. Frey/ C. Burnett
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DEPARTMENT REPORTS

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CITY MANAGER ITEMS

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17. **SUBJECT:** Provide Direction on School Safety Committee Discussion

ADJOURNMENT

**CITY OF CITRUS HEIGHTS
CITY COUNCIL
MINUTES
Special/ Regular Meeting of Thursday, June 9, 2022
City Hall Council Chambers and Virtually
6360 Fountain Square Drive
Citrus Heights, CA 95621**

CALL SPECIAL MEETING TO ORDER

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

- | | | | |
|----|------------|--------------------------|--|
| 1. | Roll Call: | Council Members present: | Bruins, Daniels, Miller, Schaefer, Middleton |
| | | Council Members absent: | None |
| | | Staff present: | Cave, Feeney, Herman, Jones, Reid, Smith, Spencer, Van |

PUBLIC COMMENT

None

CLOSED SESSION

2. THREAT TO PUBLIC SERVICES OR FACILITIES
Pursuant to Government Code Section 54957 – this is routine training conducted annually with the City Council in the event a threatening situation occurs at a Council Meeting
Consultation with: Citrus Heights Police Department and City Attorney Ryan Jones

REPORT OUT OF CLOSED SESSION

There was no reportable action from closed session.

ADJOURNMENT

Mayor Middleton adjourned the special meeting at 6:48 p.m.

CALL REGULAR MEETING TO ORDER

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

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

APPROVAL OF AGENDA

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

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

COMMENTS BY COUNCIL MEMBERS AND REGIONAL BOARD UPDATES

Council Member Daniels shared information on cooling centers in Citrus Heights that will be open on June 10th.

Council Member Bruins provided an update from the Police Activities League meeting. She shared information on upcoming PAL events. She thanked the Kiwanis Club for a \$500 donation to PAL to cover activities for children. Council Member Bruins shared information for a "Work Day" at San Juan Park on June 18 hosted by the Area 7, 8 and 9 (CHASEN) Neighborhood Association. She also shared information for National Night Out on August 2.

Council Member Miller attended the Memorial Day observation at Sylvan Cemetery and the Capital Pops concert at the Veterans Center.

Vice Mayor Schaefer had no updates at this time.

Mayor Middleton had no updates at this time.

PUBLIC COMMENT

Michael Nishimura, the new REACH President, addressed the Council regarding the Community Park Clean-up day at San Juan Park on June 18. This event is open to all community members and will provide volunteers with lunch and refreshments.

CONSENT CALENDAR

4. **SUBJECT:** Approval of Minutes
RECOMMENDATION: Approve the Minutes of the Regular Meeting of May 26, 2022
5. **SUBJECT:** Approve Resolution for Continued Remote Meetings in Accordance with AB 361
STAFF: A. Van / R. Jones
RECOMMENDATION: Adopt Resolution No. 2022-038, A Resolution of the City Council of the City of Citrus Heights, California, Making the Legally Required Findings to Continue to Authorize the Conduct of Remote "Telephonic" Meetings During the State of Emergency
6. **SUBJECT:** November 8, 2022 General Municipal Election
STAFF: A. Van
RECOMMENDATION: Adopt Resolution No. 2022-039, A Resolution of the City Council of the City of Citrus Heights, California, Calling a General Municipal Election and Requesting the Board of

Supervisors of Sacramento County to Consolidate the General Municipal Election with the Statewide General Election to be held on November 8, 2022 Pursuant to Section §10403 of the Elections Code

7. **SUBJECT:** Approval of a Resolution Acknowledging that the City of Citrus Heights will be Included in the Article 34 Affordable Housing Ballot Measure Proposed by the County of Sacramento for the November 2022 Election
STAFF: C. Kempenaar/ N. Piva
RECOMMENDATION: Adopt Resolution No. 2022-040, A Resolution of the City Council of the City of Citrus Heights, California, Acknowledging the City of Citrus Heights will be Included in the Article 34 Affordable Housing Ballot Measure Proposed by the County of Sacramento for the November 2022 Election

ACTION: On a motion by Council Member Bruins, seconded by Vice Mayor Schaefer, the City Council adopted Consent Calendar Items 4, 5, 6, and 7.

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

PUBLIC HEARING

8. **SUBJECT:** PLN-22-07 – Draft Amendment to the General Plan Safety Element
STAFF: C. Kempenaar/ E. Singer
RECOMMENDATION: Adopt Resolution No. 2022-041, A Resolution of the City Council of the City of Citrus Heights, California, Finding the Project is Exempt from CEQA per Section 15061(b)(3) and Approving the Proposed General Plan Amendment to Include the Local Hazard Mitigation Plan into the Community Health Section of the General Plan as Presented

Senior Planner Bermudez presented the amendment to the General Plan to include the Local Hazard Mitigation Plan (LHMP). The LHMP is updated every five years. The City Council adopted the Sacramento County Local Hazard Mitigation plan in February 2022. The City will need to amend the Community Safety Element chapter of the General Plan to include the LHMP to remain eligible for federal hazard mitigation funding.

Mayor Middleton opened the public hearing at 7:15 p.m. hearing no public comments, she closed the public hearing.

ACTION: On a motion by Council Member Bruins, seconded by Council Member Miller, the City Council adopted a Resolution of the City Council of the City of Citrus Heights, California, Finding the Project is Exempt from CEQA per Section 15061(b)(3) and Approving the Proposed General Plan Amendment to Include the Local Hazard Mitigation Plan into the Community Health Section of the General Plan as Presented

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

REGULAR CALENDAR**9. SUBJECT: Changing the Time of Regular City Council Meetings****STAFF: A. Van****RECOMMENDATION: Adopt Resolution No. 2022-042, A Resolution of the City Council of the City of Citrus Heights, California, Changing the Time for Regular Meetings of the City Council**

City Clerk Van shared a presentation with Council on changing the time of regular City Council meetings. The City Council has been meeting on the 2nd and 4th of each month at 7:00 p.m. The meeting time was adopted by the City Council in 2005 in order to broadcast City Council meetings live on Metro Cable 14. At the May 10 Strategic Planning session, Council Members discussed the potential change in the meeting time in hopes of promoting public participation. Occasionally, the City Council has met prior to the 7:00 p.m. meeting time for closed session and study sessions. The Sacramento Metro Cable Commission will be able to continue broadcasting City Council meetings live with an earlier start time. Van shared that surrounding municipalities are currently holding earlier council meetings. If approved, the new City Council meeting time would begin on July 14 and will be communicated through the City's various communications channels.

City Manager Feeney shared that this item came forward in an effort to encourage resident participation with an earlier start time for City Council meetings.

Council Member Daniels stated his support for the earlier City Council meeting time. He expressed his support for the 6:00 p.m. start time.

Council Member Miller expressed he did not support an earlier start time.

Council Member Bruins supported either 6:00 p.m. or 6:30 p.m. as an earlier start time.

Vice Mayor Schaefer supported the 6:00 p.m. start time.

Mayor Middleton supported the 6:00 p.m. start time.

ACTION: On a motion by Council Member Daniels, seconded by Council Member Bruins, the City Council adopted a Resolution of the City Council of the City of Citrus Heights, California, Changing the Time for Regular Meetings of the City Council to 6:00 p.m.

AYES: Bruins, Daniels, Schaefer, Middleton

NOES: Miller

ABSENT: None

10. SUBJECT: "California Sports Wagering Regulation and Unlawful Enforcement Act" Initiative 19-0029A1**STAFF: A. Feeney/ R. Jones****RECOMMENDATION: Consider Adoption of Resolution No. 2022-043, A Resolution of the City Council of the City of Citrus Heights, California, Opposing the "California Sports Wagering Regulation and Unlawful Enforcement Act" Initiative 19-0029A1**

City Manager Feeney presented the item before Council regarding opposition to the "California Sports Wagering Regulation and Unlawful Enforcement Act". The ballot initiative would amend the California

Constitution to allow tribal casinos to offer additional gaming. In addition, the proposed amendment would allow any person or entity to bring civil suits for violation of gaming laws. Stone's Gambling Hall is a local Citrus Heights business who expressed concern for the proposed amendment and requested the City oppose the item. Opposition for the amendment stems from the provision that could potentially result in frivolous lawsuits against gaming halls. City Manager Feeney informed the Council that five other jurisdictions have passed resolutions opposing the amendment and the League of California Cities is discussing the item at an upcoming meeting.

Council Member Miller requested more information on how this is different from existing law and how this amendment could affect businesses.

City Attorney Jones stated that the Attorney General's Office typically files lawsuits related to gaming. This legislation would give private law firms the ability to file lawsuits as if they are the Attorney General, they would have to make a request to the Attorney General's Office.

PUBLIC COMMENT:

Kermit Schultz, with Stone's Gambling Hall, addressed the Council regarding opposition to the "California Sports Wagering Regulation and Unlawful Enforcement Act". He stated this initiative is a great concern to Stone's Gambling Hall. Stone's Gambling Hall has over 300 employees in Citrus Heights and this initiative poses a threat to the gaming industry.

ACTION: On a motion by Council Member Daniels, seconded by Council Member Bruins, the City Council adopted a Resolution of the City Council of the City of Citrus Heights, California, Opposing the "California Sports Wagering Regulation and Unlawful Enforcement Act" Initiative 19-0029A1.

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

DEPARTMENT REPORTS

11. **SUBJECT:** Projects and Programs Update
 DEPARTMENT: General Services Department

City Engineer Blomquist and Operations Manager Poole provided a department report highlighting public works projects and programs. Blomquist discussed capital projects such as the Arcade Cripple Creek Trail, Auburn Boulevard Complete Streets Phase 2, Greenback Lane Complete Streets, Mariposa Safe Routes to School, Old Auburn Road Complete Streets, San Juan Complete Streets, and 2022 Residential Street Resurfacing. Blomquist provided an overview of the development project process and the major projects currently underway such as Mitchell Village, Wyatt Ranch, Auburn Heights, and the Fair Oaks Senior Housing development. Engineering and General Services are also responsible for the encroachment permit process, which is necessary to protect public infrastructure and ensures utility coordination for major projects.

Poole discussed the General Services waste management programs, education, and outreach to ensure residents are in compliance with state standards.

Blomquist highlighted the system utilized to regulate urban storm water discharge. The General Services Department is working towards implementation of the trash capture amendment and being in compliance by 2030.

Poole discussed the Multi Modal Transportation Safety Program (MMTSP) that utilizes SeeClickFix, which allows residents to report public right of way issues easily. She also discussed the numerous grants and funding opportunities the department applies for in order to keep these projects and programs in operation.

Council comments followed.

CITY MANAGER ITEMS

City Manager Feeney shared with the Council information on a Cooling Center being open at the Citrus Heights Community Center on June 9 from 9 a.m. – 6 p.m. and on Friday, June 10 from 9 a.m. – 7:00 p.m.

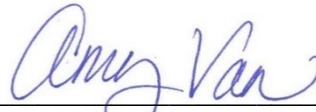
ITEMS REQUESTED BY COUNCIL MEMBERS/ FUTURE AGENDA ITEMS

None

ADJOURNMENT

Mayor Middleton adjourned the regular meeting at 8:04 p.m.

Respectfully submitted,

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

Amy Van, City Clerk



CITY OF CITRUS HEIGHTS

CITY COUNCIL STAFF REPORT MEMORANDUM

DATE: June 23, 2022

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

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

SUBJECT: **2022 Residential Street Resurfacing Project**
Award of Construction Contract – City PN 15-21-010

Summary and Recommendation

On May 26, 2022, the City opened bids for the 2022 Residential Street Resurfacing Project (Project). After evaluating the bids, staff determined that All Phase Construction, Inc., submitted the lowest responsive and responsible bid.

Staff recommends the City Council:

1. Waive all minor bid irregularities as immaterial; and
2. Approve Resolution No. 2022-___, a Resolution of the City Council of the City of Citrus Heights, California, authorizing the City Manager to execute an agreement with All Phase Construction, Inc. for the 2022 Residential Street Resurfacing Project.

Fiscal Impact

All Phase Construction's base bid for the project is \$2,387,012.00. This bid is based upon estimated quantities, which may vary due to actual field conditions. Ultimately, the Contractor is paid for actual work completed based upon the unit price bid, which may require the approval of a change order. Change orders for amounts less than 15% of the total contract price shall require prior written approval of the City Manager. Change orders for amounts equal to or greater than 15% of the total contract price shall require prior written approval of the City Council.

Historically, the city has had an annual ADA accessibility and drainage improvements project as a predecessor to the annual street resurfacing project. Beginning with the current 2022 Residential Street Resurfacing Project, staff combined the two projects to streamline delivery of these roadway improvements. As such, the corresponding CIP budgets have been combined to fund the joint project.

This recommended action results in no fiscal impact to the current or Fiscal Year (FY) 2022/2023 budget, nor the 2021/2022 Capital Improvement Program (CIP). The full funding for the project is outlined in the tables below:

Table No 1. – Estimated Project Costs

Project Component	Estimated Cost
Recommended Contract Award	\$2,387,012.00
Additive Alternate Item #1 – Kersten Street	\$133,355.00
Additive Alternate Item #2 – Paco Court	\$147,410.00
Additive Alternate Item #3 – Sprig Oak Court	\$89,100.00
Deductive Change Order, estimated (Wild Oak Drive)*	-\$200,000.00
15% Contingency	\$383,531.00
Grand Total	\$2,940,408.00

*due to planned PG&E gas main work on Wild Oak Dr, removal of this street from the 2022 Residential Street Resurfacing Project is recommended.

Table No 2. – Project Funding

Source Fund	Fund No.	FY's 2021/2022 and 2022/2023
Sacramento County Contribution (estimated)	-	\$211,501.00
Stormwater Utility Fund	209	\$184,000.00
Road Maintenance and Rehabilitation Account (Revenues from SB-1)	206	\$2,100,000.00
Community Development Block Grant (CDBG)	234	\$390,000.00
Gas Tax	205	\$54,907.00
FY Totals		\$2,940,408.00

In addition to the construction advertisement for this project, staff issued a Request for Proposals (RFP) to select a consulting firm for Construction Management services. A professional services agreement for this service is included in a separate staff report prepared for the June 23, 2022 City Council meeting. Construction management expenses will be in addition to those listed in the table above.

Wachtel Way, which serves as the city limit with unincorporated Sacramento County, is included as part of the project for roadway maintenance. Staff confirmed that Sacramento County will contribute their financial fair share to support this contract. Final details associated with the County's financial commitment will be formalized in a cooperative funding agreement to be brought before the City Council at a future date.

On October 28, 2021, the City Council approved Amendment No. 1 to the 2021 CDBG Action Plan, which included allocating an estimated \$390,000 in Community Development Block Grant (CDBG) funds for the construction of eligible improvements associated with the Project.

Background and Analysis

Streets are selected for resurfacing on a priority basis using the city's computerized pavement management system and staff's inspection of streets. The program coordinates and prioritizes various elements of pavement maintenance and types of resurfacing based on various factors including surface and structural condition, traffic volume, costs, and historic repairs. The streets in this project were selected for resurfacing due to the level of deterioration in the existing pavement.

The bid proposal documents identified the total Base Bid price as the basis for comparison and award of a contract. However, the bid package included four additive alternate (AA) bid items, which provide for resurfacing of Kersten Street (AA#1), Paco Court (AA#2), and Sprig Oak Court (AA#3) as well as improvements to storm drain facilities on Lesser Way (AA#4). After reviewing the proposed bids, staff recommends the City Council award Additive Alternate bid items 1-3 in addition to the base contract.

The Project will perform localized pavement repair and overlays on 19 streets. Installation of necessary curb ramps to comply with ADA requirements, miscellaneous concrete, and drainage repairs are included in the Project. The streets scheduled for resurfacing include:

1. Begonia Court (Shadycress Way to End)
2. Beta Court (Summerplace Dr to End)
3. Gobi Court (Summerplace Dr to End)
4. Kersten Street (Grenola Way to Noreen Way)
5. Ketch Court (Birchglade Way to End)
6. Mel Court (Rinconada Drive to End)
7. Noreen Way (Grenola Way to Baranga Drive)
8. North Colony Way (Holly Drive to End)
9. Paco Court (Summerplace Drive to End)
10. Reglie Woods Court (Whyte Avenue to End)
11. Ridgeview Court (Parkview Way to End)
12. Rigging Court (Birchglade Way to End)
13. Shady Springs Way (Sunmist Way to Sunburst Way)
14. Shadycress Way (Sandalwood Drive to End)
15. Sloop Court (Birchglade Way to End)
16. Sprig Oak Court (Lesser Way to End)
17. Verbenia Court (Florabella Avenue to End)
18. Wachtel Way (Kenneth Drive to Old Auburn Road)
19. Whaler Court (Windjammer Way to End)
20. ~~Wild Oak Drive (From Tupelo Drive to Mar Vista Way)~~

Previously, the City Council approved a list of streets to be resurfaced as part of the 2022 Residential Street Resurfacing Project, which included the above 20 streets. After construction bids were opened, staff was contacted by Pacific Gas & Electric Company (PG&E) regarding a planned gas main project on Wild Oak Drive scheduled for summer 2023. As such, staff

recommends postponing resurfacing of Wild Oak Drive until PG&E completes their gas main upgrades.

The base bid contract amount includes funding for Wild Oak Drive. Upon execution of the contract, staff will issue a deductive change order reducing the contract by an estimated \$200,000, which will be reallocated to a future year's resurfacing project for Wild Oak Drive.

The complete bid results are shown in the following table:

Bidder	Base Bid	Sum of Additive Alternates 1-4	Total Bid
All Phase Construction	\$2,387,012.00	\$461,365.00	\$2,848,377.00
B&M Builders	\$2,418,429.50	\$506,980.00	\$2,925,409.50
Central Valley Engineering & Asphalt	\$2,503,105.75	\$393,677.00	\$2,896,782.75
McGuire & Hester	\$2,608,615.00	\$502,060.00	\$3,110,675.00
Vintage Paving Company	\$2,687,695.00	\$415,717.50	\$3,103,412.50
Martin Brothers Construction	\$2,763,653.00	\$399,322.50	\$3,162,975.50

The engineer's estimate for the base bid of this project is \$2,200,000.

On May 26, 2022, and following completion of the bid opening, staff immediately reviewed contractor bids to ensure they were fully responsive to the city's solicitation requirements. Since the project includes CDBG funding, two forms associated with this fund type were required as part of contractor bids. The apparent low bid by All Phase Construction did not include these forms, which were subsequently submitted to the city. Per the Project Special Provisions Page SP-15, the City reserves the right to "waive any minor informality or irregularity in any bid." Upon review by the City Attorney, the failure to submit these forms at the time of bid is a minor irregularity that the City Council can waive.

Staff recommends the City Council consider this bid irregularity as immaterial and waive the irregularity as it does not impact cost or scope of the services being provided to the city.

This project is Categorically Exempt from review under the California Environmental Quality Act (CEQA) pursuant to CEQA guidelines section 15301, as the repair, maintenance or modification of existing facilities involving no or negligible expansion of use beyond that which currently exists.

This item aligns with the City Council's three-year strategic planning goal to "maintain public infrastructure and enhance alternative modes of transportation".

Attachments

1. Resolution 2022-____ a Resolution of the City Council of the City of Citrus Heights, California, authorizing the City Manager to execute an agreement with All Phase Construction, Inc. for the 2022 Residential Street Resurfacing Project

RESOLUTION NO. 2022-__

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CITRUS HEIGHTS, CALIFORNIA,
AUTHORIZING THE CITY MANAGER TO EXECUTE A CONTRACT WITH ALL PHASE
CONSTRUCTION, INC. FOR CONSTRUCTION OF THE
2022 RESIDENTIAL STREET RESURFACING PROJECT**

WHEREAS, the City Council of the City of Citrus Heights, California, desires to proceed with construction of the 2022 Residential Street Resurfacing Project (Project);

WHEREAS, the Project will resurface deteriorating pavement along residential streets;

WHEREAS, bids for the project were received, opened and read aloud on May 26, 2022, and All Phase Construction, Inc. (All Phase) was determined to be the lowest responsive, responsible bidder for the Project;

WHEREAS, sufficient Road Maintenance and Rehabilitation Account (Fund 206), Gas Tax (Fund 205), Community Development Block Grant (Fund 234), and Stormwater Utility (Fund 209) funds have been budgeted in Fiscal Year 21/22 and 22/23 to fund the Project; and

WHEREAS, Sacramento County will contribute proportionate funding for this project for the improvements within their jurisdictional boundary on Wachtel Way.

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

1. The City Council waives the bid irregularity and awards the 2022 Residential Street Resurfacing Project to All Phase Construction, who is the lowest responsive and responsible bidder.
2. The City Manager is hereby authorized to execute an agreement with All Phase Construction in the total amount of \$2,756,877.00 for the Project, and that a copy of the Agreement is available and on file in the City Clerk's office and is incorporated herein by reference and made a part of this Resolution.

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

PASSED AND ADOPTED by the City Council of the City of Citrus Heights, California, this 23rd day of June, 2022 by the following vote, to wit:

AYES: Council Members:

NOES: Council Members:

ABSTAIN: Council Members:

ABSENT: Council Members:

Porsche Middleton, Mayor

ATTEST:

Amy Van, City Clerk



CITY OF CITRUS HEIGHTS

CITY COUNCIL STAFF REPORT MEMORANDUM

DATE: June 23, 2022

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

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

SUBJECT: **2022 Residential Street Resurfacing Project**
Award of Construction Management, Inspection and Materials Testing
Services Agreement – City PN 15-21-010

Summary and Recommendation

On February 18, 2022, staff issued a Request for Proposals (RFP) seeking qualified firms to provide Construction Management, Inspection, and Materials Testing Services for the 2022 Residential Street Resurfacing Project (Project). A total of five proposals were received on March 9, 2022.

The City's selection team utilized a process consistent with standard industry practice governing consultant selection. Team members independently reviewed and ranked each proposal in accordance with rating criteria set forth in the RFP. After the initial review, team members met to discuss their results and weigh the pros and cons of the top ranking consultant team.

Through this evaluation process, Quincy Engineering, Inc. (Quincy) was determined to be the most qualified consultant to provide the desired services for the Project. Staff opened the budget proposal and completed negotiations to agree upon the final scope of work and budget.

Staff recommends the City Council approve Resolution No. 2022-____, a Resolution of the City Council of the City of Citrus Heights, California, authorizing the City Manager to execute a professional services agreement with Quincy Engineering, Inc. to provide construction management, inspection, and materials testing services for the 2022 Residential Street Resurfacing Project.

Fiscal Impact

Approval of this agreement represents no additional fiscal impact to the approved Fiscal Years (FY's) 21/22 and 22/23 budget. Funding for project construction, construction management,

inspection, and materials testing services is included in the adopted Capital Improvement Program.

The contract with Quincy is for an amount not to exceed \$285,000.00 and will be funded from the budgeted sources as follows:

Source Fund	Fund No.	FY's 2021/2022 and 2022/2023 (Adopted Budget)
Sacramento County Contribution	-	\$19,900
Measure A Maintenance	310	\$200,000
Gas Tax	205	\$49,100
Stormwater Utility Fund	209	\$16,000
Totals		\$285,000

The above table does not include construction costs. The construction contract is included in a separate staff report prepared for the June 23, 2022 City Council meeting.

Wachtel Way, which serves as the city limit with unincorporated Sacramento County, is included as part of the project for roadway maintenance. Staff have received confirmation that Sacramento County will contribute their financial fair share to support this contract. Final details associated with the County's financial commitment will be formalized in a cooperative funding agreement to be brought before the City Council at a future date.

Background and Analysis

The 2022 Residential Street Resurfacing Project will rehabilitate the asphalt pavement on 19 streets. In addition to pavement repairs, the Project will replace deteriorating storm drain pipe and install necessary curb ramps to comply with ADA requirements.

Design was completed in February allowing for the solicitation of construction bids in May 2022. A professional services agreement is needed to provide construction management, inspection and materials testing services that are necessary during construction of the Project.

This item aligns with the City Council's three-year strategic planning goal to "maintain public infrastructure and enhance alternative modes of transportation".

Attachments

1. Resolution 2022-____ a Resolution of the City Council of the City of Citrus Heights, California, authorizing the City Manager to execute a professional services agreement with Quincy Engineering, Inc. to provide construction management, inspection, and materials testing services for the 2022 Residential Street Resurfacing Project.

Subject: 2022 Residential Street Resurfacing Project – Award of Construction Management and Inspection Services Contract

Date: June 23, 2022

Page 3 of 3

2. Consulting Services Agreement between the City of Citrus Heights and Quincy Engineering for the 2022 Residential Street Resurfacing Project.

RESOLUTION NO. 2022-__

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CITRUS HEIGHTS,
CALIFORNIA, AUTHORIZING THE CITY MANAGER TO EXECUTE A CONTRACT
WITH QUINCY ENGINEERING, INC. TO PROVIDE CONSTRUCTION
MANAGEMENT, INSPECTION AND MATERIALS TESTING SERVICES FOR THE
2022 RESIDENTIAL STREET RESURFACING PROJECT**

WHEREAS, the City Council of the City of Citrus Heights, California, wishes to construct the 2022 Residential Street Resurfacing Project (Project);

WHEREAS, the Project will rehabilitate the asphalt pavement on 19 residential streets throughout the city in addition to improvements to pedestrian facilities and storm drain systems;

WHEREAS, the City circulated a request for proposals for construction management, inspection, and materials testing services, and in accordance with standard industry practice for consultant selection, identified Quincy Engineering as the most qualified to provide the required services;

WHEREAS, the City now desires to enter into a Professional Services Contract with Quincy Engineering in an amount not to exceed \$285,000.00; and

WHEREAS, the proposed professional services will be paid for with Stormwater Utility (Fund 209), Gas Tax (Fund 205), Measure A Maintenance (Fund 210), and Sacramento County contributions to the project.

NOW, THEREFORE, BE IT RESOLVED AND ORDERED by the City Council of the City of Citrus Heights, the City Manager is hereby authorized to execute a contract with Quincy Engineering to provide construction management, inspection, and materials testing services for the 2022 Residential Street Resurfacing Project, in a form approved by the City Attorney.

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 23rd day of June, 2022 by the following vote, to wit:

AYES: Council Members:

NOES: Council Members:

ABSTAIN: Council Members:

ABSENT: Council Members:

Porsche Middleton, Mayor

ATTEST:

Amy Van, City Clerk

**CONSULTING SERVICES AGREEMENT
BETWEEN
THE CITY OF CITRUS HEIGHTS AND
QUINCY ENGINEERING, INC.
FOR
CONSTRUCTION MANAGEMENT, INSPECTION, AND MATERIALS TESTING**

THIS Agreement (“Agreement”) for consulting services is made by and between the City of CITRUS HEIGHTS (“City”) and QUINCY ENGINEERING, INC. (“Consultant”) (together referred to as the “Parties”) as of June 23, 2022 (the “Effective Date”).

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

- 1.1 Term of Services.** The term of this Agreement shall begin on the Effective Date and shall end on July 31, 2023 or the date the Consultant completes the services specified in Exhibit A, whichever occurs first, unless the term of the Agreement is otherwise terminated or extended, as referenced herein.
- 1.2 Standard of Performance.** Consultant shall perform all services required pursuant to this Agreement according to the standards observed by a competent practitioner of the profession in which Consultant is engaged.
- 1.3 Assignment of Personnel.** Consultant shall assign only competent personnel to perform services pursuant to this Agreement. In the event that City, in its sole discretion, at any time during the term of this Agreement, requests in writing the reassignment of any such persons to ensure Consultant performs services in accordance with the Standard of Performance, Consultant shall, immediately upon receiving City’s request, reassign such persons.
- 1.4 Time.** Consultant shall devote such time to the performance of services pursuant to this Agreement as may be reasonably necessary to meet the standard of performance provided herein above and to satisfy Consultant’s obligations hereunder.

Section 2. COMPENSATION. City hereby agrees to pay Consultant a sum not to exceed two hundred eighty five thousand dollars (\$285,000.00), as set forth in Exhibit B, attached hereto and incorporated herein for services to be performed and reimbursable expenses incurred under this Agreement. This dollar amount is not a guarantee that the City will pay that full amount to the Consultant, but is merely a limit of potential City expenditures under this Agreement.

Consultant and City acknowledge and agree that compensation paid by City to Consultant under this Agreement is based upon Consultant's estimated costs of providing the services required hereunder, including salaries and benefits of employees and subcontractors of Consultant. Consequently, the parties further agree that compensation hereunder is intended to include the costs of contributions to any pensions and/or annuities to which Consultant and its employees, agents, and subcontractors may be eligible. City therefore has no responsibility for such contributions beyond compensation required under this Agreement.

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

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

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

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

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

- 2.5 **Payment of Taxes.** Consultant is solely responsible for the payment of all federal, state and local taxes, including employment taxes, incurred under this Agreement.
- 2.6 **Authorization to Perform Services.** The Consultant is not authorized to perform any services or incur any costs whatsoever under the terms of this Agreement until receipt of a written authorization from the City Manager, or his or her designee.

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

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

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

4.2 **Commercial General and Automobile Liability Insurance.**

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

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

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

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

4.3 Professional Liability Insurance.

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

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

- a. The retroactive date of the policy must be shown and must be before the date of the Agreement.

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

4.4 All Policies Requirements.

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

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

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

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

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

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

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

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

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

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

Section 5. INDEMNIFICATION AND CONSULTANT'S RESPONSIBILITIES.

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

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

5.2 PERS Indemnification. In the event that Consultant or any employee, agent, or subcontractor of Consultant providing services under this Agreement is

determined by a court of competent jurisdiction or the California Public Employees Retirement System (PERS) to be eligible for enrollment in PERS as an employee of City, Consultant shall indemnify, defend, and hold harmless City for the payment of any employee and/or employer contributions for PERS benefits on behalf of Consultant or its employees, agents, or subcontractors, as well as for the payment of any penalties and interest on such contributions, which would otherwise be the responsibility of City.

Section 6. STATUS OF CONSULTANT.

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

Section 7. LEGAL REQUIREMENTS.

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

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

Section 8. TERMINATION AND MODIFICATION.

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

8.5.1 Immediately terminate the Agreement;

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

Section 9. KEEPING AND STATUS OF RECORDS.

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

Government Code Section 8546.7, the Agreement may be subject to the examination and audit of the State Auditor for a period of 3 years after final payment under the Agreement.

Section 10 MISCELLANEOUS PROVISIONS.

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

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

Consultant: Quincy Engineering, Inc.
11017 Cobblersrock Drive, Suite 100
Rancho Cordova, CA 95670
ATTN: Leland Mason, Project Manager

City: City of Citrus Heights
6360 Fountain Square Drive
Citrus Heights, CA 95621
ATTN: General Services Director

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

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

Exhibit A Scope of Services
Exhibit B Compensation Schedule

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

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

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

SIGNATURES ON FOLLOWING PAGE

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

CITY OF CITRUS HEIGHTS

QUINCY ENGINEERING, INC.

Ashley J. Feeney, City Manager

By: _____

Title: _____

Attest:

Amy Van, City Clerk

Approved as to Form:

Ryan R. Jones, City Attorney

EXHIBIT A
SCOPE OF SERVICES

CITY OF CITRUS HEIGHTS
2022 RESIDENTIAL STREET RESURFACING PROJECT



SCOPE OF WORK

The following Scope of Work identifies the items of work, the order in which they may occur, and how they will be addressed during the construction of the **2022 Residential Street Resurfacing Project**.

Upon negotiation with the City, Quincy will finalize this Scope of Work for this project for approval by the City.

This Work Plan is based on Quincy's current understanding of the project and the following assumptions:

- The CONTRACTOR will take no more than 109 working days (90 WD's base bid + up to 19 WD's Add. Alt. if awarded) to complete the project. Construction of the proposed project would last approximately 5 1/2 months from May 2022 to October 2022.
- The CONTRACTOR will generally be working normal shifts throughout the project. However, due to the nature of paving and resurfacing work, we have assumed up to 2 hours per week of overtime for our Construction Inspector.
- The CONTRACTOR will provide all construction staking and layout for the project.

Our level of effort depends on the Contractor's operation and ability to meet the anticipated schedule and contract requirements.

- Task 1 - Quincy's level of effort for pre-construction activities is estimated at up to 32 hours.
- Task 2 - Quincy's level of effort for construction administration and inspection activities is estimated at up to 1,356 hours.
- Task 3 - As subconsultant to Quincy, Geocon Consultants (Geocon) will provide materials sampling and testing services. Geocon's initial budget for these activities is established at up to \$19,814.72.
- Task 4 - Quincy's level of effort for post-construction activities is estimated at up to 36 hours.

The following are the activities we will employ by task:

Task 1: Pre-Construction Services

Quincy staff will perform the following, as required:

- Thoroughly review the plans, specifications, RE pending file, PLACs, and other applicable documents. It is important to identify potential or anticipated problem areas early in the contract.
- Prepare and conduct a coordination meeting with the City and City's Engineering Designer of Record (EOR) to review project information.
- Prepare and conduct a pre-construction conference with the Contractor, subcontractors, City officials, and other involved parties. Topics of discussion will include labor compliance, equal employment opportunity, record keeping, State and Federal safety laws, DBE involvement, use of local businesses and subcontractors, environmental requirements including Storm Water Pollution Prevention, utility issues, traffic control issues, safety problems, etc. A major goal at this meeting, besides dissemination of data, is to establish a cooperative attitude between the Construction Management (CM) field staff, City staff, and the Contractor. It is critical that all parties work as a Team.
- Create project records files based on the 63-Category Filing System in the Caltrans Construction Manual that will be passed onto the City once the project is completed. Maintain the project records on a regular basis such that the records are organized and complete.
- Establish a photo and video record for the project site to document pre-construction conditions.

Task 2: Construction Field Inspection and Management

Quincy staff will perform the following, as required:

- Establish and maintain project control including:

*CITY OF CITRUS HEIGHTS
2022 RESIDENTIAL STREET RESURFACING PROJECT
SCOPE OF WORK*

- On-site organization;
- Internal and external lines of communication and authority; and
- Procedures for coordinating with the City, EOR, Contractor, subconsultants, local businesses and residents, and other stakeholders.
- Verify Contractor enforcement of safety and health standards for construction activities. Regularly attend Contractor tailgate safety meetings. Perform periodic construction site safety reviews. Report accidents to appropriate authorities promptly. It is understood that City's Contractor is responsible for the project's safety at all times throughout the contract.
- Prepare and conduct regular (weekly or semi-weekly) progress meetings with the Contractor and City staff to discuss ongoing construction activities, job progress, scheduling, and other important issues. Prepare minutes and distribute to attendees promptly.
- Perform periodic reviews of the Contractor payroll records for labor compliance including:
 - Monitor and spot audit contractor certified payrolls for prevailing wages,
 - Review field labor compliance posters,
 - Perform field EEO interviews.
- Coordinate with local businesses and residents, as needed, throughout the project.
- Coordinate with utility companies and monitor Contractor coordination with utility companies, as needed, throughout the project. Observe utility work by utility companies, if needed, for compliance with project documents.
- Review for authorization of Contractor-developed submittals such as: staging, Traffic Handling Plan, project shop drawings, demolition plans, and material submittals. Verify that material submittals comply with the Buy America, as needed. Contractor-developed submittals requiring review and approval by others, i.e. the EOR, will be forwarded as appropriate.
- Process Contractor-developed Requests for Information (RFI) internally, to the City, or to the EOR, as appropriate. Copies of RFI correspondence that may result in a Change Order, including initial requests and subsequent responses, will be flagged.
- Develop and maintain logs for transmittals, submittals, RFI's, change orders, survey requests, and disputes for tracking timely and efficient processing and responses.
- Review, monitor, and document changes to the Contractor's schedule. Review and coordinate with the Contractor monthly schedule updates for critical path activities.
- Prepare and send Weekly Statement of Working Days to the Contractor. Prepare other daily, weekly, and monthly reports as requested by the City.
- Provide daily observation of the Contractor's work with appropriately trained and qualified field staff to verify that the work substantially complies with the contract documents and accept or reject the Contractor's work as applicable. Field staff to be comprised of the Resident Engineer, Construction Inspector, material inspectors/ testers, and other appropriate staff as needed.
- Prepare daily inspection reports. Daily records will contain progress of the project, weather history, Contractor's activities, the number of workers on site, problems encountered, and other relevant information.
- Take photographs daily during the construction to document Contractor activities, barricade placement, disputed work items, rejected, replaced, or removed items, completed work, and extra work.
- With the assistance of the City and the EOR, interpret plans and specifications. If further design work or modifications to the contract documents are required, assist in directing the modifications and provide an appropriate contract change order for authorization by the City.
- Notify the City immediately of any errors or omissions in the contract documents and coordinate corrections with the EOR.
- Prepare Contractor progress payment applications including computing and field verifying pay quantities pursuant to the Caltrans process.

- Prepare change orders for authorization by the City. Negotiate extra work with the Contractor while always keeping the City involved. Prepare estimates for extra work to support change order costs.
- Maintain daily extra work bills, quantity measurements, or such other information as is necessary to document the payment to the Contractor for the extra work completed as unit cost, lump sum, or force account.
- If the Contractor submits a potential claim or other dispute, Quincy will immediately notify the City. In cooperation with the City, Quincy will evaluate and work to resolve the issue in the field and prior to post-construction.
- Maintain a set of red-line plans to be provided to the City for “As-built” plans. Note all changes to this set as they occur.
- Attend a project walk through with City and Contractor personnel to establish a “punch list” of items of work that are not satisfactory.
- Attend a final project walk-through with City and Contractor personnel to determine that all “punch list” items of work have been completed.

Task 3: Materials Sampling and Testing

Materials sampling and testing will be performed by subconsultant, Geocon Consultants (Geocon).

- Geocon will perform sampling and materials testing per the project specifications and the City’s Quality Assurance Program. Typical tests include:
 - Soil compaction testing
 - Soil gradation, Cleanness Value, and Sand Equivalent for soils and aggregate base
 - Concrete and HMA field sampling and testing
 - Concrete Compressive Strength
 - Aggregate gradation, Cleanness Value, Sand Equivalent, and LA Rattler for concrete and HMA
- Quincy staff will coordinate timely testing and determination of correct testing methods and procedures for bridge and roadway work. Quincy will also accept or reject materials based on test results.

Task 4: Post-Construction Services

Quincy staff will perform the following as required during this task:

- Perform final observation of the project upon completion to confirm substantial conformity with contract documents.
- Compute the final quantities and prepare the final estimate of cost.
- Determine quantity over-runs and under-runs and provide explanation of each, as needed.
- Prepare the Proposed Final Estimate for Contractor agreement.
- Finalize black-line as-built plans for use by the Design Engineer to develop “Final As-built” drawings.
- Resolution of Contract Claims: Assist the City to resolve claims and disputes to minimize impacts to the project. If a potential claim cannot be resolved during the construction phase, it becomes a claim. If the claim cannot be immediately resolved, Quincy will recommend alternative actions to the City for consideration.

Due to the nature of Contract Claims and Dispute Resolution and the difficulty in estimating the scope and effort required (before construction activities have begun), and if possible, within the allocated administration and inspection budget, we will assist the City in resolving the claims and disputes. In the event that additional effort, beyond the scope of day-to-day administration and inspection operations is required, a contract amendment for this additional budget will be requested.

Optional Task: Apprentice Inspectors

Due to apprenticeship requirements by the California Department of Industrial Relations (CA DIR), prevailing wage eligible projects must notify and register with CA DIR and solicit apprentice inspectors from training programs. Response by apprentices for inclusion on projects has been historically low, however, if an apprentice responds to the solicitation, they must be hired on the spot and provided training as part of the project.

Due to the difficulty in estimating the probability and effort required, we will incorporate the apprentice inspector, if possible, within the allocated administration and inspection budget. However, if additional budget is required, a contract amendment for additional budget will be requested.

EXHIBIT B
COMPENSATION SCHEDULE

Cost Proposal

EXHIBIT B - COMPENSATION SCHEDULE

City of Citrus Heights - 2022 Residential Street Resurfacing Project

Construction Management and Inspection

Date: 4/1/2022

Quincy Engineering, Inc.

Direct Labor:	\$91,650.60
Estimated Salary Increases for Multi-Year Project	\$0.00
Subtotal	\$91,650.60
Overhead (1.430):	\$131,014.53
A. Labor Subtotal	\$222,665.13

Subconsultant Costs:

Geocon Consultants	\$19,814.72
0	\$0.00
0	\$0.00
0	\$0.00
0	\$0.00
0	\$0.00
0	\$0.00
0	\$0.00
0	\$0.00
B. Subconsultant Subtotal	\$19,814.72

Other Direct Costs:

CM Per Diem	0.0 Days @ \$120 per day	\$	-
CM Vehicle	Included in Overhead		
RE Per Diem	0.0 Days @ \$120 per day	\$	-
RE Vehicle	Included in Overhead		
SR Per Diem	0.0 Days @ \$120 per day	\$	-
SR Vehicle	Included in Overhead		
Inspector Per Diem	0.0 Days @ \$120 per day	\$	-
Inspector Vehicle	Included in Overhead		
Miscellaneous Field Supplies		\$	53.63
Construction Office	0.0 Months @ \$1,250 per month	\$	-
Mileage	0.0 Miles @ \$0.585 per mile	\$	-
Prevailing Wage Differential		\$	20,200.00
C. Other Direct Cost Subtotal:			\$20,253.63

Labor Subtotal A. =	\$222,665.13
Fixed Fee (10.0%):	\$22,266.51
Subconsultant Subtotal B. =	\$19,814.72
Fixed Fee (0.0%):	\$0.00
Other Direct Cost Subtotal: C. =	\$20,253.63
Fixed Fee (0.0%):	\$0.00

TOTAL =

\$285,000.00

Note: Invoices will be based upon actual QEI hourly rates plus overhead at 142.95% plus prorated portion of fixed fee. Subconsultant and Direct Costs will be billed at actual cost. The overhead rate (ICR) shall remain fixed for the contract duration or until both parties agree to modify the rate in writing.

Cost Proposal

	Project Number: BD-4488 Project Name: City of Citrus Heights - 2022 Residential Street Resurfacing Project													
	TASKS	Principal Engineer	Construction Manager	Office Engineer / Asst. RE	Const. Insp. Gp 2 **	Const. Insp. Gp 2 ** (1.5x OT)	blank	Quincy Total Hours	Quincy Total Labor Dollars	Quincy Labor	Quincy Profit	Quincy NLF Budget	Geocon Consultants	Subconsultant Subtotal
		MBH	NLM	JG	JD	CIG2OT	blank		Direct Labor	Labor+OH Multiplier	Fee Multiplier	Actual Labor Multiplier		
No.	Initial Hourly Rate	\$98.00	\$85.00	\$57.40	\$56.50	\$84.75	\$0.00							
Construction Management and Inspection										2.4295	10%	2.6725		
1	Pre Construction		24	8				32	\$2,499.20	\$6,071.81	\$607.18	\$6,678.99		\$0.00
2	Construction Administration & Inspection		300	140	872	44		1356	\$86,533.00	\$210,231.92	\$21,023.19	\$231,255.12		\$0.00
3	Materials Sampling and Testing							0	\$0.00	\$0.00	\$0.00	\$0.00	\$19,814.72	\$19,814.72
4	Post Construction		20	16				36	\$2,618.40	\$6,361.40	\$636.14	\$6,997.54		\$0.00
								0	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00
									\$0.00					\$0.00
	Subtotal- Hours	0	344	164	872	44	0	1424	\$91,650.60	\$222,665.13	\$22,266.51	\$244,931.65		\$0.00
	Estimated Salary Increases for Multi-Year Project								\$0.00	\$0.00	\$0.00	\$0.00		
	Other Direct Costs											\$20,253.63		\$0.00
	Total Cost	\$0.00	\$29,240.00	\$9,413.60	\$49,268.00	\$3,729.00	\$0.00	\$91,650.60	\$91,650.60	\$222,665.13	\$22,266.51	\$265,185.28	\$19,814.72	\$19,814.72

City of Citrus Heights - 2022 Residential Street Resurfacing Project

Year 2022 Hourly Rates

Rates are effective January 1, 2022 through December 31, 2022

Labor by Classification	Hourly Rate
Principal Engineer	\$80 - \$120
Construction Manager	\$65 - \$100
Resident Engineer **	\$60 - \$100
Structure Representative **	\$60 - \$100
Construction Inspector (Group 1) */**	\$50 - \$100
Construction Inspector (Group 2) */**	\$48 - \$98
Construction Inspector (Group 3) */**	\$40 - \$90
Construction Inspector (Group 4) */**	\$34 - \$84
Senior Engineer	\$60 - \$100
Associate Engineer	\$40 - \$80
Engineering Designer I	\$30 - \$50
Engineering Designer II	\$36 - \$66
Project Manager Assistant/Office Engineer	\$40 - \$65
<u>Surveying</u>	
Survey Manager	\$60 - \$90
Project Surveyor */**	\$40 - \$70
Overhead Rate	142.95%
<u>Other Direct Costs</u>	
Staff Computers and Cell Phones	Included in Overhead
Staff Assigned Vehicles	Included in Overhead
Home Office	Included in Overhead
Project Specific Construction Office	Cost
Construction Office Expenses (internet, utilities, etc.)	Cost
Mileage (when not Staff Assigned Vehicles)	Current Federal Rate (\$0.585/mi.)
Other Travel and Rental Vehicles	Cost
Subconsultants	Cost
Short Term Per Diem up to \$200	per day
Long Term Per Diem (DIR Daily Rate)	\$120 per day (no receipts required)
Prevailing Wage Differential**	Cost
Miscellaneous (field supplies, delivery, copying, etc.)	Cost
<u>Fee</u>	
Labor + Overhead	10%
Other Direct Costs	0%

Notes:

*Overtime rates apply to these classifications and will typically be charged at 1.5 times the hourly rate.

**Prevailing Wage may apply for field duties related to construction inspection and survey services.

Labor Costs to be invoiced based on actual hourly rate plus overhead plus fee.

Other Direct Costs to be invoiced at actual cost plus fee.

The Client and Quincy agree that the Indirect Cost Rate shall remain unchanged for a multi-year contract

All rates subject to an annual escalation of up to 5% per year



GEOCON COST PROPOSAL

R R d r R r r R R
r r r r r r r r

Proposal 2022 RSR Project
CONSULTANT: Geocon Consultants, Inc. **Date:** 4/1/2022
Task: Materials Testing Services

DIRECT LABOR

Classification	Name	Range	Hours	Initial Hourly Rate	Total
					\$ -
Principal Engineer	Zorne	\$60 - \$80	2	\$ 65.00	\$ 130.00
Senior Engineer	Loutzenhiser, Staff	\$41 - \$70	4	\$ 57.50	\$ 230.00
Project Engineer/Geologist	Guardado, Church, Staff	\$35 - \$40	8	\$ 45.00	\$ 360.00
Sr. Staff Engineer/Geologist	Staff	\$25 - \$35	6	\$ 35.00	\$ 210.00
Field Technician (PW Group 4, Reg.)	Staff	Published PW*	4	\$ 38.84	\$ 155.36
Field Technician (PW Group 3, Reg)	Staff	Published PW*	68	\$ 44.81	\$ 3,047.08
Field Technician (PW Group 3, OT)	Staff	Published PW*	4	\$ 67.22	\$ 268.88
Administrative Assistant	Staff	\$15 - \$30	2	\$ 30.00	\$ 60.00
			98		

*Prevailing Wage Determination: NC-63-3-9-2021-1; issue date: 8/22/21

Subtotal Direct Labor Costs \$ 4,461.32
Anticipated Salary Increases \$ -

TOTAL - Direct Labor \$ **4,461.32**

Fringe Benefit

Rate
 51.65% \$ 2,304.27

TOTAL - Fringe Benefits \$ **2,304.27**

Indirect Costs

Overhead Rate (General and Administrative)

Rate
 130.67% \$ 5,829.61

TOTAL - Indirect Costs \$ **5,829.61**

FEE

(10.00%)

TOTAL - Fee \$ **1,259.52**

OTHER COSTS (ACTUAL COSTS)

- Soil, Agg Lab Tests
- Concrete Agg Lab Tests
- Concrete Cyls
- HMA Lab Tests

Quantity	Unit	Rate	Total
1	est	\$ 2,420.00	\$ 2,420.00
1	est	\$785	\$ 785.00
1	est	\$ 150.00	\$ 150.00
1	est	\$ 2,605.00	\$ 2,605.00

TOTAL - Other Costs \$ **5,960.00**

Total - Geocon Consultants, Inc. \$ **19,814.72**

SUBCONSULTANT COSTS

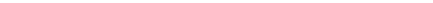
- n/a

\$ -

TOTAL - Subconsultants \$ **-**

TOTAL COST - NOT TO EXCEED \$ **19,814.72**



Engineer's Estimate:	n/a
Schedule:	60 Working Days
Assumptions:	Normal working hours Monday through Friday, prevailing wage Caltrans Test Methods for Earthwork, Subgrade, AB, HMA, Concrete
Geocon Fee Schedule	

M D

Approx. Percentage of Construction Cost: n/a



Geocon Proposal No. LS-22-77
Fed Aid Proj. No. n/a

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M **M**"



CERTIFICATE OF COMPLIANCE WITH LABOR CODE § 3700

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

CONSULTANT

By: _____

Title: _____

2699899.5



CITY OF CITRUS HEIGHTS

CITY COUNCIL STAFF REPORT

MEMORANDUM

DATE: June 23, 2022

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

FROM: Regina Cave, General Services Director
Mary Poole, Operations Manager

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

Summary and Recommendation

Staff recommends the City Council adopt Resolution No. 2022-____, A Resolution of the City Council's Intention to Record Delinquent Solid Waste Charges, Penalties and Interest on the Tax Roll. These charges will be collected with the general tax levy collected by Sacramento County. Delinquent charges are recorded on the tax roll once each year.

Fiscal Impact

There is no impact to the FY 21/22 budget. This item is included in the annual solid waste budget. The County charges an annual fee of \$35.00 plus 62 cents per levy to record delinquent accounts on the tax roll. The actual number of delinquent accounts will be determined on July 15, 2022.

Background and Analysis

Per Government Code Sections 38790.1, 25831, and the City's Municipal Code Chapter 74 Section 169, the City can record delinquent solid waste charges, penalties, and interest on the annual tax roll. The Government Code and Municipal Code also provide for a public hearing before the City Council for hearing objections to the proposed action or amount of charges, or both. The public hearing is proposed to be set for July 14, 2022.

As of May 17, 2022, there were 1,264 delinquent accounts, with a past due balance of \$440,909.38 and penalties of \$44,090.94 for a total of \$485,000.32. The list of delinquent accounts will be updated on July 15, 2022, and recorded on the tax roll in August 2022. The County will collect one-half of the amount due on December 10, 2022 and one-half on April 10, 2023. The County will forward the payments to the City in January and May 2023.

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

Date: June 23, 2022

Page 2 of 2

Attachments

- 1) Resolution 2022-____, a Resolution of the City Council's Intention to Record Delinquent Solid Waste Charges, Penalties and Interest on the Tax Roll

RESOLUTION NO. 2022-

**RESOLUTION OF INTENTION OF THE CITY COUNCIL OF THE
CITY OF CITRUS HEIGHTS TO RECORD DELINQUENT
SOLID WASTE SERVICE CHARGES TO THE PROPERTY TAX ROLL**

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

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

WHEREAS, City Council sets July 14, 2022 at 6:00 p.m., or as soon thereafter as the matter may be heard, in the City Council Chambers, 6360 Fountain Square Drive, Citrus Heights as the time and place where any and all persons having objections to the proposed collection of delinquent solid waste charges, penalties, and interest can show cause as to why the proposed actions should not be carried out in accordance with the Resolution of Intention.

NOW THEREFORE BE IT RESOLVED that the City Council hereby gives notice that any owner of property liable to be assessed for a delinquent solid waste charge may, at any time not later than the hour set for hearing objections to the proposed collection of such delinquent charges on the tax roll, make and file with the City Clerk a written protest against the proposed action herein described or against the amount of charges, or both.

PASSED AND ADOPTED by the City Council of the City of Citrus Heights, California, this 23rd day of June, 2022, by the following vote, to wit:

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

Porsche Middleton, Mayor

ATTEST:

Amy Van, City Clerk



CITY OF CITRUS HEIGHTS

CITY COUNCIL STAFF REPORT

MEMORANDUM

DATE: June 23, 2022

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

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

SUBJECT: **Senate Bill 1 Road Maintenance and Rehabilitation Account Funding and Project Expenditure Plan for FY 2022-2023**

Summary and Recommendation

Pursuant to Senate Bill 1 (SB 1), all California counties and cities receiving enhanced transportation funding through the enacted gas tax increase are required to submit on an annual basis an expenditure plan for the respective agency's allocation of funds for the subsequent fiscal year.

Staff recommends the City Council adopt Resolution No. 2022-___ A Resolution of the City Council of the City of Citrus Heights, California, approving the Fiscal Year 2022-2023 Project Expenditure Plan to be Funded by Senate Bill 1: The Road Repair and Accountability Act of 2017.

Fiscal Impact

In accordance with the formulaic distribution of the existing gas tax funds, Citrus Heights is expected to receive an estimated \$1,944,498 in Road Maintenance and Rehabilitation Account (RMRA) funds for fiscal year 2022-2023. These funds will come to the city in the same manner as the existing gas tax funds, which is a monthly distribution based on actual revenues collected. The city's RMRA funds are programmed in the 2022-2023 budget, as well as the 5-year Capital Improvement Program adopted in 2021.

Background and Analysis

On April 28, 2017, SB 1 was enacted into law, which established the RMRA to address deferred maintenance on state highway, and local streets and road systems. The bill stipulates the RMRA funds shall be used for projects that include, but are not limited to, the following:

- Road maintenance and rehabilitation;
- Safety Projects;
- Railroad grade separations;

**Subject: Senate Bill 1 (SB1) Road Maintenance and Rehabilitation Account Funding and Project List
for FY 2022-2023**

Date: June 23, 2022

Page 2 of 2

- Complete streets components, including active transportation purposes, pedestrian and bicycle safety projects, transit facilities, and drainage and storm water capture projects in conjunction with any other allowable project;
- Traffic control devices; and
- Matching funds for State and/or Federal grants for eligible projects.

In order to receive SB 1 funds, the California Transportation Commission (CTC) requires all local agencies submit an annual expenditure plan identifying the proposed projects to be funded with the RMRA funds, along with an adopted resolution containing the proposed projects. However, in recognizing the need for agencies to have greater flexibility in trying to address priorities and bridge funding gaps on existing projects, the CTC does permit acceptance of more broad form expenditure plans, indicating precise locations to be determined during the design phase. As outlined in Council's May 2022 Strategic Objectives, staff intends to return to Council in the fall to seek direction on options regarding pavement restoration strategies. Based on that direction, staff will then proceed with developing a street list for the 2023 Resurfacing Project.

The proposed improvement projects staff have identified for SB1 funding for FY 2022-2023 are as follows:

<u>Projects</u>	<u>Completion</u>	<u>Estimated Useful Life</u>
	October 2023	20 Year life
<ul style="list-style-type: none">• 2023 Street Resurfacing Project – pavement restoration; sidewalk, curb/gutter repairs; curb ramp upgrades; drainage enhancements; and pavement markings at various locations throughout the city. Locations to be determined during design phase.		

Approved expenditures plans are required to be submitted to the CTC annually by July 1 to avoid delay in distribution of funds. Receipt of RMRA funds for Fiscal Year 2022/2023 will commence October 2022.

Attachments

- 1) Resolution 2022-____, a Resolution of the City Council of the City of Citrus Heights, California, approving the Fiscal Year 2022-2023 Project List to be Funded by Senate Bill 1: The Road Repair and Accountability Act of 2017

RESOLUTION NO. 2022- ____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
CITRUS HEIGHTS, CALIFORNIA, APPROVING THE
FISCAL YEAR 2022-2023 PROJECT LIST TO BE FUNDED BY
SENATE BILL 1: THE ROAD REPAIR AND ACCOUNTABILITY ACT OF 2017**

WHEREAS, Senate Bill 1 (SB 1), the Road Repair and Accountability Act of 2017 (Chapter 5, Statutes of 2017) was passed by California Legislature and signed into law in April 2017 to help address the significant multi-modal transportation funding shortfalls statewide;

WHEREAS, SB 1 includes provisions for transparency and accountability to help ensure taxpayers are informed of the projects being proposed with Road Maintenance and Rehabilitation Account (RMRA) funding, and that recipients are expending the funds on eligible projects that meet the objectives of SB 1;

WHEREAS, the City must adopt by resolution a list of projects proposed to receive fiscal year funding from the RMRA, created by SB 1, which must include a description and the location of each proposed project, a proposed schedule for the project's completion, and the estimated useful life of the improvements;

WHEREAS, the City of Citrus Heights will receive an estimated \$1,944,498 in RMRA funding from SB 1 in Fiscal Year 2022-2023;

WHEREAS, this is the sixth year in which the City is receiving SB 1 funding and will enable the City to continue essential road maintenance and rehabilitation projects, safety improvements, and increasing access and mobility options for the traveling public may not have otherwise been possible without SB 1;

WHEREAS, the City conducted a thorough pavement analysis in 2019 which evaluated all city-owned streets and segments in order to obtain accurate data on the existing pavement conditions;

WHEREAS, the data from the city's pavement analysis is maintained in an up-to-date Pavement Management Program, and presently reflects an average Pavement Condition Index (PCI) of 51 for the city's overall network;

WHEREAS, the updated 2021 California Statewide Local Streets and Roads Needs Assessment found that the overall network of streets throughout the greater Sacramento County region are in the "at-risk" category (50-70 PCI) with an average PCI of 58;

WHEREAS, the SB 1 project list and overall investment in our local streets and roads infrastructure with a focus on basic maintenance and safety, investing in complete streets infrastructure, and using cutting-edge technology, materials and practices where applicable will have significant positive impacts throughout our community and the region; and

WHEREAS, the city proposes to apply its 2022-2023 SB1 funds towards the 2023 Street Resurfacing Project, with specific locations to be finalized during the design phase.

NOW, THEREFORE, BE IT RESOLVED AND ORDERED by the City Council of the City of Citrus Heights that the proposed list of projects to be funded in FY 2022-2023 by Senate Bill 1: The Road Repair and Accountability Act is hereby approved.

<u>Projects</u>	<u>Completion</u>	<u>Estimated Useful Life</u>
	October 2023	20 Year life
<ul style="list-style-type: none">• 2023 Street Resurfacing Project – pavement restoration; sidewalk, curb/gutter repairs; curb ramp upgrades; drainage enhancements; and pavement markings at various locations throughout the city. Locations to be determined during design phase.		

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 23rd day of June, 2022 by the following vote, to wit:

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

Porsche Middleton, Mayor

ATTEST:

Amy Van, City Clerk



CITY OF CITRUS HEIGHTS

CITY COUNCIL STAFF REPORT

MEMORANDUM

DATE: June 23, 2022

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

FROM: Bill Zenoni, Interim Administrative Services Director
Casey Kempenaar, Community Development Director
Regina Cave, General Services Director

SUBJECT: City Impact Fee Update

Summary and Recommendation

At the May 10, 2022 Council Strategic Retreat, the City Council adopted numerous goals including:

At the June 23, 2022 City Council Meeting, present to City Council for consideration, an analysis and proposed update of the city's development impact fees.

Impact Fees are fees assessed on new development to help mitigate the impact new development imposes on the City. This includes the Housing Linkage Fee (Affordable Housing Impact Fee), Roadway and Transit Impact Fee, Parks Impact Fee, and Fire Capital Facilities Impact Fee. With the exception of the Fire Capital Facilities Impact Fee, these fees have been in place prior to incorporation, or shortly after incorporation and have not been updated to reflect inflation or changing regulations.

At the August 8, 2019 City Council meeting, a contract was approved for Economic & Planning Systems (EPS) to analyze existing City fees and consider updates to fees as appropriate. An Affordable Housing Fee Nexus Study (Attachment 1A) and Multimodal Impact Fee Nexus Study (Attachment 2A) were developed to evaluate existing fees and establish the framework for consideration of new fees as required by AB1600 (Mitigation Fee Act).

In addition to the two City administered fees, the City also collects fees and remits fees for Parks and for Fire Capital Facilities Impact Fees. As special districts, neither Sunrise Recreation and Park District (SRPD) nor Sacramento Metropolitan Fire District (SMFD) are legally able to levy impact fees. As a result, the City has historically collected impact fees on behalf of the districts. This is common for local governments in California to support the Special Districts that provide services within their jurisdiction.

In order to evaluate their respective Impact Fees SRPD prepared a Park Impact Fee Nexus Study (Attachment 3A) and Sacramento Metropolitan Fire District prepared a Fire Capital Facilities Impact Fee Nexus Study (Attachment 4A).

Based on these Nexus Studies, the existing Impact Fees are insufficient to offset the impacts of new development within Citrus Heights. As a result, the following motions are recommended:

- Motion 1: Move to adopt Resolution No. 2022-____ a resolution of the City Council of the City of Citrus Heights, adopting an Affordable Housing Impact Fee Nexus Study and updating the Affordable Housing Impact Fee.
- Motion 2: Move to adopt Resolution No. 2022-____ a resolution of the City Council of the City of Citrus Heights, adopting a Multimodal Impact Fee Nexus Study and updating the Multimodal Impact Fee.
- Motion 3: Move to adopt Resolution No. 2022-____ a resolution of the City Council of the City of Citrus Heights, adopting a Park Impact Fee Nexus Study and updating the Park Impact Fee.
- Motion 4: Move to adopt Resolution No. 2022-____ a resolution of the City Council of the City of Citrus Heights, adopting the Sacramento Metropolitan Fire District Capital Facilities (Impact) Fee Study.
- Motion 5: Move to introduce for first reading, read by title only and waive the full reading of Ordinance 2022-____, an Ordinance of the City Council of the City of Citrus Heights related to Fire Capital Facilities Impact Fee

Fiscal Impact

Revenue from the proposed Impact Fees will vary based on timing and type of new development that will occur in the City. While Impact fees do not fully offset the impact of new development on the City; they serve as an important funding source for grant matches for City and/or partner agency projects and help contribute towards capital investments.

Approximately \$98,000 has been expended to prepare the necessary Nexus Studies to support the Impact Fee Update. Similarly, both SRPD and SMFD have expended significant resources to prepare Nexus Studies. After initiation of the study process, the state passed AB 602 changing the requirements for impact fee studies effective July 1, 2022. Should the Nexus Studies presented to Council, not be approved by this date, significant modifications will be required to comply with AB602, resulting in additional costs to the City and the Districts.

In the case of the Affordable Housing, Multimodal, and Park Impact Fees, funds collected may only be spent within Citrus Heights. The Fire Capital Facilities Fee may be spent elsewhere within SMFD; however, given SMFD's service model and the City's central location within SMFD's jurisdictional boundaries, it is anticipated that necessary investments in Citrus Heights will exceed revenues generated by development in Citrus Heights.

Background and Analysis

Development Impact Fees Overview

Development Impact Fees (DIF) are one-time fees paid by new development to fund the cost of providing municipal facilities to serve that development. This authorization exists through the enactment of California Government Code sections 66001 through 66025 (also known as the “Mitigation Fee Act” and sometimes referred to as “AB1600”).

The Mitigation Fee Act is premised on the concept that new development pays its own way, or, put another way, new development has to mitigate its own impacts on the system. The Mitigation Fee Act requires a rational nexus and rough proportionality between the type and scale of development and the fee imposed. This is what makes a DIF a “fee” and not a tax; DIF cannot be used for general purposes, such as maintenance. Development Impact Fees are paid to ensure that new growth pays its fair share and that existing residents and businesses do not shoulder the burden associated with the incremental need for new infrastructure and facilities presented by increasing population or service demands.

This process includes making a determination that there is a reasonable relationship between the purpose of the fee, the fee’s use and the type of development project on which the fee is imposed. In order for DIF to be legally enforceable, a community must conduct an analysis that identifies anticipated growth that is related to infrastructure costs and apportion those costs to project development. This is distributed by type of development, square foot, dwelling unit, or per trip basis - with the intent that this impact fee type distribution equitably mitigates the impact of development on City resources, amenities and infrastructure.

A key principal of the fee studies is to establish a maximum (ceiling) for development fees the city may consider charging. The subsequent staff recommendations reflect a developer contribution towards the local gap amount rather than the full mitigation cost. This is intended to recognize that the full mitigation cost could be a barrier to development and that typically these types of projects (affordable housing, roadway infrastructure, parks and fire facilities) obtain a variety of subsidies or grants in order to be built over time.

Existing City Fee Context

Shortly after incorporation the City Council adopted various regulations, fees, and associated actions from Sacramento County. Both the Housing Linkage Fee (Affordable Housing Fee) and the Roadway/Transit Fee were adopted in the 1990s and have never been updated or increased. Although development in the city is relatively limited, these fees are an important tool for the city to offset the impacts of development by providing affordable housing and roadway/transit improvements.

Since neither fee was indexed to inflation, the relative buying power of these fees has diminished considerably since incorporation. In order to ensure the impact fees are providing resources to offset development impacts, the city commissioned a Nexus Study for both the Housing Linkage Fee (Attachment 1a) and the Roadway/Transit Fee, rebranded as the Multi-Modal Impact Fee (Attachment 2a).

Housing Linkage Fee (Affordable Housing Impact Fee)

The Housing Linkage Fee (formerly Sacramento County Housing Trust Fund) was adopted in 1990 to increase and improve the supply of affordable housing units to very-low income households. The ordinance established square footage fees on non-residential developments based on an economic nexus analysis.

New commercial buildings create new jobs, a share of which are lower paying, resulting in new lower income households which in turn create additional demand for affordable housing. The Housing Linkage Fee specifically provides funding to help address the affordability gap or the difference between the cost of developing affordable units and the rent charged based on the income of the tenant for those in the workforce.

The analysis determined a nexus between the construction of various commercial and industrial buildings or land use types and the number of very-low income employee households. The fee amounts have not been updated since 1992 and are not indexed to inflation. Currently, the fees are assessed at the point of building permit issuance with fees ranging from \$0.26 per square foot to \$0.97 per square foot depending on the use.

As detailed in the Nexus Study, the analysis links the development of six types of workplace buildings to the estimated number of lower income housing units required in each of three income categories. Then, the cost of providing affordable housing to the worker households is determined and expressed per square foot of building area. Findings represent the full mitigation cost for the affordable housing impacts of new development and the ceiling for any affordable housing fee that may be imposed.

The Nexus Study also points out that many of the assumptions made err on the conservative side and may be considerably understated. The subsequent recommendations then reflect a contribution towards the local gap amount rather than the full mitigation cost recognizing that the full mitigation cost could be a barrier to development and that affordable housing projects obtain a variety of subsidies in order to be built and remain affordable over time.

The results of the Nexus Study are heavily driven by two factors: the density of employees within buildings and the occupational make-up of the workforce. Retail has both high employment density and a high proportion of lower paying jobs, factors that in combination result in the highest affordable housing impacts and maximum fee level conclusions among the various types. Warehouse and residential care facilities have a high proportion of lower paying jobs, but a low density of employment, resulting in lower maximum fee level conclusions compared to other land uses.

Table 1 provides the existing fees; maximum fees established by the Nexus Analysis; and the Indexed fees, if the ordinance had provided for the annual indexing of the fee.

Table 1

Development Type	Existing Fee	Indexed cost for inflation	Maximum Fee
Office	\$ 0.97	\$ 2.39	\$ 12.83
Hotel	\$ 0.92	\$ 2.27	\$ 60.48
Research and Development	\$ 0.82	\$ 2.02	\$ 7.94
Commercial	\$ 0.77	\$ 1.90	\$ 74.53

Regional Context

As part of the analysis, staff compared proposed fees to surrounding local agencies. These fees vary across the region, and a number of these fees are currently being studied. Fees of nearby agencies are depicted in Table 2.

Table 2

Existing /Proposed Fee/SF				
Agency	Office*	Hotel	Commercial	Industrial**
Citrus Heights (Existing)	\$ 0.97	\$ 0.92	\$ 0.77	\$ 0.61
Sacramento County	\$ 3.00	\$ 3.00	\$ 2.00	\$ 2.00
Rancho Cordova	\$ 0.97	\$ 0.92	\$ 0.77	\$ 0.61
City of Sacramento	\$ 2.76	\$ 2.63	\$ 2.22	\$ 1.73
Folsom	\$ 1.70	\$ 1.70	\$ 1.70	\$ 1.70
Elk Grove	\$ -	\$ 2.29	\$ 0.78	\$ 0.88
Placer County	\$ 2.00	\$ 2.00	\$ 2.00	\$ 2.00

* Office includes Medical Services and Assisted living

** Industrial includes Flex and Research & Development

On January 11, 2022, Sacramento County adopted updated Housing Trust Fund Impact fees for the first time since 1992. The adopted fees are well below the maximum fee levels identified by the County Nexus Study. County staff indicated they attempted to strike a balance between supporting affordable housing and minimizing development costs as feasible.

Affordable Housing Impact Fee Options

Council has the discretion to establish Impact Fees any point below the maximum fee identified in Table 1. Staff has evaluated three potential options for the Council's Consideration. The following identifies the options for consideration and a brief discussion of each option:

1. Adopt the impact fee indexed to inflation – As discussed, the original impact fee adopted in 1992 was not indexed to inflation. As a result, the fee has lost its buying power. Adjusting the original fee to inflation (3% annually) would increase the buying power of fees moving forward and still be among the lower fees within the region.

2. Adopt an average of all the other regional fees – This option would increase the impact fee, however would be based on the average of regional fees.
3. Match the Impact Fees adopted by Sacramento County – Setting this fee to match Sacramento County would help create regional consistency for the development community. Staff is aware of at least one other local agency considering this approach.

Table 3

Existing /Proposed Fee/SF				
	<i>Office*</i>	<i>Hotel</i>	<i>Commercial</i>	<i>Industrial**</i>
Existing	\$ 0.97	\$ 0.92	\$ 0.77	\$ 0.61
Options				
1. Indexed to Inflation (3% Annually)	\$ 2.39	\$ 2.27	\$ 1.90	\$ 2.02
2. Adjust to Regional Average	\$ 1.74	\$ 2.09	\$ 1.58	\$ 1.49
3. Match Sacramento County	\$ 3.00	\$ 3.00	\$ 2.00	\$ 2.00

* Office includes Medical Services and Assisted living

** Industrial includes Flex and Research & Development

Multimodal Impact Fee (Roadway/Transit Impact Fee)

The Roadway and Transit Impact Fee was adopted by Sacramento County in 1988 to offset the impact of new development on the City's Transportation Network. The initial Roadway/Transit Impact Fees were adopted by Sacramento County as a condition for receiving Measure A funds.

The fees were adopted by Citrus Heights as part of the incorporation but the fee amounts have not been updated since 1988 and are not indexed to inflation.

The study identified a nexus between the construction of new development and the impact on the City's Transportation network. The Impact Fee is intended to fund construction of roadway and transit improvements to accommodate traffic and transit ridership generated by new land development allowed by the General Plan and land use zoning.

The fee amounts have not been updated since 1988 and are not indexed to inflation. Currently, the fees are assessed at the point of building permit issuance with fees ranging from \$3.64 - \$4.45 per square foot for non-residential uses, and \$1,313-\$1,434 per unit for residential uses.

In 2021, the City contracted with EPS to develop the Nexus Study, rebranding the study as a Multi-Modal Impact Fee Study to reflect the City's complete streets approach to the transportation network. As detailed in the Nexus Study, the analysis attempts to reduce the impact of new development on the City's transportation network. The study evaluated projected land use growth in Citrus Heights from 2016-2040, utilizing data from the Sacramento Area Council of Governments SACSIM travel demand model. Additionally, the city evaluated its long term capital improvement project list to understand the relationship between projected land use development, existing conditions and potential impacts on the city's infrastructure and transportation system.

Table 4 provides the existing fees; and the Indexed fees, if the ordinance had provided for the annual indexing of the fee.

Table 4

Roadway Impact Fees - Existing, Indexed, and Proposed				
Land Use Category	Citrus Heights (existing)	Citrus Heights (indexed @ 3% since 89)	Citrus Heights (indexed @ 3% since 98)	Citrus Heights (proposed)
Single-Family	\$1,434 per unit	\$3,804 per unit	\$3,002 per unit	\$2,614 per unit
Multi-Family	\$1,313 per unit	\$3,482 per unit	\$2,749 per unit	\$1,418 per unit
Commercial/Retail	\$4.45 per. sf.	\$11.80 per sf	\$9.32 per sf	\$3.87-\$6.26 per sf.
Employment / Business	\$3.64 per sf.	\$9.65 per sf	\$7.62 per sf	\$2.83-\$7.88 per sf.

Regional Context

As part of the analysis, staff compared proposed fees to surrounding local agencies. These fees vary across the region, and a number of these fees are currently being studied. Fees of nearby agencies are depicted in Table 5.

Table 5

Roadway Impact Fee Comparison to Nearby Agencies							
Land Use Category	West Sacramento	Roseville	Rancho Cordova	Folsom	Sacramento County	Citrus Heights (existing)	Citrus Heights (proposed)
Single-Family	\$1,640-\$8,364	\$6,135 per unit ¹	\$14,306 per unit	\$8,168 per unit	\$18,620 per unit ²	\$1,434 per unit	\$2,614 per unit
Multi-Family	See above	\$3,804 per unit	\$9,417 per unit	\$5,717 per unit	\$10,613 per unit ⁶	\$1,313 per unit	\$1,418 per unit
Commercial/Retail	\$7.00-\$7.44 per sf	\$7.79 per sq. ft. ³	\$15.71 per sf	\$12.27 per sf	\$20.29 per sq. ft. ⁴	\$4.45 per. sf.	\$3.87-\$6.26 per sf.
Professional Office	\$7.28-\$9.63 per sf	\$7.36 per sq. ft. ⁵	\$12.57 per sf	\$5.33-\$12.77 per sf	\$17.20 per sq. ft.	\$3.64 per. sf.	\$2.83-\$7.88 per sf.

Notes:

¹ Fee shown is applied for infill areas of the City. Does not include other roadway fees including SPRTA and City of Roseville/Placer County joint roadways fee program.

² Fee shown is for District 2 (adjacent to City) for units between 1,200 and 2,500 sq. ft. Source: <https://sacdot.saccounty.net/Pages/DevelopmentFees.aspx>.

³ Fee shown is applied for infill areas and for retail less than 200,000 sq. ft.

⁴ Fee shown is for District 2 (adjacent to City) for retail less than 175,000 sq. ft.

⁵ Fee shown is applied for infill areas and for professional office less than 50,000 sq. ft.

⁶ Fee shown is for District 2

Source: EPS, 2021.

It is important to note that for the Citrus Heights existing fees referenced above, specifically for Single-Family and Multi-Family units, an administration fee is required in the amount of \$28.12 and \$25.74 per unit, respectively. This fee equates to a 2% charge in addition to the existing Roadway and Transit fees. The Multimodal Nexus Study references (Page 17) the ability to include an Administration fee to implement and administer the program, however, the proposed fees do not include an Administration Fee, nor is that the recommendation of staff at this time.

Park Impact Fee

Existing Park Impact Fee Context

In 1999, the City Council adopted Resolution 99-56, adopting the Citrus Heights Park Facility Impact Fee Study and established the Park Facility Impact Fee for all new development in Citrus Heights.

Shortly after the adoption of the fee, the City entered into a Memorandum of Understanding (MOU) with the District which outlines the collection and use of the fee as well as the process for requesting the fee. The District must obtain prior approval from the City Council before expending the fee.

The City/District Park 2x2 committee, which consists of two District Board Members and two City Council Members, serves as the reviewing committee for Park Facilities Impact Fee funding requests. This committee then sends their recommendation to the full City Council for a vote. The fee can be used for the following:

- The cost of new or expanded parks and recreational facilities in the City limits
- The cost of new recreational facilities in existing parks that expand service capacity in the City limits
- Park and recreational facility costs already incurred that provide growth related capacity in the City limits
- The proportional cost of park and recreational facility renovation projects that expand service capacity in the City limits

Recently, the Council authorized the use of \$90,000 in Park Facility Impact Fees to replace/modernize and expand playground equipment and install security cameras in Rusch Park.

These fees have not been updated on an annual basis for inflation. As a result, the District has been unable to keep pace with demand from increasing population growth.

Proposed Park Impact Fee

Park Impact Fees are needed to ensure that the District can build new parks and develop park and recreation facilities and improvements needed for the resident and nonresident employee growth created by new development in the City. In order to reflect changing demographics, facility needs, and anticipated growth, the District in coordination with City staff contracted with SCI to prepare the Park Impact Fee Nexus Study.

The purpose of the Park Impact Fee is to fund the one-time cost of building new parks and expanding the District's park and recreational facilities in order to meet the impact of new development within the District's City service area. The study is based upon the cost components are based on the District's level of service ("LOS") standards and defined on a per capita basis.

For the residential Park Impact Fee, the total per capita costs are applied to five residential land use categories according to their respective dwelling unit occupancy factor to establish a cost/fee per new dwelling unit.

For the nonresidential Park Impact Fee, an equivalent cost per employee is determined and applied to three nonresidential land uses according to their respective employment density factors to establish a cost/fee per square foot of new nonresidential building area. Table 6 depicts the existing and proposed Park Impact Fees:

Subject: Impact Fee Update

Date: June 23, 2022

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Table 6

Land Use Category	Unit ¹	Maximum Current Park Park Impact		\$ Change	% Change
		Impact Fee	Fee		
	Calc	a	b	c = a - b	d = c / a - 1
Single-Family Detached Housing	DU	\$1,079	\$6,089	\$5,010.50	464.6%
2 to 4 Unit Attached Housing	DU	\$801	\$4,722	\$3,921.35	489.8%
5 + Unit Attached Housing	DU	\$665	\$4,453	\$3,787.62	569.2%
Mobile Homes	DU	\$578	\$3,459	\$2,881.36	498.8%
Accessory Dwelling Unit		----- See Note 3 -----			
Retail / Commercial	BSQFT	\$0.09; \$0.18	\$0.36	\$0.09; \$0.27	26%; 74%
Office	BSQFT	\$0.185; \$0.37	\$0.56	\$0.185; \$0.375	34%; 66%
Industrial	BSQFT	\$0.045; \$0.09	\$0.24	\$0.045; \$0.195	20%; 80%

Notes:

¹ DU means dwelling unit; BSQFT means building square feet.

² Established by Citrus Heights City Council on July 28, 1999 by Ordinance No. 99-12

³ Accessory dwelling units less than 750 square feet of living area are exempt. Accessory dwelling units 750 square feet or greater shall be imposed 50% of the effective fee of the existing land use category.

It is projected the Park Impact Fee may generate approximately \$16.7 million (in 2021 dollars) by 2036 from within the City service area.

Nearby Agency Comparison

The current park impact fee was established in 1999 and has not increased. The proposed fee is a significant increase from the existing Park Impact Fee mainly due to construction costs increases that have occurred over the past 20 years; however, as compared to nearby Park District's, the fees proposed are among the lowest. On June 7, 2022, Sacramento County adopted a similar Nexus Study for the SRPD Parks located outside Citrus Heights.

Table 7

Existing /Proposed Fee/SF							
Agency	Per Unit				Per SF		
	Single Family	2-4 Unit	5+ Unit	Mobile Homes	Retail/Commercial	Office	Industrial
SRPD/Citrus Heights (Existing)	\$ 1,078.50	\$ 800.65	\$ 665.38	\$ 577.64	\$ 0.18	\$ 0.37	\$ 0.09
SRPD/Citrus Heights(Proposed)	\$ 6,089.00	\$ 4,722.00	\$ 4,453.00	\$ 3,459.00	\$ 0.36	\$ 0.56	\$ 0.24
Arcade Creek	\$ 6,741.00	\$ 6,467.00	\$ 5,347.00	\$ 4,936.00	\$ 0.39	\$ 0.61	\$ 0.26
Carmichael	\$ 6,791.00	\$ 6,178.00	\$ 5,592.00	\$ 5,752.00	\$ 0.45	\$ 0.70	\$ 0.30
Fair Oaks	\$ 7,124.00	\$ 6,456.00	\$ 4,926.00	\$ 6,011.00	\$ 0.49	\$ 0.76	\$ 0.32
Mission Oaks	\$ 6,540.00	\$ 5,939.00	\$ 5,232.00	\$ 5,651.00	\$ 0.44	\$ 0.69	\$ 0.29
North Highlands	\$ 9,377.00	\$ 5,983.00	\$ 6,235.00	\$ 5,430.00	\$ 0.41	\$ 0.64	\$ 0.27
Orangevale	\$ 6,993.00	\$ 5,987.00	\$ 4,628.00	\$ 4,377.00	\$ 0.44	\$ 0.68	\$ 0.29
Rio Linda/Elverta	\$ 8,131.00	\$ 8,208.00	\$ 5,335.00	\$ 5,540.00	\$ 0.45	\$ 0.70	\$ 0.30

Park Impact Fee Conclusion

The District has an extensive need to improve facilities and equipment to keep up with the growing population within Citrus Heights providing for community vibrancy and quality of life. The Impact Fee is anticipated to generate about \$16M in revenue by 2036.

Fire Capital Facilities Impact Fee

Existing Fire Capital Facilities Impact Fee Context

In 2004, the City began collecting Fire Impact Fees on behalf of the District. These fees have been updated on an annual basis for inflation; however, a comprehensive update has not been completed. In order to reflect changing demographics, calls for service, facility needs, and anticipated growth, the District contracted with NBS to prepare the Study.

The Study includes the anticipated costs for existing facilities and planned facilities with estimated building construction cost for future buildings, depreciated replacement cost for existing buildings, and estimated land cost (for future facilities) or land value (for existing facilities).

The Study also includes the replacement cost and depreciated replacement cost for the District's existing firefighting apparatus and vehicles. The report identifies a cost of nearly \$600M in today's dollars.

This fee is distributed to new development to cover the costs of serving new development. The fee is based upon 2040 projections of development throughout the District's territory. The fee is proportionally assigned to varying land uses based upon average calls for service. As illustrated below, the proposed fee increase ranges between 7% for Single Family homes to 68% increase for commercial development. Updated costs and level of service as previously described results in the following proposed Fire Fees.

Table 8

Land Use Category	Existing Fire Fee [per unit]	Proposed Fire Fee [per unit or 1,000 SF]¹	Increase and Percent Change
Single-Family Residential	\$1,478	\$1,582	\$104/7%
Multi-Family Residential	\$1,154	\$1,239	\$85/7%
Commercial	\$779	\$1,310	\$531/68%
Office	\$1,293	\$1,664	\$371/29%
Industrial	\$701	\$890	\$189/27%
Institutional/Other	\$1,237	\$1,585	\$348/28%

Administrative Fee

¹ As discussed in the Outreach portion of this report, the District considered this issue and agreed to remove such land values from the fee calculation. The fees presented here reflect this removal (approximately 7% reduction)

The Nexus Study recognizes each agency administering the Fire Fee will incur overhead costs. Administration of the proposed Fire Fee will involve several administrative tasks including annual adjustment as described below, legal review, fee collection, accounting, reconciliation, and preparation of annual reports. The City currently applies and proposes to continue to apply an administrative fee of three percent (3%) of the Fire Fee to recover these costs.

Inflationary Adjustment

As discussed previously, three of the four Impact Fees were established either prior to incorporation or shortly thereafter. When adopted, these fees did not include provisions to increase the fees to keep pace with inflation. This has resulted in reduced buying power and inability to keep pace with the impacts caused by growth.

As a result, each of the proposed fees includes an annual adjustment on January 1, by averaging the net percentage change in the Engineering News-Record Construction Cost Index for San Francisco and the 20 U.S. Cities Index for the preceding year

Outreach

As part of the fee update process, staff conducted outreach to the Land Development industry and Affordable Housing Advocates. The outreach effort also includes a dedicated webpage with information on the Nexus Study.

Notice of today's hearing for Affordable Housing Impact Fee, Multimodal Impact Fee, and Fire Capital Facilities Impact Fee was published in the Citrus Heights Messenger on May 20 and May 27, 2022. Notice of today's hearing for Park Impact Fees was published in the Sacramento Bee on May 23 and May 31, 2022.

Staff worked in close coordination with the SMFD to conduct outreach with the North State Building Industry Association (BIA) and the Land Development industry at large.

The BIA challenged the inclusion of land values for certain existing facilities in the inventory in cases where actual acquisition costs could not be substantiated. The District considered this issue and agreed to remove such land values from the fee calculation. The rates set forth above reflect the final rates, including a 7% reduction to reflect the implications of acquisition costs raised by the BIA.

Conclusion

Based on the Nexus Fee Studies prepared for the City and Districts, fees currently collected are insufficient to offset the impacts of new development on City facilities within Citrus Heights. The motions contained in the Staff Report would update the Impact Fees collected by the City and allow for an annual inflationary adjustment to ensure the collected fees keep pace with inflation. This action will ensure that new growth pays its fair share and that existing residents and businesses do not shoulder the burden associated with the incremental need for new infrastructure and facilities presented by increasing population or service demands.

Assembly Bill 602, signed by the Governor in October 2021, requires changes to nexus studies approved after July 1, 2022 (often including assessing impact fees based on square footage). The City and the District's effort to update the four nexus studies began about two years ago, and the significant cost would be incurred to revise the four nexus studies if not approved by July 1, 2022.

Attachments

1. Resolution No. 2022-_____ a Resolution of the City Council of the City of Citrus Heights, California, Adopting the Affordable Housing Impact Fee Nexus Study and updating the Affordable Housing Impact Fee
 - A. Affordable Housing Impact Fee Nexus Study
 - B. Affordable Housing Impact Fee
2. Resolution No. 2022-_____ a Resolution of the City Council of the City of Citrus Heights, California, Adopting the Multimodal Impact Fee Study, Renaming the Roadway and Transit Impact Fee to the Multimodal Impact Fee and Updating the Multimodal Impact Fee
 - A. Multimodal Impact Fee Nexus Study
 - B. Multimodal Impact Fee
3. Resolution No. 2022-_____ a resolution of the City Council of the City of Citrus Heights, adopting a Park Impact Fee Nexus Study and updating the Park Impact Fee.
 - A. Park Impact Fee Nexus Study
4. Resolution No. 2022-____ a resolution of the City Council of the City of Citrus Heights, adopting the Sacramento Metropolitan Fire District Capital Facilities (Impact) Fee Study
 - A. Capital Facilities Impact Fee Study
5. Ordinance 2022-____, an Ordinance of the City Council of the City of Citrus Heights related to Fire Capital Facilities Impact Fee

RESOLUTION NO. 2022 - ____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CITRUS HEIGHTS,
CALIFORNIA, ADOPTING THE AFFORDABLE HOUSING IMPACT FEE NEXUS
STUDY AND UPDATING THE AFFORDABLE HOUSING IMPACT FEE**

WHEREAS the City of Citrus Heights has, since the date of its incorporation January 1, 1997, assessed a fee on non-residential construction (Chapter 16.89 Municipal Code) to be used to increase the supply of affordable housing; and

WHEREAS in November 2003, the City Council of the City of Citrus Heights adopted an updated Ordinance Amending Chapter 16.89 relating to Housing Impact Fees on non-residential construction to fund specified low and very low income housing;

WHEREAS in November 2003, the City Council of the City of Citrus Heights adopted Resolution 2003- 123, specifying the purpose, intent, exceptions, and procedures for calculation of the Housing Impact Fees for non-residential development in Citrus Heights;

WHEREAS on May 27, 2021, the City Council of the City of Citrus Heights Adopted Resolution 2021-037, adopting an updated General Plan Housing Element Update required by State law, which includes numerous goals, policies, and objectives to support the development of affordable housing in Citrus Heights.

WHEREAS on June 23, 2022, the City Council considered and adopted the technical study prepared by Economic Planning Systems, Inc., entitled “Affordable Housing Fee Nexus Study” (“Nexus Study”), dated February 2022, which, in accordance with the provisions of State law, has identified the purpose of the impact fee, identified the intended use of the fee, determined how there is a reasonable relationship between the intended use of the fee and the types of development projects on which the fee is to be imposed, determined how there is a reasonable relationship between the need for affordable housing and the types of development projects on which the fee is to be imposed, and determined how there is a reasonable relationship between the amount of the fee and the cost attributable to the development projects on which the fee is to be imposed, ; and

WHEREAS consistent with the requirements of Government Code 66016.5, the Nexus Study identified the current level of service for the applicable public facilities, the proposed new level of service, and an explanation of why the new level of service is appropriate; and

WHEREAS, the City Council desires to adopt this resolution, adopting Affordable Housing Fee Nexus Study;

WHEREAS, notice of the public hearing to adopt the Nexus Study was published as required by Government Code 66016.5; and,

WHEREAS, the City Council also intends to hold a duly noticed public hearing on June 23, 2022, at which data and findings related to the Nexus Study will be further considered; and,

WHEREAS, the City Council recognizes that the maximum impact fees identified in the Nexus Study could impact feasibility of new development and redevelopment, therefore the City Council has identified the Impact Fees in Exhibit B as appropriate;

WHEREAS, at least ten days prior to the date this resolution is being heard, data was made available to the public indicating the amount of cost, or estimated cost, required to provide the service for which the fee or service charge is levied and the revenue sources anticipated to provide the service, including general fund revenues in accordance with Government Code Section 66019; and,

WHEREAS, at least fourteen days prior to the date this resolution is being heard, notice was provided to those persons or organizations who had requested notice of these fees, in accordance with Government Code Section 66019; and,

WHEREAS, notice of the hearing on the proposed fees was published twice in the manner set forth in Government Code 6602a and as required by Government Code Section 66018; and,

WHEREAS, a public hearing was conducted by the City Council on June 23, 2022.

WHEREAS, based upon all written and oral reports received, the City Council finds and determines that the proposed modifications to the City's Housing Impact Fee as set forth herein are necessary to offset the impacts of new commercial development on affordable housing and that these fees do not exceed the proportional cost of the service or benefit attributable to the fee payer.

NOW, THEREFORE, BE IT RESOLVED AND ORDERED that the City Council of the City of Citrus Heights does hereby declare, find, determine and order as follows:

- A) The Recitals set forth above are true and correct and incorporated herein by this reference.
- B) The Affordable Housing Impact Fee Nexus Study attached hereto as "Exhibit A" complies with the requirements of Government Code 66016.5 and is hereby adopted and approved as presented.
- C) The Impact Fees attached hereto as "Exhibit B" hereby adopted and approved as presented and may be updated annually on January 1, based upon the US Bureau of Labor Statistics Consumer Price Index, all items, San Francisco Area as of October of the previous calendar year, with adjustments, as recommended by the City Manager, rounded to the nearest whole dollar.
- (D) The adoption of this Resolution is not a project under the California Environmental Quality Act because it is the creation of a government funding mechanism that does not involve any commitment to any specific project. (CEQA Guidelines 15378(b)(4).
- (E) This Resolution shall go into full force and effect 60 days following adoption.
- (F) 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 23rd day of June 2022, by the following vote, to wit:

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

Porsche Middleton, Mayor

ATTEST:

Amy Van, City Clerk

Exhibits

- A. Affordable Housing Nexus Fee Study
- B. Proposed Affordable Housing Fee

Exhibit A- Affordable Housing Nexus Fee Study

Affordable Housing Fee Nexus Study

The Economics of Land Use



Prepared for:
City of Citrus Heights

Prepared by:
Economic & Planning Systems, Inc. (EPS)

*Economic & Planning Systems, Inc.
455 Capitol Mall, Suite 701
Sacramento, CA 95814
916 649 8010 tel
916 649 2070 fax*

*Oakland
Sacramento
Denver
Los Angeles*

www.epsys.com

EPS #192045

February 2022

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1. Introduction and Executive Summary

Background

The City of Citrus Heights (City or Citrus Heights) currently collects an Affordable Housing Fee on new nonresidential construction that provides a trust fund for low-income housing projects.

The City originally adopted its Affordable Housing Fee in 2003.¹ Based on several changes in local housing supply, regional housing needs, and broader economic and housing trends, the City retained Economic & Planning Systems, Inc. (EPS) to re-affirm the need for and update the Affordable Housing Fee for new commercial (i.e., nonresidential) development.

Purpose

EPS was retained by the City to conduct a nexus study that quantifies the relationship between the growth in nonresidential land uses and the demand for and cost of affordable housing for the local workforce. As a development impact fee, the Affordable Housing Fee (fee) can only be charged to new development and must be based on the impact of new development on the need for resources to subsidize the provision of affordable housing. The purpose of this report is to provide the nexus (or reasonable relationship) between new nonresidential development that occurs in the City and the need for additional affordable housing as a result of this new development.

Fee revenue may be collected by the City and used to subsidize the production or retention of affordable units for lower-income households.²

Authority

This study serves as the basis for requiring development impact fees under Assembly Bill (AB) 1600 legislation, as codified by the Mitigation Fee Act (California Government Code sections 66000 et seq.). This section of the Mitigation Fee Act sets forth the procedural requirements for establishing and collecting development impact fees. These procedures require that a reasonable relationship, or nexus, must exist between a governmental exaction and the purpose of the condition.

¹ Resolution No. 2003-123.

² In this report, the term "lower-income" refers to the general group of households that cannot afford market-rate housing. The terms "low-income" or "very low-income" refer to specific income levels within the general "lower-income" group.

In 1991, the Ninth Circuit U.S. Court of Appeals upheld the City of Sacramento's nonresidential linkage fee.³ In that case, the court found that the City of Sacramento's fee program "substantially advanced a legitimate interest." EPS is using a similar methodology to the nexus study reviewed in that case to develop the City's fee program.

Required Nexus Findings

- Identify the purpose of the fee.
- Identify how the fee is to be used.
- Determine how a reasonable relationship exists between the fee's use and the type of development project on which the fee is imposed.
- Determine how a reasonable relationship exists between the demand for the affordable housing and the type of development project on which the fee is imposed.
- Demonstrate a reasonable relationship between the amount of the fee and the cost of the public benefit attributable to the development on which the fee is imposed.

Summary

As new employment-generating development continues to occur in the City, additional affordable housing will be required to house a portion of the new lower wage workforce. The cost to construct new housing units is higher than can be supported by the rents or home prices that many workers will be able to pay. The difference between costs and affordable rent levels is considered an "affordability gap." The costs allocated to new nonresidential development through this fee reflect this affordability gap that would need to be filled to provide housing for additional workforce demanded by nonresidential development. Currently the City charges a fee ranging from \$0.26 per square foot for warehouse uses to \$0.97 per square foot for office uses.

Table 1 summarizes the maximum justifiable fee established by this Nexus Study by land use category. The methodology used to establish maximum justifiable fees is described in the subsequent chapters of this report. The City may determine that a lower fee level, below the maximum fee, is appropriate, given a range of development feasibility and economic development considerations. The lower fee may also be appropriate because affordable housing development is not the sole responsibility of nonresidential developers, as the City, State, and federal government have other programs and resources that can offset some affordable housing production costs.

³ *Commercial Builders of Northern California v. City of Sacramento*, 941 F2d 872 (1991).

Table 1 Summary of Maximum Allowable Fees

Land Use Category	Table Reference	Maximum Fee per Sq. Ft.
Office	Table 9	\$13.04
Hotel	Table 10	\$61.47
Commercial Retail	Table 11	\$75.75
Industrial/R&D/Flex	Table 12	\$8.07
Medical Services	Table 13	\$21.11
Assisted Living	Table 14	\$51.54

fee summ

Source: EPS.

Sources

To estimate the fee, EPS relied on numerous sources of data, including:

- U.S. Bureau of Labor Statistics (BLS) "National Industry-Specific Occupational Employment and Wage Estimates" May 2018 and May 2020.
- State Department of Housing and Community Development (HCD) annual income limits for 2021.
- U.S. Census Bureau American Community Survey (ACS).
- Input from Citrus Heights staff regarding affordability levels, recently developed affordable housing projects, market assumptions, and nexus study methodology.

These and other data sources are identified on the tables provided throughout this report. In addition, EPS established development and operating cost assumptions by reviewing pro forma materials and development applications for recently developed affordable housing projects throughout the Sacramento Region.

Organization of Report

After this **Introduction and Executive Summary**, this study includes the following chapters:

- **Chapter 2** presents the nexus findings based on the methodology.
- **Chapter 3** describes the methodology used to calculate the fee.

2. Required Nexus Findings for Fee Program

Purpose of Fee

The fee program updated through this Nexus Study will fund the development and preservation of affordable housing in the City as required by the increase in local, lower-wage workers employed by new nonresidential development. The businesses that occupy new nonresidential buildings will hire employees, many of whom will have difficulty finding suitable local housing they can afford.

Use of Fee

The fee will be collected by the City. The funds are used to provide assistance for production, acquisition of at-risk units, rehabilitation of affordable housing, or other programs that assist lower-income households to acquire housing at affordable prices. The fee also may fund the studies and administration to support the fee program.

Relationship between Use of Fee and Type of Development

The development of new nonresidential land uses in the City will generate need for additional workers. The wages of a significant portion of the new employees will be inadequate to support sufficient housing prices to attract residential developers to provide housing opportunities without further subsidy. The fee will be used to help fill the affordability gap for housing and increase the number of homes available for the local workforce.

Relationship between Demand for Affordable Housing and Type of Project

The City and EPS have identified six land use categories for which a separate fee has been calculated. The proportion of lower-wage workers and the number of square feet per employee for each land use category has been assessed based on associated employment categories occupying those land uses to ensure a proper nexus is established.

Relationship between Amount of Fee and Cost of Public Benefit Attributed to New Development

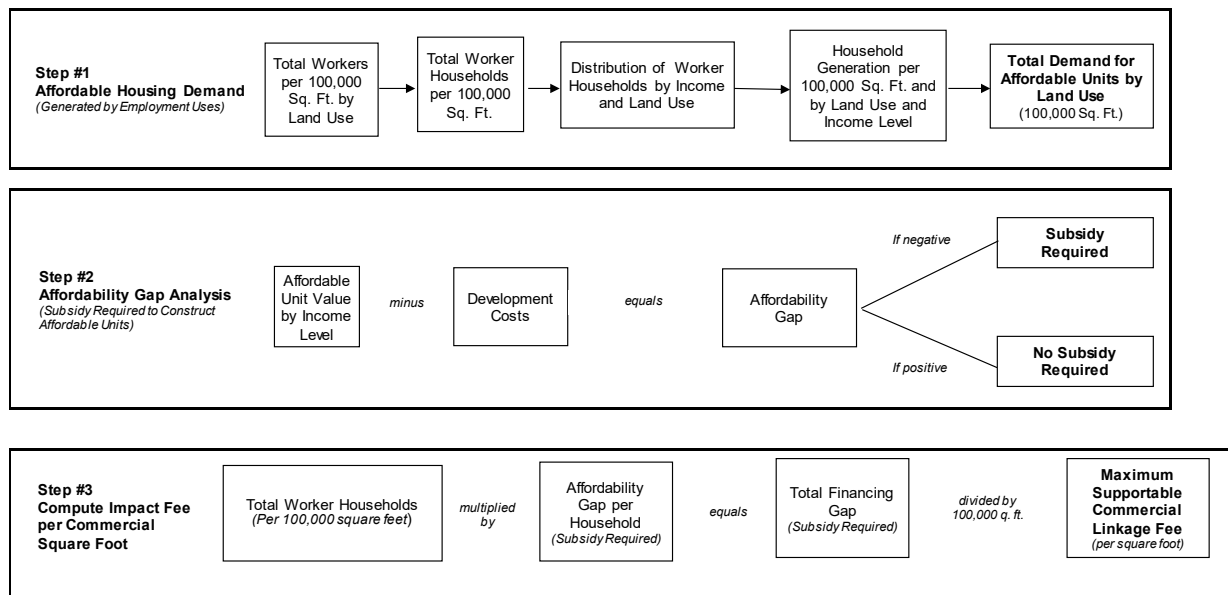
EPS estimated the gap between the cost of developing new rental housing and the achievable value of the new rental units based on prices affordable at different income levels for households below certain income levels. The affordable rents yielded unit values below the cost of construction, indicating an affordability gap. To estimate the maximum fee for each nonresidential development category, this gap was then multiplied by the number of lower-wage workers anticipated by the new development projects and the number of households of various income categories those workers are likely to form. As the fee is one of several mechanisms for generating resources for or reducing the cost of housing development, a fee level below the maximum calculated fee may be appropriate.

3. Methodology and Fee Calculation

This chapter offers an overview of the methodology used to derive the maximum justified fees. **Figure 1** offers an initial overview of the fee methodology according to the following discrete analytical steps:

1. Determine affordable housing demand generated by nonresidential uses.
2. Calculate affordability gap—the subsidy required to construct affordable units.
3. Compute maximum justified fee per commercial square foot.

Figure 1 Illustration of Affordable Housing Fee Methodology



Each step of the analysis is described in further detail in the sections to follow.

Affordable Housing Demand

This section calculates total affordable housing demand generated by new nonresidential uses. New nonresidential uses will employ new workers and to the extent that wage levels at those new establishments are insufficient to fund housing costs for some workers, those new workers may need to be housed in affordable units. The methodology described below establishes an estimate of how many affordable housing units are needed for every 100,000 square foot increment of new nonresidential development. Affordable housing demand is then calculated based on the number of worker households falling within the income categories defined by HCD and summarized in **Table 2** below. Based on the average household size in the City, this study uses a 3-person household as

the representation of a typical household requiring affordable housing units. Consistent with the existing fee program, this study focuses on demand for very low- and low-income units, conservatively estimating demand for subsidized affordable units by estimating household generation only for those lower-income categories.

Table 2 Sacramento County Annual Household Income Limits (2021)

Affordability Category	Acronym	Maximum Percentage of Area Median Income	Maximum Income Threshold
			3-Person Household
Very Low Income	VLI	0 - 50%	\$40,800
Low Income	LI	50 - 80%	\$65,250
Median Income	Median	80 - 100%	\$82,000
Moderate Income	Moderate	100 - 120%	\$98,350

income limit

Source: California Department of Housing and Community Development, State Income Limits for 2021.

Land Use and Employment Categories

Land use and associated employment categories used in this analysis are presented in **Table 3**, along with a description of the types of businesses that are included in each category. In general, each employment category is intended to be associated with a particular type of building or land use, to which the fees can be applied. The City asked EPS to evaluate six distinct categories to better match potential land uses and nexus linkages to employment categories. While most employment categories are discretely associated with a particular type of building, others may be interchangeable as tenants may shift between building types (e.g., commercial space locating in retail space). This analysis bases its employment projections on North American Industry Classification System (NAICS) codes considered the most typical tenants for each land use category.

Table 3 Land Use and Employment Categories

Employment Category	Description and Examples	NAICS Sectors	Sq. Ft. per Employee
Office	Employers engaged in business activity with limited direct access from the general public; businesses focused on professional and financial services. Examples include finance, insurance, real estate, law, engineering, and science and technology.	51 - Information; 52 - Finance and Insurance; 53 - Real Estate and Rental and Leasing (excluding 532 - Rental and Leasing Services); 54 - Professional, Scientific, and Technical Services; 55 - Management of Companies and Enterprises; 561 - Admin. and Support Services; and 61 - Educational Services (excluding 6111 - Elementary and Secondary Schools)	250
Hotel	Lodging or short-term accommodations for travelers, vacationers, and others and comprises establishments primarily engaged in providing short-term lodging in facilities known as hotels, motor hotels, resort hotels, and motels.	721 - Accommodation	500
Commercial Retail	Businesses selling food, merchandise, entertainment, and personal services to the general public. Examples include eating and drinking establishments, grocery stores, drug stores, clothing stores, general merchandise stores, beauty salons, movie theaters, and gas stations.	44 and 45 - Retail Trade; 722 - Food Services and Drinking Places; and 812 - Personal Care Services	400
Industrial/R&D/Flex	Employers engaged in business activity with limited direct access from the general public; businesses focused on assembling, distributing, or repairing products, and businesses focused on the testing and invention of new materials, products, or processes. Examples include warehouses, auto repair, and self-storage facilities.	31-33 Manufacturing; 22 - Utilities; 23 - Construction; 42 - Wholesale Trade; 493 - Warehousing & Storage; and 811 - Repair and Maintenance.	600
Medical Services	Healthcare-based facilities and offices.	621 - Ambulatory Health Care Services	500
Assisted Living	Industries in the Nursing and Residential Care Facilities subsector provide residential care combined with either nursing, supervisory, or other types of care as required by the residents. In this subsector, the facilities are a significant part of the production process and the care provided is the mix of health and social services with the health services being largely some level of nursing services.	623 - Nursing and Residential Care Facilities	475

categories

Source: EPS.

[1] Based on typical industry employment densities.

Occupational Category and Wage Distribution

EPS used U.S. Bureau of Labor Statistics (BLS) *National Industry-Specific Occupational Employment and Wage Estimates* to estimate the wages earned by employees in industry sectors related to the land use categories. The 2018 data were the most current data available at the time EPS initially completed the analysis. EPS applied an escalation factor to the annual wage estimates based on the most current data (May 2020) to ensure that wage data reflect the most recent wage levels reported.

In addition, EPS included an adjustment to calibrate national wage levels to the more local Metropolitan Statistical Area (MSA) geography. The BLS data set includes wage data at both the national and MSA levels, within the Sacramento-Roseville-Arden Arcade MSA. Wage data for the MSA are provided for occupations for all industries in aggregate, while national-level wage data are provided by industry sector (e.g., “management” workers in retail industries versus in healthcare services). To account for regional wage disparities, EPS calculated wage adjustment factors to show where Sacramento County wages fall below or exceed national averages for different occupation categories. EPS applied these adjustment factors to the nationwide income level data by industry sector to estimate the wages for Sacramento County. **Table 4** displays the results of this adjustment, as well as the aforementioned escalation to 2020 wage levels.

EPS used this BLS nationwide data regarding industries, occupation categories, and wage levels to estimate the proportion of occupations likely to be represented under each land use category. For example, EPS evaluated the occupation categories for the lodging industry to determine the proportional distribution of occupations for the employment category “Lodging.” NAICS sector 721000 (“Accommodation”) shows that nationwide 4.31 percent of the jobs in the lodging industry are taken by managers, while 28.17 percent are in the category of buildings and grounds cleaning and maintenance (see **Table A-3** in **Appendix A**). The occupational distribution for all designated land use categories is provided in **Appendix A**.

The wages within each occupation were multiplied by 1.63, the average number of workers per working household in the City, according to the Census Bureau’s American Community Survey data. The resulting figure is assumed to represent the annual household income assuming workers form households with those of similar earning potential. While there will be some variation in wages per employee within a household, in the absence of more specific data, this analysis assumes comparable levels of education and training among all workers in a household. This household income is then compared to the Sacramento County household income limits (**Table 2**) to determine the applicable affordability category (Very Low-Income, Low-Income, Median Income, Moderate Income). **Table 5** presents an example of this calculation for an individual hotel worker, and **Appendix A** presents this analysis aggregated for each land use category, according to the land use categories and NAICS sectors identified in **Table 2**.

Table 4 Annual Wages by Occupation

Occupation Category	Occupation Code	U.S. 2018 to 2020			U.S. to Sacramento MSA		
		Annual Wage Adjustment [1]			Annual Wage Adjustment (2020) [2]		
		2018	2020	Adjustment	U.S. Average Annual Wage	Sacramento-- Roseville-- Arden-Arcade MSA Average Annual Wage	MSA as a Percentage of U.S. Average
Management	11-0000	\$121,560	\$126,480	104.0%	\$126,480	\$124,830	98.7%
Business and Financial Operations	13-0000	\$76,910	\$80,680	104.9%	\$80,680	\$79,380	98.4%
Computer and Mathematical Science	15-0000	\$91,530	\$96,770	105.7%	\$96,770	\$98,560	101.8%
Architecture and Engineering	17-0000	\$87,370	\$90,300	103.4%	\$90,300	\$105,640	117.0%
Life, Physical, and Social Science	19-0000	\$76,160	\$79,360	104.2%	\$79,360	\$82,080	103.4%
Community and Social Services	21-0000	\$49,280	\$52,180	105.9%	\$52,180	\$62,730	120.2%
Legal Occupations	23-0000	\$108,690	\$112,320	103.3%	\$112,320	\$127,520	113.5%
Education, Training and Library	25-0000	\$56,620	\$59,810	105.6%	\$59,810	\$64,300	107.5%
Arts, Design, Entertainment, Sports, and Media	27-0000	\$59,780	\$64,400	107.7%	\$64,400	\$67,580	104.9%
Healthcare Practitioner and Technical	29-0000	\$82,000	\$85,900	104.8%	\$85,900	\$117,680	137.0%
Healthcare Support	31-0000	\$32,380	\$32,250	99.6%	\$32,250	\$35,710	110.7%
Protective Services	33-0000	\$48,580	\$52,220	107.5%	\$52,220	\$63,610	121.8%
Food Preparation and Serving	35-0000	\$25,580	\$27,650	108.1%	\$27,650	\$31,740	114.8%
Buildings and Grounds Cleaning and Maintenance	37-0000	\$30,020	\$32,760	109.1%	\$32,760	\$40,210	122.7%
Personal Care and Service	39-0000	\$28,090	\$32,610	116.1%	\$32,610	\$36,210	111.0%
Sales and Related Occupations	41-0000	\$41,790	\$45,750	109.5%	\$45,750	\$47,890	104.7%
Office and Administrative Support	43-0000	\$38,990	\$42,390	108.7%	\$42,390	\$46,760	110.3%
Farming, Fishing, and Forestry	45-0000	\$30,140	\$33,310	110.5%	\$33,310	\$33,670	101.1%
Construction and Extraction	47-0000	\$51,220	\$53,940	105.3%	\$53,940	\$59,770	110.8%
Installation, Maintenance, and Repair	49-0000	\$48,960	\$52,360	106.9%	\$52,360	\$57,610	110.0%
Production	51-0000	\$39,190	\$41,760	106.6%	\$41,760	\$44,790	107.3%
Transportation and Material Moving	53-0000	\$38,290	\$39,680	103.6%	\$39,680	\$40,590	102.3%

b/s wage

Source: Bureau of Labor Statistics, National Occupational Employment and Wage Estimates, May 2018, May 2020.

[1] The U.S. Average Wage by Occupation in Industry data is based on 2018 estimates. EPS adjusted the 2018 data by the percentage change in annual wages by occupation between 2018 to 2020.

[2] BLS provides occupation employment and wage data by separate NAICS categories only at the national level and not by MSA. Therefore, EPS adjusts the annual wages based on the percentage difference between Sacramento MSA and national wages by occupation to estimate occupation wages specific to the Sacramento MSA.

Table 5 Illustration of Employees' Household Income Calculation

Item	Source	Example
Employment Category	City of Citrus Heights and EPS	Hotel
Industry	Bureau of Labor Statistics (BLS)	Accommodation (NAICS Code 721000)
Occupation Category	BLS	Buildings and Grounds Cleaning and Maintenance
Nationwide Average Income for Occupation	BLS	\$26,800
May 2018 to May 2020 Escalation	BLS and EPS	109.1%
Regional Wage Adjustment Factor for Occupation	BLS and EPS	122.7%
Average Wage Estimate for the Sacramento MSA	BLS and EPS	\$35,897
Workers per Household	U.S. Census Bureau American Community Survey 2016-2019	1.63
Median Income per Household	Workers per Household Multiplied by Median Annual Wage	\$58,512
Income Category for 3-person Family	HCD	Low Income

Source: City of Citrus Heights; Bureau of Labor Statistics; U.S. Census Bureau, American Community Survey; HCD; EPS.

hh income

Distribution of Worker Households by Income Classification and Land Use Type

After identifying income ranges for each occupation and employment category, EPS summed the percentages of occupations by income bracket. These proportions of anticipated household income brackets by employment category are presented in **Table 6**.

As shown, Hotel and Commercial Retail uses are expected to generate significant numbers of households at the low-income level as defined by the income levels in **Table 2**, while more jobs in the Industrial/R&D/Flex and Office uses are expected to yield household incomes at or above moderate income levels.

Household Generation by Income Level

Using the income distribution derived in **Table 6**, EPS estimated the total number of households generated by 100,000 square feet of development in each land use category differentiated by income level. This calculation relies on assumptions regarding employment densities and household formation rates and is shown in **Table 7**.

Table 6 Income Distribution of Worker Households by Land Use Category [1]

Land Use Category	Table Reference	Income Category					Total
		Very Low Income	Low Income	Median	Moderate	Above Moderate	
Office	Table A-5	0.00%	8.67%	27.70%	3.33%	60.30%	100.00%
Hotel	Table A-6	0.00%	82.22%	11.16%	2.19%	4.43%	100.00%
Commercial Retail	Table A-7	0.00%	90.62%	3.93%	0.13%	5.32%	100.00%
Industrial/R&D/Flex	Table A-8	0.00%	12.61%	37.88%	25.35%	24.17%	100.00%
Medical Services	Table A-9	0.00%	28.65%	23.45%	0.42%	47.47%	100.00%
Assisted Living	Table A-10	0.00%	65.03%	12.68%	1.32%	20.97%	100.00%

inc dist

Source: Bureau of Labor Statistics, National Occupational Employment and Wage Estimates, May 2018, May 2020; EPS.

[1] Assumes households comprise 1.63 workers per household based on U.S. Census data. See Table A-1 in Appendix A for details.

Table 7 Household Generation Rates by Employment Category

Item	Sq. Ft. per Worker	Total Workers per 100k Sq. Ft. [1]	Percentage of Workers Forming Households [2]	Total Households per 100k Sq. Ft. [1]	Household Generation by Income Level [1]				
					Very Low	Low	Median	Moderate	Above Moderate
Average Workers per Household [3]				1.63					
Employment Category									
Office	250	400	98.1%	241	0	21	67	8	145
Hotel	500	200	98.1%	120	0	99	13	3	5
Commercial Retail	400	250	87.5%	134	0	122	5	0	7
Industrial/R&D/Flex	600	167	98.1%	101	0	13	38	26	24
Medical Services	500	200	98.1%	120	0	34	28	1	57
Assisted Living	475	211	98.1%	127	0	83	16	2	27

hh gen

[1] Figures rounded to the nearest whole number.

[2] National Retail Federation data indicates that 12.5-percent of retail and restaurant workers are age 16 to 19, whereas this age range comprises only 1.9-percent of workers in all other industries. EPS assumes that workers of age 16 to 19 do not form their own households.

[3] Assumes 1.63 workers per household based on U.S. Census data. See Table A-1 in Appendix A for details.

Employment Densities

Certain land use categories operate with varying levels of employment requirements. Industrial uses, for example, often do not require a significant number of employees but do require a significant amount of building square footage. Office space, on the other hand, may not require a significant amount of square footage, but often requires a significant number of employees. The number of building square feet anticipated for an employee is termed the “employment density” of each employment category.

Based on prior nexus studies, input from City staff, independent research, and experience with other comparable cities, EPS estimated the employment density (square feet per employee) for each of the employment categories as shown in **Table 3**. Using those employment-density assumptions, EPS estimated the number of employees that would occupy a 100,000-square-foot building for each employment category.

Household Formation

EPS then estimated the number of households at each income level represented by those employees. First, EPS adjusted for the fact that younger workers may not be at the age to form their own households. Data from BLS indicate that young workers aged 16 to 19 represent only about 1.9 percent of the overall workforce. However, the majority of these young workers are in the retail/restaurant industries, where they represent 12.5 percent of the overall industry employment. EPS has assumed that these young workers aged 16 to 19 would not form their own households. Second, EPS has assumed that, on average, new households formed in response to growing employment opportunities would have 1.63 wage-earning workers. This assumption is based on the Census Bureau’s ACS 2015-2019 data regarding the number of Citrus Heights residents who are “workers” in households that have workers. The combination of these adjustments results in the assumption that approximately 6 households are formed for every 10 new employees.

This analysis assumes that the fees on nonresidential development will fund required affordable housing for all new workers generated. In practice, only a portion of Citrus Heights workers reside in the City, as many workers commute *in* to the City from other areas for a variety of reasons, one of which is the relative cost of housing among different communities. However, if every jurisdiction were to adopt a policy that it would only fund housing for the fraction of its locally generated workers that choose to live in the City, in aggregate the region’s affordable housing demand would be grossly underrepresented and underfunded.

Housing Development Costs and Affordability Gap

EPS has assumed that the average type of housing for Citrus Heights lower-income workers would be a 2-bedroom apartment unit in a 2- to 3-story building. The assumed prototype reflects multifamily construction at 24.0 dwelling units to the acre with surface parking. City staff has confirmed that this example is typical of what would be constructed with funds from the linkage fee.

For residential developments that receive federal funding assistance, household size may be set by multiplying 1.5 by the number of bedrooms in the unit. Therefore, this fee analysis is based on the assumption that a 3-person household occupies a 2-bedroom unit. Consistent with input from the City, EPS assumes that the typical gross square footage of a 2-bedroom rental unit in Citrus Heights will be approximately 1,180 square feet. Applying an efficiency ratio of 85 percent to account for shared lobbies, hallways, etc., results in net square footage of 1,000 square feet.

Development Cost Assumptions

Affordable housing development costs include land costs, direct costs (e.g., labor and materials), building permit and development impact fees and indirect or "soft" costs (e.g., architecture, entitlement, marketing, etc.). For rental projects, operating costs also must be incorporated into the analysis. Data from recent Sacramento Region developments and land transactions have been combined with EPS's information from various market-rate and affordable housing developers to estimate appropriate development cost assumptions. These assumptions are shown in **Table 8**.

Table 8 Affordability Gap Analysis—Rental Product Type

Item	2-3 Stories Multifamily Building with Surface/Carport Parking	
	Very Low Income (50% AMI)	Low Income (80% AMI)
Development Program Assumptions		
Site Area (Acres)	2.0	2.0
Site Area (Sq. Ft.)	87,120	87,120
Density (Units/Acre)	24.0	24.0
Total No. of Units	48	48
Gross Unit Sq. Ft. [1]	1,180	1,180
Net/Leasable Unit Sq. Ft.	1,000	1,000
Number of Bedrooms per Unit	2	2
Number of Persons per 2-Bedroom Unit	3	3
Parking Spaces per Unit	1.0	1.0
Cost Assumptions		
Land per Acre [2]	\$190,000	\$190,000
Land per Unit	\$7,917	\$7,917
Direct Costs		
Site Work Costs per Land Sq. Ft.	\$10	\$10
Total Site Work Costs	\$871,200	\$871,200
Site Work Costs per Unit	\$18,150	\$18,150
Direct Construction Costs per Gross Sq. Ft. [3]	\$175	\$175
Direct Construction Costs per Unit	\$206,500	\$206,500
Parking Construction Costs per Space [4]	\$6,500	\$6,500
Parking Construction Costs per Unit	\$6,500	\$6,500
Subtotal Direct Costs per Unit	\$213,000	\$213,000
Est. Building Permit & Development Impact Fees per Unit [5]	\$19,006	\$19,006
Other Soft/Indirect Costs [6]		
As a % of Direct Costs	20.0%	20.0%
Total Other Soft/Indirect Costs	\$42,600	\$42,600
Financing		
Interest (5.0%, 70% LTC, 50% Outstanding)	\$4,944	\$4,944
Fees (2.0% of Loan Amount)	\$3,955	\$3,955
Total Financing Costs	\$8,899	\$8,899
Builder Fee		
As a % of All Costs	12.0%	12.0%
Total Builder Fee	\$34,021	\$34,021
Total Costs per Unit (Rounded \$1,000)	\$318,000	\$318,000
Maximum Supported Home Price		
Household Income [7]	\$40,800	\$65,250
Revenue to Property Owner per Year [8]	\$12,240	\$19,575
(Less) Operating Expenses per Unit per Year [9]	(\$5,500)	(\$5,500)
Net Operating Income	\$6,740	\$14,075
Capitalization Rate [10]	5.5%	5.5%
Total Supportable Unit Value [11]	\$122,545	\$255,909
Affordability Gap	(\$195,455)	(\$62,091)

gap analysis

Sources: CA HCD; RS Means; CoStar; National Apartment Association; EPS.

See next page for footnotes.

- [1] Assumes gross-to-net factor of 0.85, rounded to the nearest 10 sq. ft.
- [2] Based on a survey of residential land sales in Citrus Heights and peer communities. See Table B-1 for details.
- [3] Direct construction costs reflect vertical construction cost estimates for a 3-story wood-frame apartment building assuming union labor rates.
- [4] Typical surface lot parking costs are \$5,000 per space. This analysis assumes \$6,500 per space to include costs for carport structures.
- [5] Includes City building permit and development impact fees, and county or other regional agency development impact fees. See Table B-2 for details.
- [6] Includes costs for architecture and engineering; entitlement and fees; project management; appraisal and market study; marketing, commissions, and general administration; and contingency.
- [7] Based on 2021 income limits for a three-person household in Sacramento County. See Table 2 for details.
- [8] Assumes housing costs (e.g., rent and utilities) to be 30-percent of gross household income.
- [9] Operating expenses are based on the 2020 Multifamily Rental Housing Operating Expense Report: Survey and Analysis of LIHTC Properties, prepared by Novogradac.
- [10] The capitalization rate is used to determine the current value of a property based on estimated future operating income, and is typically a measure of estimated operating risk. The capitalization rate used in this analysis is a conservative assumption based CoStar data for the Carmichael/Citrus Heights and North Sacramento/Natomas/North Highlands multifamily submarket areas as of 2021 Q1.
- [11] The total supportable unit value is determined by dividing the net operating income by the capitalization rate.

Revenue Assumptions

To calculate the values of the affordable units, assumptions must be made regarding the applicable income level and the percentage of household income spent on housing costs. In addition, translating these assumptions into unit prices and values requires estimates of operating expenses and capitalization rates. The following assumptions were used in these calculations:

- *Income Levels*—This analysis estimates the subsidy required to produce units for households at very low and low income for a 3-person household. The income levels are established by HCD for Sacramento County and presented in **Table 2**.
- *Percentage of Gross Household Income Available for Housing Costs*—HCD standards on affordability indicate that households should pay no more than 30 percent of their gross income on housing costs. For this analysis, EPS conservatively assumes that a total of 30 percent of the household income is available to pay rent.
- *Operating Costs for Rental Units*—This analysis assumes that apartment operators incur annual operating costs of \$5,500 per unit, which include the cost of utilities, for units affordable to very low- and low-income households. EPS has assumed that units for low- and very low-income households would be built by nonprofits and thus would be exempt from property taxes.

Affordability Gap Results

Table 8 shows the subsidies for construction of rental apartments for very low- and low-income households. Across both categories, the cost of constructing the unit is higher than the value of the unit. This is considered the affordability gap and serves as the basis for calculating the subsidies required to provide housing for the employees who will be working in new nonresidential development in Citrus Heights. In other words, this analysis suggests that rents affordable to very low- and low-income households cannot support the costs of new construction without subsidy.

Fee Calculation

Tables 9 through **14** provide the maximum fee calculations for each of the six employment categories. Assuming a 100,000-square-foot nonresidential building prototype for each employment category, the number of new households by income category is multiplied by the per-unit affordability gap to determine the level of subsidy required to provide housing for the new worker households. The adjusted affordability gap is then divided by the size of the assumed building to determine a maximum fee per building square foot.

While the City has the option of adopting fees up to the maximum levels calculated, EPS does not recommend the City adopt the entire maximum fee. There are several factors compounding the issue of housing affordability; insufficient wages relative to housing costs constitutes just one factor. Market forces, land use regulations, construction costs, and entitlement costs also affect housing affordability. In addition, revenue generated through this fee program is just one source of potential subsidy funds to help finance affordable housing projects. Finally, adoption of the maximum fees for certain employment categories would represent a very large addition to the costs of development and could hamper the City's economic development and competitiveness objectives. As the fee is one of several mechanisms for generating resources for or reducing the cost of housing development, the fee level below the maximum calculated fee may be appropriate. Other California communities—including Sacramento and Walnut Creek, among others—have made reductions to the maximum allowable fee when adopting their fee program, for reasons such as those cited above.

This report concludes with the maximum fee that can be supported by a nexus analysis. Under separate cover, EPS will provide the results of a survey of fees charged by several proximate jurisdictions and other analyses that the City can use as a benchmark to determine the levels at which the fees should be set.

Table 9 Fee Calculation—Office

Item	Worker Households per 100k sq. ft.	Affordability Gap per household	Total Gap
<hr/>			
<i>Table References:</i>	<i>Table 7</i>	<i>Table 8</i>	
Aggregate Financing Gap per 100K Sq. Ft			
Affordability Level			
Very Low Income	0	\$195,455	\$0
Low Income	21	\$62,091	\$1,303,909
Total	21		\$1,303,909
<hr/>			
Fee Calculation		<i>formula</i>	
Total Financing Gap		<i>a</i>	\$1,303,909
Total Building Sq. Ft.		<i>b</i>	100,000
Maximum Fee per Sq. Ft.		$c = a / b$	\$13.04
<hr/>			
			<i>fee office</i>

Source: EPS.

Table 10 Fee Calculation—Hotel

Item	Worker Households per 100k sq. ft.	Affordability Gap per household	Total Gap
<i>Table References:</i>			
	<i>Table 7</i>	<i>Table 8</i>	
Aggregate Financing Gap per 100K Sq. Ft			
Affordability Level			
Very Low Income	0	\$195,455	\$0
Low Income	99	\$62,091	\$6,147,000
Total	99		\$6,147,000
Fee Calculation			
		<i>formula</i>	
Total Financing Gap		<i>a</i>	\$6,147,000
Total Building Sq. Ft.		<i>b</i>	100,000
Maximum Fee per Sq. Ft.		$c = a / b$	\$61.47
<i>fee hotel</i>			

Source: EPS.

Table 11 Fee Calculation—Commercial Retail

Item	Worker Households per 100k sq. ft.	Affordability Gap per household	Total Gap
<i>Table References:</i>			
	<i>Table 7</i>	<i>Table 8</i>	
Aggregate Financing Gap per 100K Sq. Ft			
Affordability Level			
Very Low Income	0	\$195,455	\$0
Low Income	122	\$62,091	\$7,575,091
Total	122		\$7,575,091
Fee Calculation			
		<i>formula</i>	
Total Financing Gap		<i>a</i>	\$7,575,091
Total Building Sq. Ft.		<i>b</i>	100,000
Maximum Fee per Sq. Ft.		$c = a / b$	\$75.75
			<i>fee retail</i>

Source: EPS.

Table 12 Fee Calculation—Industrial/R&D/Flex

Item	Worker Households per 100k sq. ft.	Affordability Gap per household	Total Gap
<hr/>			
<i>Table References:</i>	<i>Table 7</i>	<i>Table 8</i>	
Aggregate Financing Gap per 100K Sq. Ft			
Affordability Level			
Very Low Income	0	\$195,455	\$0
Low Income	13	\$62,091	\$807,182
Total	13		\$807,182
<hr/>			
Fee Calculation		<i>formula</i>	
Total Financing Gap		<i>a</i>	\$807,182
Total Building Sq. Ft.		<i>b</i>	100,000
Maximum Fee per Sq. Ft.		$c = a / b$	\$8.07
<hr/>			
			<i>fee ind</i>

Source: EPS.

Table 13 Fee Calculation—Medical Services

Item	Worker Households per 100k sq. ft.	Affordability Gap per household	Total Gap
<i>Table References:</i>			
	<i>Table 7</i>	<i>Table 8</i>	
Aggregate Financing Gap per 100K Sq. Ft			
Affordability Level			
Very Low Income	0	\$195,455	\$0
Low Income	34	\$62,091	\$2,111,091
Total	34		\$2,111,091
Fee Calculation			
		<i>formula</i>	
Total Financing Gap		<i>a</i>	\$2,111,091
Total Building Sq. Ft.		<i>b</i>	100,000
Maximum Fee per Sq. Ft.		$c = a / b$	\$21.11
<i>fee med</i>			

Source: EPS.

Table 14 Fee Calculation—Assisted Living

Item	Worker Households per 100k sq. ft.	Affordability Gap per household	Total Gap
<i>Table References:</i>			
	<i>Table 7</i>	<i>Table 8</i>	
Aggregate Financing Gap per 100K Sq. Ft			
Affordability Level			
Very Low Income	0	\$195,455	\$0
Low Income	83	\$62,091	\$5,153,545
Total	83		\$5,153,545
Fee Calculation			
		<i>formula</i>	
Total Financing Gap		<i>a</i>	\$5,153,545
Total Building Sq. Ft.		<i>b</i>	100,000
Maximum Fee per Sq. Ft.		$c = a / b$	\$51.54
<i>fee asst liv</i>			

Source: EPS.



APPENDICES:

- Appendix A: General Assumptions and
Sources and Occupation
Distribution by Employment
Category
- Appendix B: Multifamily Residential Pro Forma
Assumptions and Sources



APPENDIX A:

General Assumptions and Sources and Occupation Distribution by Employment Category

Table A-1	Assumptions and Sources.....	A-1
Table A-2	Occupation and Wage Distribution— Office	A-2
Table A-3	Occupation and Wage Distribution— Hotel	A-3
Table A-4	Occupation and Wage Distribution— Commercial Retail	A-4
Table A-5	Occupation and Wage Distribution— Industrial/R&D/Flex	A-5
Table A-6	Occupation and Wage Distribution— Medical Services	A-6
Table A-7	Occupation and Wage Distribution— Assisted Living	A-7

Table A-1
City of Citrus Heights
Affordable Housing Fee Update
Assumptions and Sources

Item	Estimate	Unit	Source
Demographic Assumptions			
Total Employed Residents	43,077	persons	U.S. Census Bureau, American Community Survey (2015-2019)
Households with Earnings	26,467	households	U.S. Census Bureau, American Community Survey (2015-2019)
Workers per Household with Workers	1.63	persons	U.S. Census Bureau, American Community Survey (2015-2019)
Persons per Family	3.15	persons	U.S. Census Bureau, American Community Survey (2015-2019)
Persons per Household	2.54	persons	U.S. Census Bureau, American Community Survey (2015-2019)
Employment Density Assumptions			
Office	250	sq. ft. per employee	EPS; based on typical industry employment densities
Hotel	500	sq. ft. per employee	EPS; based on typical industry employment densities
Commercial Retail	400	sq. ft. per employee	EPS; based on typical industry employment densities
Industrial/R&D/Flex	600	sq. ft. per employee	EPS; based on typical industry employment densities
Medical Services	500	sq. ft. per employee	EPS; based on typical industry employment densities
Assisted Living	475	sq. ft. per employee	EPS; derived from Keyser Marston Associates 2016 Nexus Study

assumps

Sources: U.S. Census American Community Survey Estimate 2015-2019; EPS.

OFFICE [1]									
Occupation Category	Occupation Code	US Total Jobs by Occupation in Industry	U.S. Average Wage by Occupation in Industry	2018 to 2020 U.S. Wage Adjustment [2]	Sacramento MSA Wage Adjustment [3]	Sacramento MSA Estimated Wage	Percentage of Industry Jobs in Occupation Category	Household Income at 1.63 Workers per Household [4]	Income Category 3-Person HH
Management	11-0000	3,268,890	\$136,787	104.0%	98.7%	\$140,467	7.46%	\$228,961	Above Moderate
Business and Financial Operations	13-0000	4,510,270	\$80,909	104.9%	98.4%	\$83,507	10.29%	\$136,116	Above Moderate
Computer and Mathematical Science	15-0000	3,321,580	\$92,878	105.7%	101.8%	\$100,012	7.58%	\$163,020	Above Moderate
Architecture and Engineering	17-0000	1,154,380	\$87,503	103.4%	117.0%	\$105,801	2.63%	\$172,456	Above Moderate
Life, Physical, and Social Science	19-0000	558,790	\$76,041	104.2%	103.4%	\$81,952	1.27%	\$133,582	Above Moderate
Community and Social Services	21-0000	409,300	\$58,713	105.9%	120.2%	\$74,738	0.93%	\$121,823	Above Moderate
Legal Occupations	23-0000	816,070	\$112,210	103.3%	113.5%	\$131,650	1.86%	\$214,590	Above Moderate
Education, Training and Library	25-0000	7,855,310	\$58,639	105.6%	107.5%	\$66,593	17.92%	\$108,547	Above Moderate
Arts, Design, Entertainment, Sports, and Media	27-0000	1,201,250	\$63,446	107.7%	104.9%	\$71,724	2.74%	\$116,910	Above Moderate
Healthcare Practitioner and Technical	29-0000	759,770	\$69,035	104.8%	137.0%	\$99,074	1.73%	\$161,491	Above Moderate
Healthcare Support	31-0000	246,280	\$31,962	99.6%	110.7%	\$35,249	0.56%	\$57,456	Low
Protective Services	33-0000	1,058,890	\$33,901	107.5%	121.8%	\$44,390	2.42%	\$72,356	Median
Food Preparation and Serving	35-0000	615,480	\$27,408	108.1%	114.8%	\$34,008	1.40%	\$55,433	Low
Buildings and Grounds Cleaning and Maintenance	37-0000	2,596,780	\$30,628	109.1%	122.7%	\$41,024	5.92%	\$66,869	Median
Personal Care and Service	39-0000	471,120	\$28,984	116.1%	111.0%	\$37,362	1.07%	\$60,900	Low
Sales and Related Occupations	41-0000	2,576,340	\$66,821	109.5%	104.7%	\$76,575	5.88%	\$124,817	Above Moderate
Office and Administrative Support	43-0000	8,484,480	\$40,355	108.7%	110.3%	\$48,397	19.36%	\$78,887	Median
Farming, Fishing, and Forestry	45-0000	28,500	\$32,315	110.5%	101.1%	\$36,100	0.07%	\$58,843	Low
Construction and Extraction	47-0000	331,530	\$49,764	105.3%	110.8%	\$58,071	0.76%	\$94,656	Moderate
Installation, Maintenance, and Repair	49-0000	1,126,450	\$48,742	106.9%	110.0%	\$57,353	2.57%	\$93,485	Moderate
Production	51-0000	988,390	\$34,087	106.6%	107.3%	\$38,958	2.25%	\$63,502	Low
Transportation and Material Moving	53-0000	1,452,140	\$30,873	103.6%	102.3%	\$32,727	3.31%	\$53,345	Low
Total or Weighted Average		43,831,990	\$63,611			\$71,593	100.00%	\$116,697	
Percentage of Households by Income Category									
Very Low Income									0.00%
Low Income									8.67%
Median									27.70%
Moderate Income									3.33%
Above Moderate									60.30%
Total									100.00%

[1] Includes NAICS Sectors: 51 - Information; 52 - Finance and Insurance; 53 - Real Estate and Rental and Leasing (excluding 532000 - Rental and Leasing Services); 54 - Professional, Scientific, and Technical Services; 55 - Management of Companies and Enterprises; 561 - Administrative and Support Services; 61 - Educational Services (Excluding 6111 - Elementary and Secondary Schools).

[2] The U.S. Average Wage by Occupation in Industry data is based on 2018 estimates. EPS adjusted the 2018 data by the percentage change in annual wages by occupation between 2018 to 2020. See Table 4 for details.

[3] See Table 4.

[4] See Table A-1.

HOTEL [1]									
Occupation Category	Occupation Code	US Total Jobs by Occupation in Industry	U.S. Average Wage by Occupation in Industry	2018 to 2020 U.S. Wage Adjustment [2]	Sacramento MSA Wage Adjustment [3]	Sacramento MSA Estimated Wage	Percentage of Industry Jobs in Occupation Category	Household Income at 1.63 Workers per Household [4]	Income Category 3-Person HH
Management	11-0000	86,620	\$80,740	104.0%	98.7%	\$82,912	4.18%	\$135,147	Above Moderate
Business and Financial Operations	13-0000	32,550	\$55,500	104.9%	98.4%	\$57,282	1.57%	\$93,370	Moderate
Computer and Mathematical Science	15-0000	3,590	\$62,690	105.7%	101.8%	\$67,505	0.17%	\$110,033	Above Moderate
Architecture and Engineering	17-0000	560	\$71,300	103.4%	117.0%	\$86,210	0.03%	\$140,522	Above Moderate
Life, Physical, and Social Science	19-0000	120	\$37,340	104.2%	103.4%	\$40,242	0.01%	\$65,594	Median
Community and Social Services	21-0000	190	\$45,410	105.9%	120.2%	\$57,804	0.01%	\$94,221	Moderate
Legal Occupations	23-0000	150	\$110,670	103.3%	113.5%	\$129,843	0.01%	\$211,644	Above Moderate
Education, Training and Library	25-0000	1,560	\$36,740	105.6%	107.5%	\$41,723	0.08%	\$68,008	Median
Arts, Design, Entertainment, Sports, and Media	27-0000	7,480	\$47,650	107.7%	104.9%	\$53,867	0.36%	\$87,803	Moderate
Healthcare Practitioner and Technical	29-0000	730	\$49,660	104.8%	137.0%	\$71,268	0.04%	\$116,167	Above Moderate
Healthcare Support	31-0000	9,990	\$44,020	99.6%	110.7%	\$48,547	0.48%	\$79,132	Median
Protective Services	33-0000	46,540	\$32,280	107.5%	121.8%	\$42,267	2.25%	\$68,895	Median
Food Preparation and Serving	35-0000	521,330	\$30,540	108.1%	114.8%	\$37,894	25.18%	\$61,767	Low
Buildings and Grounds Cleaning and Maintenance	37-0000	572,970	\$26,800	109.1%	122.7%	\$35,897	27.68%	\$58,512	Low
Personal Care and Service	39-0000	160,000	\$29,820	116.1%	111.0%	\$38,440	7.73%	\$62,657	Low
Sales and Related Occupations	41-0000	60,650	\$40,960	109.5%	104.7%	\$46,939	2.93%	\$76,511	Median
Office and Administrative Support	43-0000	378,230	\$29,310	108.7%	110.3%	\$35,151	18.27%	\$57,296	Low
Farming, Fishing, and Forestry	45-0000	1,170	\$29,780	110.5%	101.1%	\$33,268	0.06%	\$54,227	Low
Construction and Extraction	47-0000	5,090	\$50,230	105.3%	110.8%	\$58,615	0.25%	\$95,542	Moderate
Installation, Maintenance, and Repair	49-0000	112,250	\$37,280	106.9%	110.0%	\$43,866	5.42%	\$71,502	Median
Production	51-0000	44,080	\$27,390	106.6%	107.3%	\$31,304	2.13%	\$51,026	Low
Transportation and Material Moving	53-0000	24,380	\$27,390	103.6%	102.3%	\$29,035	1.18%	\$47,327	Low
Total or Weighted Average		2,070,230	\$32,584			\$39,758	100.00%	\$64,806	
Percentage of Households by Income Category									
Very Low Income									0.00%
Low Income									82.22%
Median									11.16%
Moderate Income									2.19%
Above Moderate									4.43%
Total									100.00%

hotel wage

Source: Bureau of Labor Statistics, National Occupational Employment and Wage Estimates, May 2018, May 2020; EPS.

- [1] Includes NAICS Sectors: 721000 - Accommodation.
 [2] The U.S. Average Wage by Occupation in Industry data is based on 2018 estimates. EPS adjusted the 2018 data by the percentage change in annual wages by occupation between 2018 to 2020.
 See Table 4 for details.
 [3] See Table 4.
 [4] See Table A-1.

Table A-4
City of Citrus Heights
Affordable Housing Fee Update
Occupation and Wage Distribution - Commercial Retail

Commercial Retail

COMMERCIAL RETAIL [1]									
Occupation Category	Occupation Code	US Total Jobs by Occupation in Industry	U.S. Average Wage by Occupation in Industry	2018 to 2020 U.S. Wage Adjustment [2]	Sacramento MSA Wage Adjustment [3]	Sacramento MSA Estimated Wage	Percentage of Industry Jobs in Occupation Category	Household Income at 1.63 Workers per Household [3]	Income Category
Management	11-0000	723,150	\$85,557	104.0%	98.7%	\$87,859	2.50%	\$143,210	Above Moderate
Business and Financial Operations	13-0000	208,810	\$62,843	104.9%	98.4%	\$64,861	0.72%	\$105,723	Above Moderate
Computer and Mathematical Science	15-0000	53,900	\$75,971	105.7%	101.8%	\$81,806	0.19%	\$133,344	Above Moderate
Architecture and Engineering	17-0000	3,600	\$72,254	103.4%	117.0%	\$87,363	0.01%	\$142,402	Above Moderate
Life, Physical, and Social Science	19-0000	820	\$61,420	104.2%	103.4%	\$66,194	0.00%	\$107,896	Above Moderate
Community and Social Services	21-0000	3,420	\$36,305	105.9%	120.2%	\$46,214	0.01%	\$75,329	Median
Legal Occupations	23-0000	2,830	\$72,713	103.3%	113.5%	\$85,310	0.01%	\$139,055	Above Moderate
Education, Training and Library	25-0000	12,050	\$36,305	105.6%	107.5%	\$41,229	0.04%	\$67,203	Median
Arts, Design, Entertainment, Sports, and Media	27-0000	139,160	\$38,237	107.7%	104.9%	\$43,226	0.48%	\$70,458	Median
Healthcare Practitioner and Technical	29-0000	545,680	\$65,651	104.8%	137.0%	\$94,217	1.88%	\$153,574	Above Moderate
Healthcare Support	31-0000	90,660	\$37,783	99.6%	110.7%	\$41,669	0.31%	\$67,920	Median
Protective Services	33-0000	99,360	\$32,975	107.5%	121.8%	\$43,177	0.34%	\$70,379	Median
Food Preparation and Serving	35-0000	11,115,810	\$25,072	108.1%	114.8%	\$31,110	38.40%	\$50,709	Low
Buildings and Grounds Cleaning and Maintenance	37-0000	186,410	\$27,138	109.1%	122.7%	\$36,350	0.64%	\$59,251	Low
Personal Care and Service	39-0000	827,330	\$30,351	116.1%	111.0%	\$39,125	2.86%	\$63,774	Low
Sales and Related Occupations	41-0000	9,290,890	\$29,187	109.5%	104.7%	\$33,447	32.09%	\$54,519	Low
Office and Administrative Support	43-0000	3,061,180	\$30,544	108.7%	110.3%	\$36,631	10.57%	\$59,709	Low
Farming, Fishing, and Forestry	45-0000	23,060	\$29,057	110.5%	101.1%	\$32,460	0.08%	\$52,910	Low
Construction and Extraction	47-0000	38,800	\$43,839	105.3%	110.8%	\$51,157	0.13%	\$83,386	Moderate
Installation, Maintenance, and Repair	49-0000	793,180	\$41,829	106.9%	110.0%	\$49,219	2.74%	\$80,227	Median
Production	51-0000	421,070	\$32,644	106.6%	107.3%	\$37,309	1.45%	\$60,814	Low
Transportation and Material Moving	53-0000	1,308,270	\$27,994	103.6%	102.3%	\$29,676	4.52%	\$48,372	Low
Total or Weighted Average		28,949,440	\$30,656			\$36,353	100.00%	\$59,255	
Percentage of Households by Income Category									
Very Low Income									0.00%
Low Income									90.62%
Median									3.93%
Moderate Income									0.13%
Above Moderate									5.32%
Total									100.00%

retail wage

Source: Bureau of Labor Statistics, National Occupational Employment and Wage Estimates, May 2018, May 2020; EPS.

[1] Includes NAICS Sectors: 44-45 - Retail Trade; 722 - Food Services and Drinking Places; 812 - Personal Care Services. See Table C-2 for details.

[2] The U.S. Average Wage by Occupation in Industry data is based on 2018 estimates. EPS adjusted the 2018 data by the percentage change in annual wages by occupation between 2018 to 2020. See Table 4 for details.

Table A-5
City of Citrus Heights
Affordable Housing Fee Update
Occupation and Wage Distribution - Industrial/R&D/Flex

Industrial/R&D/Flex

Occupation Category	INDUSTRIAL/R&D/FLEX [1]								
	Occupation Code	US Total Jobs by Occupation in Industry	U.S. Average Wage by Occupation in Industry	2018 to 2020 U.S. Wage Adjustment [2]	Sacramento MSA Wage Adjustment [3]	Sacramento MSA Estimated Wage	Percentage of Industry Jobs in Occupation Category	Household Income at 1.63 Workers per Household [4]	Income Category 3-Person HH
Management	11-0000	1,730,750	\$126,933	104.0%	98.7%	\$130,348	6.07%	\$212,467	Above Moderate
Business and Financial Operations	13-0000	1,131,260	\$73,541	104.9%	98.4%	\$75,903	3.97%	\$123,722	Above Moderate
Computer and Mathematical Science	15-0000	526,110	\$93,615	105.7%	101.8%	\$100,805	1.85%	\$164,312	Above Moderate
Architecture and Engineering	17-0000	1,038,680	\$86,168	103.4%	117.0%	\$104,187	3.64%	\$169,825	Above Moderate
Life, Physical, and Social Science	19-0000	151,740	\$74,853	104.2%	103.4%	\$80,671	0.53%	\$131,494	Above Moderate
Community and Social Services	21-0000	1,230	\$64,129	105.9%	120.2%	\$81,632	0.00%	\$133,060	Above Moderate
Legal Occupations	23-0000	14,430	\$146,305	103.3%	113.5%	\$171,652	0.05%	\$279,793	Above Moderate
Education, Training and Library	25-0000	1,750	\$60,136	105.6%	107.5%	\$68,293	0.01%	\$111,318	Above Moderate
Arts, Design, Entertainment, Sports, and Media	27-0000	183,300	\$54,142	107.7%	104.9%	\$61,206	0.64%	\$99,766	Above Moderate
Healthcare Practitioner and Technical	29-0000	75,960	\$71,427	104.8%	137.0%	\$102,506	0.27%	\$167,085	Above Moderate
Healthcare Support	31-0000	2,760	\$39,285	99.6%	110.7%	\$43,325	0.01%	\$70,620	Median
Protective Services	33-0000	38,850	\$42,337	107.5%	121.8%	\$55,435	0.14%	\$90,359	Moderate
Food Preparation and Serving	35-0000	83,440	\$26,838	108.1%	114.8%	\$33,301	0.29%	\$54,281	Low
Buildings and Grounds Cleaning and Maintenance	37-0000	147,470	\$31,517	109.1%	122.7%	\$42,215	0.52%	\$68,810	Median
Personal Care and Service	39-0000	5,220	\$30,177	116.1%	111.0%	\$38,900	0.02%	\$63,407	Low
Sales and Related Occupations	41-0000	2,034,220	\$67,900	109.5%	104.7%	\$77,811	7.14%	\$126,832	Above Moderate
Office and Administrative Support	43-0000	3,567,150	\$40,619	108.7%	110.3%	\$48,714	12.51%	\$79,404	Median
Farming, Fishing, and Forestry	45-0000	80,590	\$30,881	110.5%	101.1%	\$34,498	0.28%	\$56,232	Low
Construction and Extraction	47-0000	4,743,220	\$51,359	105.3%	110.8%	\$59,932	16.64%	\$97,689	Moderate
Installation, Maintenance, and Repair	49-0000	2,443,980	\$50,746	106.9%	110.0%	\$59,712	8.57%	\$97,331	Moderate
Production	51-0000	7,079,960	\$40,153	106.6%	107.3%	\$45,891	24.84%	\$74,802	Median
Transportation and Material Moving	53-0000	3,424,830	\$36,424	103.6%	102.3%	\$38,612	12.01%	\$62,938	Low
Total or Weighted Average		28,506,900	\$54,078			\$61,049	100.00%	\$99,510	
Percentage of Households by Income Category									
Very Low Income									0.00%
Low Income									12.61%
Median									37.88%
Moderate Income									25.35%
Above Moderate									24.17%
Total									100.00%

ind wage

Source: Bureau of Labor Statistics, National Occupational Employment and Wage Estimates, May 2018, May 2020; EPS.

[1] Includes NAICS Sectors: 31-33 Manufacturing; 22 - Utilities; 23 - Construction; 42 - Wholesale Trade; 493 - Warehousing and Storage; 811 - Repair and Maintenance. See Table C-3 for details.

[2] The U.S. Average Wage by Occupation in Industry data is based on 2018 estimates. EPS adjusted the 2018 data by the percentage change in annual wages by occupation between 2018 to 2020. See Table 4 for details.

[3] See Table 4.

[4] See Table A-1.

Table A-6
City of Citrus Heights
Affordable Housing Fee Update
Occupation and Wage Distribution - Medical Services

Medical Services

	MEDICAL SERVICES [1]								
Occupation Category	Occupation Code	US Total Jobs by Occupation in Industry	U.S. Average Wage by Occupation in Industry	2018 to 2020 U.S. Wage Adjustment [2]	Sacramento MSA Wage Adjustment [3]	Sacramento MSA Estimated Wage	Percentage of Industry Jobs in Occupation Category	Household Income at 1.63 Workers per Household [4]	Income Category 3-Person HH
Management	11-0000	220,750	\$110,440	104.0%	98.7%	\$113,411	2.98%	\$184,860	Above Moderate
Business and Financial Operations	13-0000	111,520	\$63,710	104.9%	98.4%	\$65,756	1.51%	\$107,182	Above Moderate
Computer and Mathematical Science	15-0000	45,930	\$74,980	105.7%	101.8%	\$80,739	0.62%	\$131,605	Above Moderate
Architecture and Engineering	17-0000	1,080	\$82,440	103.4%	117.0%	\$99,679	0.01%	\$162,477	Above Moderate
Life, Physical, and Social Science	19-0000	51,960	\$92,130	104.2%	103.4%	\$99,291	0.70%	\$161,844	Above Moderate
Community and Social Services	21-0000	283,440	\$48,680	105.9%	120.2%	\$61,966	3.83%	\$101,005	Above Moderate
Legal Occupations	23-0000	1,090	\$129,320	103.3%	113.5%	\$151,724	0.01%	\$247,310	Above Moderate
Education, Training and Library	25-0000	8,880	\$76,690	105.6%	107.5%	\$87,092	0.12%	\$141,960	Above Moderate
Arts, Design, Entertainment, Sports, and Media	27-0000	9,730	\$52,520	107.7%	104.9%	\$59,373	0.13%	\$96,778	Moderate
Healthcare Practitioner and Technical	29-0000	2,758,350	\$99,780	104.8%	137.0%	\$143,196	37.28%	\$233,409	Above Moderate
Healthcare Support	31-0000	1,688,210	\$34,030	99.6%	110.7%	\$37,530	22.82%	\$61,174	Low
Protective Services	33-0000	3,900	\$36,610	107.5%	121.8%	\$47,937	0.05%	\$78,137	Median
Food Preparation and Serving	35-0000	7,200	\$28,630	108.1%	114.8%	\$35,524	0.10%	\$57,904	Low
Buildings and Grounds Cleaning and Maintenance	37-0000	32,430	\$28,610	109.1%	122.7%	\$38,321	0.44%	\$62,463	Low
Personal Care and Service	39-0000	392,120	\$23,800	116.1%	111.0%	\$30,680	5.30%	\$50,008	Low
Sales and Related Occupations	41-0000	28,670	\$58,210	109.5%	104.7%	\$66,707	0.39%	\$108,732	Above Moderate
Office and Administrative Support	43-0000	1,686,330	\$37,730	108.7%	110.3%	\$45,249	22.79%	\$73,756	Median
Farming, Fishing, and Forestry	45-0000	0	\$33,570	110.5%	101.1%	\$37,502	0.00%	\$61,128	Low
Construction and Extraction	47-0000	600	\$56,780	105.3%	110.8%	\$66,258	0.01%	\$108,001	Above Moderate
Installation, Maintenance, and Repair	49-0000	21,310	\$45,760	106.9%	110.0%	\$53,845	0.29%	\$87,767	Moderate
Production	51-0000	15,660	\$41,440	106.6%	107.3%	\$47,362	0.21%	\$77,200	Median
Transportation and Material Moving	53-0000	29,140	\$38,090	103.6%	102.3%	\$40,378	0.39%	\$65,816	Median
Total or Weighted Average		7,398,300	\$63,026			\$82,966	100.00%	\$135,234	
Percentage of Households by Income Category									
Very Low Income									0.00%
Low Income									28.65%
Median									23.45%
Moderate Income									0.42%
Above Moderate									47.47%
Total									100.00%

ASSISTED LIVING [1]									
Occupation Category	Occupation Code	US Total Jobs by Occupation in Industry	U.S. Average Wage by Occupation in Industry	2018 to 2020 Adjustment [2]	Sacramento MSA Wage Adjustment [3]	Sacramento MSA Estimated Wage	Percentage of Industry Jobs in Occupation Category	Household Income at 1.63 Workers per Household [4]	Income Category 3-Person HH
Management	11-0000	106,680	\$88,480	104.0%	98.7%	\$90,860	3.19%	\$148,102	Above Moderate
Business and Financial Operations	13-0000	37,080	\$57,580	104.9%	98.4%	\$59,429	1.11%	\$96,869	Moderate
Computer and Mathematical Science	15-0000	3,380	\$58,440	105.7%	101.8%	\$62,929	0.10%	\$102,574	Above Moderate
Architecture and Engineering	17-0000	0	\$0	103.4%	117.0%	\$0	0.00%	\$0	Very Low
Life, Physical, and Social Science	19-0000	2,380	\$78,150	104.2%	103.4%	\$84,225	0.07%	\$137,287	Above Moderate
Community and Social Services	21-0000	188,140	\$39,340	105.9%	120.2%	\$50,077	5.63%	\$81,626	Median
Legal Occupations	23-0000	80	\$105,360	103.3%	113.5%	\$123,613	0.00%	\$201,489	Above Moderate
Education, Training and Library	25-0000	13,580	\$39,510	105.6%	107.5%	\$44,869	0.41%	\$73,136	Median
Arts, Design, Entertainment, Sports, and Media	27-0000	3,100	\$58,110	107.7%	104.9%	\$65,692	0.09%	\$107,078	Above Moderate
Healthcare Practitioner and Technical	29-0000	585,260	\$57,460	104.8%	137.0%	\$82,462	17.51%	\$134,413	Above Moderate
Healthcare Support	31-0000	986,310	\$28,720	99.6%	110.7%	\$31,674	29.50%	\$51,629	Low
Protective Services	33-0000	12,210	\$30,080	107.5%	121.8%	\$39,386	0.37%	\$64,199	Low
Food Preparation and Serving	35-0000	330,670	\$26,120	108.1%	114.8%	\$32,410	9.89%	\$52,828	Low
Buildings and Grounds Cleaning and Maintenance	37-0000	153,290	\$25,800	109.1%	122.7%	\$34,558	4.59%	\$56,330	Low
Personal Care and Service	39-0000	643,280	\$26,980	116.1%	111.0%	\$34,779	19.24%	\$56,690	Low
Sales and Related Occupations	41-0000	7,200	\$49,900	109.5%	107.5%	\$57,184	0.22%	\$93,210	Moderate
Office and Administrative Support	43-0000	163,480	\$36,420	108.7%	110.3%	\$43,678	4.89%	\$71,195	Median
Farming, Fishing, and Forestry	45-0000	0	\$0	110.5%	101.1%	\$0	0.00%	\$0	Very Low
Construction and Extraction	47-0000	1,210	\$43,090	105.3%	110.8%	\$50,283	0.04%	\$81,961	Median
Installation, Maintenance, and Repair	49-0000	57,570	\$39,160	106.9%	110.0%	\$46,079	1.72%	\$75,109	Median
Production	51-0000	28,930	\$24,890	106.6%	107.3%	\$28,447	0.87%	\$46,369	Low
Transportation and Material Moving	53-0000	19,140	\$28,920	103.6%	102.3%	\$30,657	0.57%	\$49,971	Low
Total or Weighted Average		3,342,970	\$36,569			\$45,648	100.00%	\$74,406	
Percentage of Households by Income Category									
Very Low Income									0.00%
Low Income									65.03%
Median									12.68%
Moderate Income									1.32%
Above Moderate									20.97%
Total									100.00%

[1] Includes 623 - Nursing and Residential Care Facilities NAICS code.
[2] The U.S. Average Wage by Occupation in Industry data is based on 2018 estimates. EPS adjusted the 2018 data by the percentage change in annual wages by occupation between 2018 to 2020.
See Table 4 for details.
[3] See Table 4.
[4] See Table A-1.



APPENDIX B:

Multifamily Residential Pro Forma Assumptions and Sources

Table B-1	Land Sales Comps	B-1
Table B-2	Building Permit and Development Impact Fee Calculation	B-2
Table B-3	Development Impact Fee Prototype Assumptions	B-3
Table B-4	Apartment Survey	B-4

Table B-1
City of Citrus Heights
Affordable Housing Fee Update
Land Sales Comps

Location	Sale Date	Use	Condition	Site Acres	Sales Price	
					Total	Per Acre
Wyatt Ranch Subdivision, Citrus Heights	November-20	Residential	Raw	4.36	\$1,490,000	\$341,743
6251 Hillsdale Boulevard, Antelope	November-20	Residential	Raw	2.44	\$820,000	\$336,066
5837 Palm Avenue, Carmichael	January-20	Residential	Raw	2.20	\$785,000	\$356,818
8229 Fair Oaks Boulevard, Carmichael	November-19	Residential	Raw	1.48	\$249,440	\$168,541
7249-7309 Sunrise Blvd., Citrus Heights	October-19	Residential	Raw	3.47	\$405,000	\$116,715
4552 Palm Ave., North Highlands	October-19	Residential	Raw	2.75	\$420,000	\$152,727
10122 Ellenwood Ave., Rancho Cordova	October-19	Residential	Raw	2.00	\$240,000	\$120,000
7932 Patton Ave., Citrus Heights	September-19	Residential	Raw	3.14	\$370,000	\$117,834
Roseville Rd., North Highlands	August-19	Residential	Raw	9.96	\$1,500,000	\$150,602
6434 Beech Ave., Orangevale	August-18	Residential	Raw	5.00	\$725,000	\$145,000
Weighted Average						\$190,338
Weighted Average (Rounded)						\$190,000

sales comp

Source: CoStar, data obtained May 28, 2021.

Table B-2
City of Citrus Heights
Affordable Housing Fee Update
Building Permit and Development Impact Fee Calculation

Item	Assumption	Estimated Fee		Comment
		Per Unit	Per Building	
Current as of		May-21		
Assumptions [1]				
Acres per Building	1.00			
Units per Building	24	-	-	
Gross Sq. Ft. per Building	28,320	-	-	
Gross Sq. Ft. per Unit	1,180	-	-	
Leasable Sq. Ft. per Unit	1,000	-	-	
Total Building Valuation	\$3,411,710	-	-	
Building Permit Fees [2]				
Building Permit Fee		\$721	\$17,305	Based on valuation
Plan Review / Plan Check		\$469	\$11,248	65% of Building Permit Fee
Zone Check Fee		TBD	TBD	
Records Fee		TBD	TBD	
Sacramento County IT Recovery		\$15	\$350	
Fire Sprinkler Permit [3]		\$27	\$655	SPB - 100-199 Sprinklers
Sac Metro Fire Plan Check Fee		\$69	\$1,663	NBPR3 - Bldg. 20,000-50,000 Sq. Ft.
Strong Motion Instrumentation Fee		\$40	\$955	Valuation * 0.00028
California Building Standards Commission Fee		\$6	\$136	Valuation / 25,000
Subtotal Building Permit Fees per Unit		\$1,346	\$32,313	
City Development Impact Fees				
Roadway Fee		\$931	\$22,344	\$931 per MFR unit
Transit Fee		\$356	\$8,544	\$356 per MFR unit
Roadway and Transit Administration		\$26	\$618	\$25.74 per MFR unit
Park Impact Fee		\$665	\$15,969	\$665.38 per MFR unit
Subtotal City Development Impact Fees		\$1,978	\$47,475	
Other Agency Development Impact Fees per Unit				
Drainage - Sacramento County Zone 11B		\$620	\$14,888	\$14,888 per acre (RD 20 to RD 30)
SASD Sewer Fee (Relief Area)		\$187	\$4,489	\$4,489 per net acre
Regional San Sewer Fee (Infill Area)		\$2,701	\$64,824	\$2701 per MFR unit
Citrus Heights Water District Plan Check Fee		\$50	\$1,206	\$1,156 + \$25.22 per connection (2 connections)
Citrus Heights Water District Inspection Fee		\$69	\$1,651	\$1,211 + \$220 per connection (2 connections)
Citrus Heights Water District Connection (2" Domestic; 1" Irrigation)		\$1,270	\$30,477	\$23,220.25 for 2"; \$7,256.33 for 1"
Citrus Heights Water District Meter Set (2" Domestic; 1" Irrigation)		\$79	\$1,902	\$1,271 for 2"; \$631 for 1"
San Juan Water District Fees (2" Domestic; 1" Irrigation)		\$2,968	\$71,225	\$54,266 for 2"; \$16,959 for 1"
San Juan Unified School District Fee		\$4,080	\$97,920	\$4.08 per living area sq. ft.
Quimby Fee [4]		\$1,653	\$39,672	See Footnote 4
Fire Fee - Sac Metro Fire District		\$1,059	\$25,416	\$1,059 per MFR unit
Sacramento Transportation Authority (STA) Fee		\$945	\$22,680	\$945 per MFR unit
Subtotal Other Agency Development Impact Fees per Unit		\$15,681	\$376,350	
Total Building Permit and Development Impact Fees		\$19,006	\$456,138	

fee calc

Source: City of Citrus Heights; County of Sacramento; Sacramento Metro Fire Department; SASD; Regional SAN; Citrus Heights Water District; San Juan Unified School District; EPS.

[1] See Table B-3 for additional assumptions.

[2] Estimate may not include all charges applied by the City's building department, including fees for mechanical, plumbing, and electrical.

[3] Assumes 1 sprinkler head per 200 building square feet.

[4] Per Sacramento County Code Section 22.40.045, the amount of land dedicated or fees paid in-lieu for parkland dedication for Sunrise Recreation and Park District is based on a per-unit acreage dedication factor, multiplied by the total number of units, multiplied by a fair market value of the property to be subdivided. These assumptions are provided below.

Multifamily Residential Per-Unit Dedication Factor: 0.0087.

Estimated Land Value: \$190,000, see Table B-1.

Table B-3
City of Citrus Heights
Affordable Housing Fee Update
Development Impact Fee Prototype Assumptions

Item	Amount
Project Acreage	2.00
Density (Units/Acre)	24.0
Total No. of Units	48
No. of Buildings	2
No. of Units per Building	24
Avg. Leasable Sq. Ft. per Unit	1,000
Avg. Gross Sq. Ft. per Unit [1]	1,180
Total Gross Sq. Ft. per Building	28,320
Valuation per Sq. Ft. [2]	\$120.47
Total Valuation per Building	\$3,411,710

prototype assump

Source: CoStar; International Code Council (ICC);
EPS.

[1] Assumes a gross-to-net ratio of 0.85.

[2] Based on ICC February 2021 building valuation
for R-2 Residential Multifamily, Type VB.

Table B-4
City of Citrus Heights
Affordable Housing Fee Update
Apartment Survey

Property	Location	Year Built	No. of Buildings	Number of Units				Avg. No. of Units/Bldg.	Average Unit Sq. Ft.			
				1 Bdrm	2 Bdrm	3 Bdrm	Total		1 Bdrm	2 Bdrm	3 Bdrm	Avg.
Vineyard Gate Apartments	Roseville	2000	22	112	136	32	280	13	809	1,183	1,405	1,059
Stoneridge Apartments	Roseville	2004	32	73	139	18	230	7	750	1,051	1,276	973
Pearl Creek Apartments	Roseville	2014	13	60	152	12	224	17	795	1,160	1,363	1,073
Pinnacle at Galleria	Roseville	2001	15	96	124	16	236	16	765	1,103	1,256	976
Villages of the Galleria	Roseville	2001	8	117	56	8	181	23	783	1,026	1,247	879
Harvest at Fiddymont Ranch	Roseville	2019	6	75	165	60	300	50	790	1,091	1,258	1,049
Antelope Ranch	Antelope	2007	9	32	56	28	116	13	624	820	950	797
Arlington Creek	Antelope	2003	8	32	68	48	148	19	720	990	1,270	1,022
Sierra Creek	Antelope	2006	10	72	72	0	144	14	687	984	-	836
Normandy Park	Citrus Heights	2001	9	64	52	0	116	13	705	958	-	818
The Oaks at Hackberry	Carmichael	2014	6	36	20	0	56	9	670	966	-	776
The Crest at Fair Oaks	Fair Oaks	2004	8	42	28	6	76	10	711	1,069	1,350	893
Anton Arcade	Arden-Arcade	2017	3	40	96	12	148	49	630	934	1,175	871
Oak Brook	Rancho Cordova	2001	14	148	148	8	304	22	756	1,198	1,390	988
Forestwood at Folsom	Folsom	2012	3	18	20	17	55	18	670	892	1,061	872
Granite City Apartments	Folsom	2013	4	30	33	18	81	20	783	1,034	1,283	996
Bidwell Pointe	Folsom	2019	7	67	65	8	140	20	709	1,077	1,200	908
Vintage Willow Creek	Folsom	2003	10	104	80	0	184	18	580	720	-	641
The Falls at Willow Creek	Folsom	2004	28	164	220	42	426	15	768	1,023	1,153	938
Total/Weighted Average			215	1,382	1,730	333	3,445	16	735	1,048	1,231	940
Amount Used for Analysis								24		1,000		

apt survey

Source: CoStar; EPS.

Exhibit B – Affordable Housing Impact Fee

Fee to be set as Determined by City Council at June 23rd Council Meeting

RESOLUTION NO. 2022 - ____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CITRUS HEIGHTS, CALIFORNIA, ADOPTING THE MULTIMODAL IMPACT FEE STUDY, RENAMING THE ROADWAY AND TRANSIT IMPACT FEE TO THE MULTIMODAL IMPACT FEE AND UPDATING THE FEE

WHEREAS the City of Citrus Heights has, since the date of its incorporation January 1, 1997, assessed a fee on new development to be used to improve the City's transportation network known as the Roadway and Transit Impact Fees;

WHEREAS in August 2011, the City Council of the City of Citrus Heights adopted an updated General Plan focused on sustainability and transportation via Resolution 2011-105;

WHEREAS the General Plan includes Goal 29.2, which states, "Plan, design, construct, and manage a Complete Streets transportation network that accommodates the needs of all mobility types, users, and ability levels";

WHEREAS the General Plan includes Policy Action 29.2.A which states, "Modify the existing traffic impact fee program to include a mitigation fee designed to reduce vehicular trips and vehicle miles traveled within the City to avoid or minimize the need to expand existing roadway capacity. This should include a multi-modal (Complete Streets) capital improvement program (CIP) and, in conjunction with public funding, provide full funding for the City's circulation element improvements";

WHEREAS on June 23, 2022, the City Council considered and is adopting the technical study prepared by Economic Planning Systems, Inc., entitled "Multimodal Impact Fee Nexus Study" ("Nexus Study"), (Exhibit A), which, in accordance with the provisions of State law, has identified the purpose of the impact fee, identified the intended use of the fee, determined how there is a reasonable relationship between the intended use of the fee and the types of development projects on which the fee is to be imposed, determined how there is a reasonable relationship between the need for affordable housing and the types of development projects on which the fee is to be imposed, and determined how there is a reasonable relationship between the amount of the fee and the cost attributable to the development projects on which the fee is to be imposed, ;

WHEREAS consistent with the requirements of Government Code 66016.5, the Nexus Study identified the current level of service for the applicable public facilities, the proposed new level of service, and an explanation of why the new level of service is appropriate;

WHEREAS, the City Council desires to adopt this resolution, adopting Multimodal Impact Fee Nexus Study and renaming the Roadway and Transit Fee to the Multimodal Impact Fee;

WHEREAS, following the adoption of the Nexus Study, the City Council intends to hold a duly noticed public hearing on June 23, 2022, at which data and findings related to the Nexus Study will be further considered and the City Council; a

WHEREAS, the City Council recognizes that the maximum impact fees identified in the Nexus Study could impact feasibility of new development and redevelopment, therefore the City Council has identified the Impact Fees in Exhibit B as appropriate;

WHEREAS, at least ten days prior to the date this resolution is being heard, data was made available to the public indicating the amount of cost, or estimated cost, required to provide the service for which the fee or service charge is levied and the revenue sources anticipated to provide the service, including general fund revenues in accordance with Government Code Section 66019;

WHEREAS, at least fourteen days prior to the date this resolution is being heard, notice was provided to those persons or organizations who had requested notice of these fees, in accordance with Government Code Section 66019;

WHEREAS, notice of the hearing on the proposed fees was published twice in the manner set forth in Government Code 6062a and as required by Government Code Section 66018;

WHEREAS, a public hearing was conducted by the City Council on June 23, 2022;and

WHEREAS, based upon all written and oral reports received, the City Council finds and determines that the proposed modifications to the City's Multimodal Impact Fee as set forth herein are necessary to offset the impacts of new development on the City's multimodal roadway network and that these fees do not exceed the proportional cost of the service or benefit attributable to the fee payer.

NOW, THEREFORE, BE IT RESOLVED AND ORDERED that the City Council of the City of Citrus Heights does hereby declare, find, determine and order as follows:

- A) The Recitals set forth above are true and correct and incorporated herein by this reference.
- B) The Multimodal Impact Fee Nexus Study attached hereto as "Exhibit A" complies with the requirements of Government Code 66016.5 and is hereby adopted and approved as presented.
- C) The Impact Fees attached hereto as "Exhibit B" hereby adopted and approved as presented and may be updated annually on January 1, based upon the US Bureau of Labor Statistics Consumer Price Index, all items, San Francisco Area as of October of the previous calendar year, with adjustments, as recommended by the City Manager, rounded to the nearest whole dollar.
- (D) The adoption of this Resolution is not a project under the California Environmental Quality Act because it is the creation of a government funding mechanism that does not involve any commitment to any specific project. (CEQA Guidelines 15378(b)(4).
- (E) This Resolution shall go into full force and effect 60 days following adoption.
- (F) 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 23rd day of June 2022, by the following vote, to wit:

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

ATTEST:

Porsche Middleton, Mayor

Amy Van, City Clerk

Exhibits

- A. Multimodal Nexus Fee Study
- B. Multimodal Fee

Exhibit A: Multimodal Impact Fee Study

Administrative Draft

Multimodal Impact Fee Nexus Study

The Economics of Land Use



Prepared for:
City of Citrus Heights

Prepared by:
Economic & Planning Systems, Inc. (EPS)

*Economic & Planning Systems, Inc.
455 Capitol Mall, Suite 701
Sacramento, CA 95814
916 649 8010 tel
916 649 2070 fax*

*Oakland
Sacramento
Denver
Los Angeles*

February 10, 2022

EPS #192045

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Appendix A: Master Capital Projects Listing

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1. Introduction and Summary

Background

The City of Citrus Heights (City or Citrus Heights) has initiated the process to update certain development impact fees, including the Roadway and Transit Impact Fees. Economic & Planning Systems, Inc. (EPS) has teamed with Fehr & Peers and Bennett Engineering (BEN|EN) (collectively, the EPS Team) to comprehensively address all the fee categories and related technical issues regarding the update to Roadway and Transit Fees. The City collects a Roadway Impact Fee and a Transit Impact Fee and is considering combining the Roadway and Transit Impact Fees into a single Multimodal Impact Fee to avoid or minimize the need to expand existing roadway capacity.

This Nexus Study (study) provides the analysis and basis for the justification and imposition of a Multimodal Impact Fee (fee).

Purpose

The EPS Team was retained by the City to conduct a nexus study that quantifies the relationship between the growth in residential and nonresidential land uses and the demand for and cost of multimodal transit facilities in the City. As a development impact fee, the fee can only be charged to new development and must be based on the impact of new development on the need for funding for new transportation facilities authorized under this study. The purpose of this report is to provide the nexus (or reasonable relationship) between new residential and nonresidential development that occurs in the City and the need for additional transportation improvements as a result of this new development.

This study includes selected roadway improvements critical to increase citywide roadway system capacity to accommodate future development and does not address roadway structural damage and the requisite maintenance or reconstruction of those roadways resulting from development or other activity.

Fee revenue may be collected by the City and used to fund the construction of new transportation-related facilities.

Authority

This study serves as the basis for requiring development impact fees under Assembly Bill (AB) 1600 legislation, as codified by the Mitigation Fee Act (California Government Code sections 66000 et seq.). This section of the Mitigation Fee Act sets forth the procedural requirements for establishing and

collecting development impact fees. These procedures require that a reasonable relationship, or nexus, must exist between a governmental exaction and the purpose of the condition.

Required Nexus Findings

- Identify the purpose of the fee.
- Identify how the fee is to be used.
- Determine how a reasonable relationship exists between the fee's use and the type of development project on which the fee is imposed.
- Determine how a reasonable relationship exists between the demand for the affordable housing and the type of development project on which the fee is imposed.
- Demonstrate a reasonable relationship between the amount of the fee and the cost of the public benefit attributable to the development on which the fee is imposed.

Summary

As new development continues to occur in Citrus Heights, additional transportation facilities will be required to serve future residents and employees. The transportation facility costs allocated to new development reflect transportation facility improvements that are needed to accommodate future development, while maintaining desired level-of-service (LOS) and mobility standards. This study computes future development's share of future transportation facility improvement costs based on planned transportation facilities or LOS standards as determined by the City. The fee will not fund the construction of transportation facility improvements required to cure existing LOS deficiencies. This study comprises the following transportation improvements benefiting new development in Citrus Heights:

- Roadway improvements, including all "Complete Streets" elements (e.g., signals, street lighting, sidewalks, and bicycle facilities).
- Alternative mode facilities, including transit, bicycle, and pedestrian improvements.

Table 1 summarizes the maximum justifiable fee established by this study by land use category. The methodology used to establish maximum justifiable fees is described in the subsequent chapters of this report. Citrus Heights may determine that a lower fee level, below the maximum fee, is appropriate, given a range of development feasibility and economic development considerations.

Table 1. Maximum Justified Fee by Land Use Category

Land Use Category	Maximum Justified Fee (per Unit or KSF) [1]
Residential	<i>per unit</i>
Single-Family Residential	\$6,251.92
Multifamily Residential	\$3,393.98
Nonresidential	
Retail	<i>per KSF</i>
Food	\$9.26
General Retail	\$14.97
Service	\$14.98
Employment	
Professional Office	\$6.78
Medical	\$18.87
Government Office	\$8.23

justified_fee

[1] From Table 5.

Nexus Methodology

Development impact fees must be related to the demand for facilities generated by new development. Several findings regarding the demand and need for new facilities generated by new land uses are required to levy a fee on future development. The fee imposed must demonstrate rough proportionality to the demand generated, or benefit received, by each land use category on which the fee is imposed.

Transportation facility requirements used in this study are determined using a plan-based methodology, whereby costs of planned future roadway facilities are allocated to future development anticipated to benefit from those facilities.

Citrus Heights is a mostly built-out city of 88,000 persons. It is also relatively compact, measuring just 4 miles from north to south, and a maximum of 4.4 miles when measured east to west. Its relatively compact size suggests that multimodal improvements made in one part of the City may benefit a large proportion of the City, particularly those improvements focusing on bicycling and transit use (because of the ability to travel greater distances than walking in the same amount of time). Citrus Heights became an incorporated city in 1997. In doing so, it inherited a roadway system from Sacramento County that was developed in the mid/late 1900s. Many of the streets are very auto-oriented.

Recognizing this, the City has been steadily implementing complete streets projects on arterials such as Greenback Lane and Auburn Boulevard. Many more streets are planned for these types of improvements. It is important to recognize that the improvements shown in **Appendix A** will benefit both current and future City residents, employees, and visitors.

AB 1600 requirements do not allow fee programs to charge new development to pay for existing deficiencies. And it can be fairly argued that certain improvements in **Appendix A** are intended to fix deficient conditions. However, because the program primarily consists of multimodal improvements, it is not possible to fully include/exclude certain projects from the list. Accordingly, individual projects may be assigned varying levels of inclusion in the program, based on their specific circumstances.

Land Use Assumptions

The base year (2016) and future land uses used in this study represent the growth the City was derived by Fehr & Peers from the latest version of the Sacramento Area Council of Governments' (SACOG's) SACSIM travel demand model that was used for SACOG's 2020 Metropolitan Transportation Plan/Sustainable Communities Strategy (MTP/SCS). This study is based on the assumption minimal new growth has occurred in Citrus Heights since 2016, and thereby the growth projections are accepted as reasonable estimates.

Fee Facilities and Facilities Costs

Appendix A lists 31 specific projects that would be included in the fee program. As shown, these projects sum to approximately \$137.3 million in total costs. These consist primarily of complete streets projects, which include enhancements to bicycle, pedestrian, and transit facilities.

AB 1600 requirements do not allow fee programs to charge new development to pay for existing deficiencies. And it can be fairly argued that certain improvements in **Appendix A** are intended to fix deficient conditions. However, because the program primarily consists of multimodal improvements, it is not possible to fully include/exclude certain projects from the list. Accordingly, individual projects may be assigned varying levels of inclusion in the program based on their specific circumstances, as determined by Fehr & Peers.

Fee Calculation and Cost Allocation

The fee calculation is determined using dwelling unit equivalencies (DUEs) for each land use included in the fee program. This study multiplies PM Peak Hour trip data by the "average trip length" for different land uses to derive the vehicle miles traveled (VMT) per unit. The VMT per unit may be reduced to account for the average number of "pass-by" trips assigned to each land use. Pass-by trips

are a subset of trips traveling on a road that stops by a nearby commercial development. They are not new trips. Pass-by trip reduction applies only to commercial/retail developments. VMTs are directly related to LOS and the need for capacity enhancements.

VMTs per unit are applied to development projections to allocate improvement costs by land use type. The trip generation rates used for this analysis are based on the *Trip Generation Manual*, prepared by the Institute of Transportation Engineers (ITE) (ITE, 2021). VMTs per unit incorporate daily trip generation rates, relative shares of pass-by and diverted trips, and relative trip length by land use. VMTs per unit are calculated based on the following formula:

$$\text{VMT per Unit} = \text{PM Peak Hour Trip Rate} * \text{Total Trip Share Excluding Pass-by} * \text{Relative Trip Length}$$

The net transportation facility costs were allocated proportionately to future development based on VMTs per unit for each land use category. DUEs are derived from the calculated VMTs.

Organization of Report

After this **Introduction and Executive Summary** chapter, this study includes the following chapters:

- **Chapter 2** describes the fee methodology used to calculate the fee, land use, and growth assumptions.
- **Chapter 3** describes fee-eligible projects, project cost estimates, and new growth share of costs.
- **Chapter 4** describes the fee calculation and cost allocation methodology.
- **Chapter 5** presents the nexus findings.
- **Chapter 6** discusses the fee program implementation and administration.

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2. Fee Methodology, Land Use, and Growth Assumptions

This Nexus Study presents a methodology that allocates the required transportation facilities capital costs to land uses based on relative benefit received from such improvements. This chapter provides an overview of the nexus methodology and land use and growth assumptions used to derive the proposed fee, which funds transportation facility improvements needed to serve new development and establishes a nexus between the facilities to be funded and the benefit received by new development.

Plan-Based Fee Method

This study evaluates and allocates the costs of the roadway facilities required to serve future development in the City. The study uses a plan-based fee methodology whereby the costs of planned future transportation facilities are allocated to future development anticipated to benefit from those facilities. Transportation improvements included in the fee are those improvements identified in the City's "15-Year Capital Improvement Program 2021-2036" (CIP). Fehr & Peers has taken 31 projects identified in the CIP and summarized them in **Appendix A**.

The list of transportation improvements included for funding through the fee focuses on those facilities that directly address projected new development, support economic development opportunities, provide a citywide benefit, increase capacity, and could impede opportunities for future growth if not constructed.

This study provides a methodology to allocate the costs of future transportation facilities on a basis proportionate to each future land use category's relative benefit received from such transportation facilities. The study estimates future development and evaluates the requisite improvements to serve the projected development. BEN|EN estimated the total future facility costs associated with these improvements, net of existing infrastructure deficiencies and applicable other funding sources. These net costs then were proportionately allocated to future development based on relative demand for transportation facilities as informed by the trip-generating characteristics of each land use category.

Land Use Assumptions

Table 2 displays the expected land use growth in Citrus Heights between 2016 and 2040 conditions. **Table 2** shows the base year (2016) and 2040 growth assumptions. These data are derived by Fehr & Peers from the latest version of SACOG's SACSIM travel demand model that was used for SACOG's 2020 MTP/SCS. As stated previously, the 2016 base year assumptions are used for the base year for growth projections in this study, assuming minimal new growth has occurred since these base values were established. The totals in **Table 2** include the approved Mitchell Farms Development¹ and the redevelopment of Sunrise Mall.²

As shown, the City is projected to add approximately 2,650 new dwelling units, 765,000 square feet of new retail, and 1,417,100 square feet of employment uses.

Residential and retail growth would increase by modest amounts of 8 percent and 15 percent, respectively. In contrast, employment-related growth would increase by 92 percent, driven primarily by the large amount of professional and medical-office space anticipated on the redeveloped Sunrise Mall property.

¹ This approved project is located east of Sunrise Boulevard and north of Arcadia Drive. It consists of 260 dwelling units, according to the *Mitchell Farms Final TIS* (Fehr & Peers, 2018).

² The "Projected Development Scenario" is considered the most likely set of land uses for the Sunrise Tomorrow Specific Plan. These uses consist of 1,200 dwelling units, 700 KSF of professional office, 176 KSF of medical-office, 417 KSF of retail, and 45 KSF of government office.

Table 2. Land Use Assumptions

Land Use Category	Unit	Base Year (2016)	Cumulative Growth (2040)	New Growth
Residential				
Single-Family Residential [2]	DU	34,397	37,046	468
Multifamily Residential	DU			2,181
Nonresidential				
Retail				
Food	KSF	1,028	1,078	50
General Retail [3]	KSF	2,552	3,153	601
Service	KSF	1,392	1,506	114
Employment				
Professional Office	KSF	783	1,602	819
Medical	KSF	24	508	484
Government Office	KSF	418	532	114

growth

[1] Assumes the following ratios to convert employees (from SACSIM model) into KSF: 1 employee per KSF for industrial, 2 employees per KSF for general and service retail, 3 employees per KSF for medical, government office and retail food, and 4 employees per KSF for professional office.

[2] Single-family consists of 260 units in Mitchell Farms, 93 units at Sylvan Corners, and 5 percent of remaining units (115) assumed to be single-family. Balance (2,181) are multifamily units.

[3] Consists of 417 KSF of retail added on Sunrise Mall property and 184 KSF of retail added elsewhere in City. It is also acknowledged that there would be a net decrease in retail space on Sunrise Mall property. However, ultimate focus of fee program is on the amount of new development that would be subject to the DIF program. That development is shown in this table.

DU = Dwelling Unit. KSF = thousand square feet

Source: Fehr & Peers, 2021.

Fee Program Land Use Categories

Land use categories in this study have been defined to distinguish between various transportation facilities and demand characteristics of different development types. Based on data available and the methodology used, projected development and facility requirements for future land uses are based on a limited set of land use categories and the associated travel demand for new development. Using the DUEs described in **Chapter 4**, this study establishes impact fees for a more expansive list of residential and nonresidential land use categories:

- Residential Land Uses (per Unit):
 - Single-Family Residential
 - Multifamily Residential
- Nonresidential Land Uses (per KSF):
 - Retail:
 - » Food
 - » General Retail
 - » Service
 - Employment:
 - » Professional Office
 - » Medical
 - » Government Office

3. Fee-Eligible Projects, Project Cost Estimates, and New Growth Share of Costs

This chapter summarizes the transportation projects included in the fee program and evaluates new development's proportional share of costs. In addition to identifying included transportation improvements, this chapter identifies and summarizes outside funding sources and other adjustments to the facilities costs. The net transportation improvement cost estimates, adjusted for other funding sources and other adjustments, are the basis of the fee calculations presented in **Chapter 4**.

Fee-Eligible Facilities

The use of fee funds is either project-specific or programmatic. Project-specific facilities include roadway improvements, as identified and described in **Appendix A**. Funds allocated to roadway improvements will be prioritized by the City as it plans for growth. Programmatic facilities to serve future growth needs include the ongoing support for the City's Americans with Disabilities Act (ADA) Transition Plan goals.

Roadway Improvements

Roadway improvement projects comprise the following types of improvements:

- New major roadways
- Roadway extensions
- Interchanges
- Bridges/overpasses
- Widening of existing roadways

The City's Complete Streets policy dictates that roadway improvements incorporate all travel modes. Elements of many of the candidate roadway projects contain sidewalk, crosswalk, and signal features promoting transportation safety and travel; bike lane and signal features promoting cyclist safety and travel; transit access, curb, and lane improvements to accommodate bus stops; and intersection improvements that may include signalization. These improvements are related to vehicle trips from new development either because they are a necessary component of any roadway project for public health and safety (e.g., sidewalks) or because they provide an alternative transportation option to reduce VMT and provide for additional vehicle capacity.

New Growth Share of Fee Projects Costs

This study evaluates and allocates the costs of the improvements required to serve future development in the City. In addition to accommodating future development, some of the selected roadway improvements for the fee program also would help improve some existing deficiencies or provide mobility benefits to existing development. Therefore, the nexus for new development's share of the cost of roadway improvements in the fee program will be based on the estimated percentage of the total future traffic volume using each roadway improvement that stems from vehicle trips generated by future development in the City.

Appendix A shows 31 projects included in the CIP with total costs of approximately \$137.3 million. The share of costs for new development in the City is approximately \$36.2 million. Fehr & Peers evaluated each project in **Appendix A** to determine their professional estimate of benefit derived by existing and new growth. As such, the percentage of project costs allocated to new growth may differ from one project to another. The share of the costs from other traffic (i.e., traffic generated by existing development or non-City growth) will need to be funded by sources other than the fee program.

Other Funding Sources

The fee program is based on the assumption that other transportation funding sources will be used to support transportation improvements. The City has previously received funding for complete streets improvements through the state's Highway Safety Improvement Program (HSIP), Congestion Mitigation and Air Quality (CMAQ) program, and Congested Corridors funding program, as well as others.

Net Future Development Share of Costs

After taking account of all additional costs and other adjustments, as specified in **Appendix A**, the net transportation improvement projects cost assigned to new development is estimated to be \$36.2 million.

4. Fee Calculation and Cost Allocation Methodology

This study presents a methodology that allocates the required transportation facility costs to all new land uses based on relative benefit received from such improvements. The previous chapter provided a detailed overview of the costs included in the fee program. This chapter provides an overview of the nexus methodology used to allocate those costs and a summary of the proposed fee program.

The methodology that follows results in a fee schedule with a maximum justifiable fee per unit for residential land uses or per 1,000 building square feet for nonresidential land uses.

Fee Calculation

As described in detail below, future transportation facility costs are allocated to future development via EDUs assigned to each land use type, based on PM Peak Hour Trip Rates and Average Trip Lengths, as adjusted by Pass-by Reductions. This calculation provides the relative demand for roadway facilities by each land use. Fee program costs are allocated on a DUEs basis according to the following steps:

1. Determine the projected amount of new development (discussed in **Chapter 2**).
2. Determine the transportation improvements needed to serve the new development (identified by the City and discussed in **Chapter 3**).
3. Determine the net cost of the transportation improvements to be funded by the fee after accounting for adjustments such as existing infrastructure deficiencies and other funding sources, if applicable (identified by the City and their traffic consultants and discussed in **Chapter 3**).
4. Determine the proportionate impact and the appropriate share of costs attributable to each land use category (discussed in this chapter):
 - a. Determine the appropriate allocation factors (VMT per unit) to allocate the cost of required transportation improvements.
 - b. Determine the DUEs created by new development by assuming a single-family residential unit is 1.0 EDU, then comparing other land uses and the calculated VMT per unit to derive EDUs by land use category.

- c. Divide DUEs assigned to each land use category by the total DUEs created by new development to determine the share of costs allocable to each land use category.
- d. Determine the fee for all land use categories by dividing the fee costs by the DUEs allocated to each land use category.
- e. Add a fee administration cost to the allocated costs for each land use category.

Cost Allocation Methodology

The purpose of allocating certain improvement costs among the various land uses is to provide an equitable method of funding required infrastructure. The apportionment methodology reflects these requirements:

- Demands placed on public facilities are related to each land use paying the fee.
- Such demands are stated in relative terms for all affected land uses.

It is by relating demand for facilities to land use types that a reasonable nexus, or relationship, can be established to apportion the proportionate share of costs to given land uses. This study uses a common use factor, called DUEs, which relates the average trip demand for each land use in common terms.

For purposes of this study, DUEs are determined based on vehicle trips generated by each land use category and the typical lengths for these trips, as adjusted by a pass-by factor. The need for transportation improvements is based on a peak-hour analysis because peak-hour travel times create the greatest need for infrastructure capacity. PM peak hour trip data provide a reasonable systemwide measure of the impact of new development on congestion and mobility. Vehicle trips are directly related to LOS and the need for capacity enhancements.

The trip generation rates discussed above were adjusted to fully account for each land use category's comparative benefit from roadway facilities. These adjustments are discussed in further detail below.

Trip Demand Factor Adjustments

Trip generation rates used in this study include the following trip adjustments:

- Pass-by trips
- Trip length

These adjustments, which are described in further detail below, are applied to the trip generation rates to derive DUEs summarized in **Table 3**. **Table 4** applies the DUEs to projected new development to derive total DUEs by land use category.

Table 3. Calculation of Dwelling Unit Equivalent Factors

Land Use Category	Unit	PM Peak Hour Trip Rate [1]	Average Trip Length [2]	Pass-by Reductions [3]	VMT per Unit [4]	DUE per Unit [4]
Residential						
Single-Family Residential	DU	0.9	8.8	0%	8.272	1.000
Multifamily Residential	DU	0.5	8.8	0%	4.488	0.543
Nonresidential						
Retail						
Food	KSF	8.0	3.0	49%	12.240	1.480
General Retail	KSF	6.6	5.0	40%	19.800	2.394
Service	KSF	6.6	5.0	40%	19.800	2.394
Employment						
Professional Office	KSF	1.4	6.4	0%	8.960	1.083
Medical	KSF	3.9	6.4	0%	24.960	3.017
Government Office	KSF	1.7	6.4	0%	10.880	1.315

DUEs

[1] Trip rates based on data from the Trip Generation Manual (ITE, 2021).

[2] Average trip lengths inferred from "big data" provided by Streetlight, Inc. (developed for City's SB 743 Implementation Plan).

[3] Pass-by reduction to retail uses based on published percentages in Trip Generation Manual (ITE, 2021).

[4] Calculated by dividing each land use's VMT per unit by the VMT per unit for single-family (8.27).

DU = Dwelling Unit. KSF = thousand square feet. VMT = Vehicle Miles Traveled.

Source: Fehr & Peers, 2021

Table 4. DUEs by Land Use Category

Land Use Category	Unit	New Growth [1]	DUE per Unit [2]	Total DUEs
Residential				
Single-Family Residential [2]	DU	468	1.000	468
Multifamily Residential	DU	2,181	0.543	1,184
Nonresidential				
Retail				
Food	KSF	50	1.480	74
General Retail [3]	KSF	601	2.394	1,439
Service	KSF	114	2.394	273
Employment				
Professional Office	KSF	819	1.083	888
Medical	KSF	484	3.017	1,461
Government Office	KSF	114	1.315	150
Total DUEs				5,937

DUE_alloc

[1] From Table 1.

[2] From Table 2.

DU = Dwelling Unit. KSF = thousand square feet

Source: Fehr & Peers, 2021.

Pass-By Trips

Typically, retail-based trips often involve multiple stops. To recognize this traffic pattern, a pass-by adjustment, or percentage of new trip adjustment, considers vehicle trips using the adjacent roadway that enters a site as an intermediate stop on the way to another destination.

For example, some drivers will stop for fuel on their way home from work. The pass-by adjustment reduces total number of vehicle trips to account for the sharing of the one trip for two destinations (fuel and then home). The adjustment often ranges by land use type and by local development and traffic patterns and ranges from 14 percent to 55 percent. For some retail land uses, such as retail and hotels/motel, traffic patterns indicate significantly greater pass-by traffic. For instance, 49 percent of trips made to food-related uses are incidental to the primary purpose of the trip and require adjustment.

Pass-by adjustments are included before calculating the relative DUEs, as shown in **Table 4**, which also summarizes the PM peak hour trip assumptions prepared by Fehr & Peers.

Trip Length Adjustment

Trip length adjustment factors account for the average distance traveled per trip for a particular land use. The trip generation used in this analysis is weighted by the relative length of trips for a specific land use category, compared to the average length of all trips.

Trip length adjustments are included before calculating DUEs, as shown in **Table 4**.

Fee Calculation

The fee is a citywide fee program—all future development in the City will pay the fee based on the citywide facilities required to serve future development.

The fee calculation is shown in **Table 5**. Fees calculated in **Table 5** include a 2.5 percent administration fee. The sum of the fee calculation and the administration fee represents the maximum justified fee by land use category.

Fee Administration Charge

Development impact fee programs may include the cost of administering the program that funds the construction of public facilities necessary to serve new development, including these:

- The administrative costs of assessing, collecting, cost-accounting, and public reporting of the fee.
- The cost of justification analyses, legal support, and other costs of annual, periodic, and 5-year updates to the fee.
- Costs of capital planning and programming, including project management costs associated with the share of projects funded by the impact fee.
- Costs associated with any GIS provided as an input to the fee.

Administration charges typically range from 1.0 percent up to 5.0 percent. This study applies a 2.5 percent allowance to fund administration costs. The methodology described above results in a fee schedule, which includes an administration charge of 2.5 percent, as shown in **Table 4**.

Table 5. Multimodal Impact Fee Calculation by Land Use

Land Use Category	Unit	New Growth [1]	Total DUEs [1]	Percent of DUEs [2]	Allocation of Fee Costs [3]	Fee Cost Allocation (per Unit or KSF)	Fee Program Administration Cost [4]	Maximum Justified Fee (per Unit or KSF)
Residential								
Single-Family Residential [2]	DU	468	468	7.9%	\$2,854,532	\$6,099.43	2.5% \$152.49	<i>per unit</i> \$6,251.92
Multifamily Residential	DU	2,181	1,184	19.9%	\$7,221,722	\$3,311.20	\$82.78	\$3,393.98
Nonresidential								
Retail								
Food	KSF	50	74	1.2%	\$451,358	\$9.03	\$0.23	<i>per KSF</i> \$9.26
General Retail	KSF	601	1,439	24.2%	\$8,777,076	\$14.60	\$0.37	\$14.97
Service	KSF	114	273	4.6%	\$1,665,144	\$14.61	\$0.37	\$14.98
Employment								
Professional Office	KSF	819	888	15.0%	\$5,416,291	\$6.61	\$0.17	\$6.78
Medical	KSF	484	1,461	24.6%	\$8,911,263	\$18.41	\$0.46	\$18.87
Government Office	KSF	114	150	2.5%	\$914,914	\$8.03	\$0.20	\$8.23
Totals		4,831	5,937	100.0%	\$36,212,300			

fee

[1] From Table 3.

[2] May not sum because of rounding.

[3] Total fee cost allocation detail shown in Appendix A.

[4] A percentage of 2.5% is added to the fee cost to fund the administration of the fee program.

5. Nexus Findings

Authority

This study has been prepared to establish the fee in accordance with the procedural guidelines established in AB 1600, which is codified in California Government Section 66000 et seq. These code sections set forth the procedural requirements for establishing and collecting development impact fees. These procedures require that a “reasonable relationship or nexus must exist between a governmental exaction and the purpose of the condition.”³ Specifically, each local agency imposing a fee must:

- Identify the purpose of the fee.
- Identify how the fee is to be used.
- Determine how a reasonable relationship exists between the fee’s use and the type of development project on which the fee is imposed.
- Determine how a reasonable relationship exists between the need for the public facility and the type of development project on which the fee is imposed.
- Demonstrate a reasonable relationship between the amount of the fee and the cost of the public facility or portion of the public facility attributable to the development on which the fee is imposed.

Summary of Nexus Findings

The fee to be collected for each land use is calculated based on the proportionate share of the total facility use that each land use represents. With this approach, the following findings are made concerning the City’s fee.

Purpose of Fee

The fee will fund the construction of new roadways and other transportation improvements, including alternative transportation modes facilities needed to accommodate new citywide development.

³ William Abbott, Marian E. Moe, and Marilee Hanson, *Public Needs & Private Dollars*; (July 1993), page 109.

Use of Fee

The fee will fund improvements to the citywide transportation system to provide additional travel capacity accommodating new development. Fee-funded improvements include roadway improvement projects such as new major roadways, roadway extensions, and widening of existing roadways; and alternative modes facilities, including transit, bicycle, and pedestrian improvements.

Relationship Between Use of Fee and Type of Development

New residential and nonresidential development in the City will generate new residents, employees, and patrons that will in turn generate new vehicle, bicycle, and pedestrian trips and demand for expanded citywide roadway capacity and improved connectivity. Each residential and nonresidential development project will add to the incremental need for roadway capacity and alternative modes facilities, and each new residential and nonresidential development project will benefit from the new roadway capacity and alternative modes facilities. The fee will be used to fund the transportation improvements identified in **Chapter 3**, providing this increased capacity to the benefit of both residential and nonresidential development.

Relationship Between Need for Facility and Type of Project

New residents and commercial users will generate additional vehicle and alternative modes trips, requiring expanded roadway capacity and improved bicycle, pedestrian, and transit facilities to accommodate increased vehicular and non-vehicular traffic, while maintaining desired LOS. The fee includes roadway, transit, bicycle, and pedestrian improvements needed to accommodate additional trips generated by new residents and commercial enterprises, as discussed in **Chapter 3**. Completion of these improvements will mitigate the impact of greater traffic on roadways caused by new development, minimizing adverse impacts to service levels or public safety.

Relationship Between Amount of Fee and Cost of or Portion of Facility Attributed to Development on Which Fee is Imposed

The total costs of transportation improvements funded by the fee are allocated amongst the projected new citywide residential and nonresidential land uses based on the proportional benefit each land use is anticipated to receive from the transportation improvements funded by the fee. The cost allocation methodology applies DUEs to each land use category that is used to weight the level of demand for additional roadway capacity generated by each land use category, based on each land use's average trip demand, as discussed in **Chapter 4**.

DUEs for the fee were derived using PM peak hour trip demand by land use, adjusted for the percentage of trips that are primary trips⁴ and a trip length factor.⁵ The DUE analysis therefore defines the relative benefit conferred to each land use category, based on trip usage, and apportions the cost to each land use accordingly.

⁴ Primary trips are trips with no midway stops, or links. Pass-by trips are links that do not add more than 1 mile to the total trip.

⁵ The trip length factor represents the average trip length by land use relative to the systemwide average trip length.

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6. Fee Program Implementation and Administration

The fee program presented in this study is based on the best facility improvement cost estimates, existing facility cost or value estimates, funding source information, administrative cost estimates, and land use information available at this time. If costs change significantly, if the type or amount of new development changes, if other assumptions significantly change, or if other funding becomes available (as a result of legislative action on state and local government finance, for example), the fee should be updated accordingly.

After the fee presented in this study is established, the City should conduct periodic reviews of facility improvement costs and other assumptions used as the basis of this study. Based on these reviews, the City may make necessary adjustments to the fee program through subsequent fee program updates.

The cost estimates presented in this report are in constant 2021 dollars. The City automatically may adjust the costs and fees for inflation each year as outlined in this chapter.

The fee will be implemented in accordance with Government Code Section 66000. City ordinances and resolutions required for implementation of this study are an integral and controlling part of the policies and procedures authorized for this study. If there are any inconsistencies or contradictions between the implementing ordinance and resolution(s) and the study, the ordinance/resolution(s) shall prevail.

Administration Fee Component

An administrative fee will be collected to fund the administration, oversight, implementation, and updates of the fee, including administration of any credit and reimbursement agreements. The administration fee will include adequate funding to cover all City costs.

Fee Amount

This Nexus Study identifies fee rates for the major land use categories, which are detailed in **Table 4**. The fee rates have been calculated for single-family and multi-unit dwellings and several nonresidential land use categories. For projects that do not fit the land use categories identified in **Table 4**, the City Manager or designee may compute the required fee based on the cost per DUE and the trip demand generated by the specific development project.

The fee rates for a development project are those fees in effect as of the date of acceptance of a complete building permit application. Any adjustments to the fees that occur after that time (e.g., automatic inflation adjustment) would not apply.

The City Manager or designee shall determine and calculate the required fee for each development project in accordance with this study. The fee shall be computed based on the primary use or uses of the development project, defined as the principal functions of a building or structure, based on the rates specified for that primary use by this study. In some cases, a development project may include ancillary uses that are different from the primary use, but which exist only to support the primary activities or operation of the primary use such as office space for management or accounting functions in a retail enterprise. These ancillary uses would not exist absent the operations associated with the primary use. In these cases, the ancillary use would not be charged a different fee rate, and the area associated with ancillary uses would be included in the commercial building area of the primary use.

For projects with multiple primary uses that are operationally separate (i.e., mixed-use projects such as office over retail), the fee shall be computed based on applying the applicable fee rate to the total residential units or total commercial building area for each primary use.

Fee Program Updates

The fee presented in this report is based on the best available cost estimates and land use information at this time. If costs or land uses change significantly in either direction, or if other funding becomes available, the fee will need to be updated accordingly. Updates to the fee, other than the automatic annual adjustments described below, must be adopted by a City Council Resolution.

Annual Inflation Adjustment

The fee may be escalated annually. The annual adjustments, effective July 1 of each year, consider the potential for inflation of public facility design, construction, installation, and acquisition costs. The proposed adjustment procedure is described below.

The fee will be escalated annually using the percentage change in the Engineering News-Record Construction Cost Index (ENR-CCI) for San Francisco as published by ENR/McGraw-Hill Construction Weekly. The percentage change in the ENR-CCI is the year-over-year change as of each March. The City shall carry out the percentage change calculation to 3 decimal places.

Periodic Fee Updates

The fee is subject to periodic update based on changes in developable land, cost estimates, or outside funding sources. The City will review the costs and fee periodically to determine if any updates to the fee are warranted. During the periodic reviews, the City will analyze these items:

- Changes to the required facilities listed in this study.
- Changes in the cost to update or administer the fee.
- Changes in costs greater than inflation.
- Changes in assumed land uses.
- Changes in other funding sources.
- Other issues as warranted.

Any changes to the fee based on the periodic update will be presented to the City Council for approval before an increase or decrease in the fee.

The City Council also may specify during a periodic update which improvements should receive funding from the fee before other improvements. Based on facility LOS evaluations, the location of approved new development that will add significant housing or jobs, or other considerations, the City has the ability to spend the fee revenues on any of the projects identified in the fee, regardless of project location and the location of collected fees.

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APPENDIX A: Master Capital Projects Listing

MASTER CAPITAL PROJECTS LISTING														
PROGRAM NO.	Included in DPS	TITLE	FROM (Location)	TO (Location)	PROJECT DESCRIPTION	Completion Timing	MTP Cost (2017)	F&P Evaluation Context	Percent Existing Deficiency	Percent Development Impact	Fee Program Contribution	Unique Consideration s	Master Plan References	Assumptions
1	Yes	Antelope Road Complete Streets - Phase 2	Garden Gate	Auburn Blvd	Complete Streets project that will implement transit stop improvements, ADA updates, improved pedestrian and bicycle facilities, separated sidewalks, traffic signal improvements, replace rolled curb with vertical curb, and add landscaping and hardscaping to Antelope Road between Garden Gate and Auburn Blvd. Project will also convert to LED street lights and rehabilitate pavement.	2021-2036	\$5,520,000	Limited new development along corridor	85%	15%	\$828,000	unique	master plan	Assumed drainage inlets every 500' of roadway.
2	Yes	Antelope Road Complete Streets - Phase 3	Auburn Blvd	Sunrise Blvd	Complete Streets project that will implement ADA updates, improved pedestrian and bicycle facilities, close sidewalk gaps, separated sidewalks, traffic signal improvements, replace rolled curb with vertical curb, and add landscaping and hardscaping to Antelope Road between Auburn Blvd and Sunrise Blvd. Project will also convert to LED street lights and rehabilitate pavement.	2021-2036	\$10,380,000	Limited new development along corridor	85%	15%	\$1,557,000	unique	master plan	Assumed drainage inlets every 500' of roadway.
3		Antelope Road Complete Streets - Phase 4	Sunrise Blvd	Old Auburn Road	Complete Streets project that will implement ADA updates, improved pedestrian and bicycle facilities, close sidewalk gaps, separated sidewalks, traffic signal improvements, replace rolled curb with vertical curb, and add landscaping and hardscaping to Antelope Road between Sunrise Blvd and Old Auburn Road. Project will also convert to LED street lights and rehabilitate pavement.		\$3,220,000	Some new development opportunities present	50%	50%	\$1,610,000	unique	master plan	Assumed drainage inlets every 500' of roadway.
4	Yes	Auburn Blvd Complete Streets - Phase 3	Greenback Lane	Sylvan Corners	Complete Streets project that will implement transit stop improvements, ADA updates, improved pedestrian and bicycle facilities, separated sidewalks, close sidewalk gaps, traffic signal improvements, replace rolled curb with vertical curb, and add landscaping and hardscaping to Auburn Blvd between Greenback Lane and Sylvan Road / Old Auburn Road. Project will also convert to LED street lights and rehabilitate pavement.	2021-2036	\$10,190,000	Primary redevelopment corridor, but also clear deficiencies present	50%	50%	\$5,095,000	unique	master plan	Assumed drainage inlets every 500' of roadway.
5	Yes	Greenback Lane Complete Streets	Birdcage Lane	Fair Oaks Blvd.	Complete Streets project that will implement transit stop improvements, ADA updates, improved pedestrian and bicycle facilities, traffic signal improvements, replace rolled curb with vertical curb, and add landscaping and hardscaping to Greenback Lane between Birdcage Lanes and Fair Oaks Blvd. Project will also convert to LED street lights and rehabilitate pavement.	2021-2036	\$4,830,000	Runs along frontage of Sunrise Mall	10%	90%	\$4,347,000	unique	master plan	Assumed drainage inlets every 500' of roadway.
6	Yes	Old Auburn Road Complete Streets Phase 1	Tiara	Garry Oak	Complete Streets project that will implement ADA updates, improved pedestrian and bicycle facilities, close sidewalk gaps, traffic signal improvements, replace rolled curb with vertical curb, and add landscaping and hardscaping to Old Auburn Road between Tiara Way and Garry Oaks Drive. Project will also convert to LED street lights and rehabilitate pavement.	2021-2036	\$4,550,000	development and existing residents on important local artery	75%	25%	\$1,137,500	unique	master plan	Assumed drainage inlets every 500' of roadway.
7	Yes	Antelope/I-80 Overcrossing Pedestrian/Bicycle Upgrades (old name; Saybrook/Misty Creek I-80 Pedestrian/bicycle overpass) Includes Van Maren from Navion to Antelope	Lichen	Garden Gate	Project to improve pedestrian and bicycle access through the I-80 interchange at Antelope Road. Will include ADA updates, improved pedestrian and bicycle facilities, separated sidewalks, traffic signal improvements, Project will also convert to LED street lights and rehabilitate pavement. Complete streets project on Van Maren from Antelope to Navion.	2021-2036	\$5,240,000	Limited new development near interchange	88%	12%	\$628,800	unique	master plan	Assumed drainage inlets every 500' of roadway.
8	Yes	Sunrise Blvd Complete Streets - Phase 3B	Antelope Road	North City Limits (north of Twin Oaks Avenue)	Complete Streets project that will implement transit stop improvements, ADA updates, improved pedestrian and bicycle facilities, close sidewalk gaps, separated sidewalks, traffic signal improvements, replace rolled curb with vertical curb, and add landscaping and hardscaping to the east side of Sunrise Blvd between Antelope Road and the northern City limits. Project will also convert to LED street lights and rehabilitate pavement.	2021-2036	\$4,210,000	Limited new development along corridor	75%	25%	\$1,052,500	unique	master plan	Assumed drainage inlets every 500' of roadway.
9	No	Sunrise Blvd Complete Streets - Phase 4	Sayonara Drive	Madison Ave.	Complete Streets project that will implement transit stop improvements, ADA updates, improved pedestrian and bicycle facilities, separated sidewalks, traffic signal improvements, replace rolled curb with vertical curb, and add landscaping and hardscaping to Sunrise Blvd between Sayonara Drive and Madison Ave. Project will also convert to LED street lights and rehabilitate pavement.	2021-2036	\$6,760,000	Runs along frontage of Sunrise Mall (redevelopment site)	10%	90%	\$6,084,000	unique	master plan	Assumed drainage inlets every 500' of roadway.
10	No	Annual Inteligent Transportation (ITS) Upgrades	Various		On-going project to update traffic signals and support the City's ITS Master Plan goals.	2021-2036	leslie to send master plan cost estimate.		100%	0		unique	master plan	Assumed drainage inlets every 500' of roadway.
11	Yes	Fair Oaks Blvd Complete Streets Phase 1	Stacey Hills Drive	Old Auburn Road	Complete Streets project that will implement ADA updates, improved pedestrian and bicycle facilities, separated sidewalks, traffic signal improvements, close sidewalk gaps, replace rolled curb with vertical curb, and add landscaping and hardscaping to Fair Oaks Blvd between Stacey Hills Drive and Old Auburn Road. Project will also convert to LED street lights and rehabilitate pavement.	2021-2036	\$4,290,000	Limited new development along corridor	88%	12%	\$514,800	unique	master plan	Assumed drainage inlets every 500' of roadway.
12	Yes	Oak Avenue Complete Streets Phase 1	Sunrise Blvd	Fair Oaks Blvd.	Complete Streets project that will implement ADA updates, improved pedestrian and bicycle facilities, close sidewalk gaps, traffic signal improvements, replace rolled curb with vertical curb, and add landscaping and hardscaping to Oak Ave between Sunrise Blvd and Fair Oaks Blvd. Project will also convert to LED street lights and rehabilitate pavement.	2021-2036	\$2,920,000	Limited new development along corridor	88%	12%	\$350,400	unique	master plan	Assumed drainage inlets every 500' of roadway.
13	Yes	Oak Avenue Complete Streets Phase 2	Fair Oaks Blvd	Wachtel Way	Complete Streets project that will implement ADA updates, improved pedestrian and bicycle facilities, close sidewalk gaps, traffic signal improvements, replace rolled curb with vertical curb, and add landscaping and hardscaping to Oak Ave between Fair Oaks Blvd and Wachtel Way. Project will also convert to LED street lights and rehabilitate pavement.	2021-2036	\$4,170,000	Limited new development along corridor	88%	12%	\$500,400	unique	master plan	Assumed drainage inlets every 500' of roadway.
14									100%			unique	master plan	Assumed drainage inlets every 500' of roadway.
15	Yes	San Juan Ave Complete Streets Phase 1	Madison Ave	Chessline	sidewalk gaps, separated sidewalks, traffic signal improvements, replace rolled curb with vertical curb, and add landscaping and hardscaping to San Juan Ave between Madison Ave and Greenback Lane. Project will also convert to LED street lights and rehabilitate pavement.	2021-2036	\$6,350,000	Limited new development along corridor	88%	12%	\$762,000	unique	master plan	Assumed drainage inlets every 500' of roadway.
		San Juan Ave Complete Streets Phase 2	Chessline	Greenback Lane					100%					Assumed drainage inlets every 500' of roadway.
16	No	Sylvan Road Complete Streets	Sylvan Corners	Greenback Lane	Complete Streets project that will implement transit stop improvements, ADA updates, improved pedestrian and bicycle facilities, separated sidewalks, traffic signal improvements, replace rolled curb with vertical curb, and add landscaping and hardscaping to Sylvan Road between Old Auburn Road / Auburb Blvd and Greenback Lane. Project will also convert to LED street lights and rehabilitate pavement.	2021-2036	\$7,620,000	Moderate amount of new development and redevelopment in corridor	75%	25%	\$1,905,000	unique	master plan	Assumed drainage inlets every 500' of roadway.
17	No	Madison Ave. Complete Streets Phase 1	Bartig Way	Mariposa Avenue	Jurisdiction for Madison Ave in the project area is shared with Sacramento County.Complete Streets project that will implement transit stop improvements, ADA updates, improved pedestrian and bicycle facilities, close sidewalk gaps, separated sidewalks, traffic signal improvements, replace rolled curb with vertical curb, and add landscaping and hardscaping to Madison Ave between Bartig Way and Mariposa Ave. Project will also convert to LED street lights and rehabilitate pavement.	2021-2036	\$5,030,000	Limited new development along corridor	88%	12%	\$603,600	Coordination w	master plan	Assumed drainage inlets every 500' of roadway.

MASTER CAPITAL PROJECTS LISTING														
18	No	Madison Ave. Complete Streets Phase 2	Mariposa Avenue	Sunrise Blvd	Jurisdiction for Madison Ave in the project area is shared with Sacramento County.Complete Streets project that will implement transit stop improvements, ADA updates, improved pedestrian and bicycle facilities, close sidewalk gaps, separated sidewalks, traffic signal improvements, replace rolled curb with vertical curb, and add landscaping and hardscaping to Madison Ave between Mariposa Ave and Sunrise Blvd. Project will also convert to LED street lights and rehabilitate pavement.	2021-2036	\$4,040,000	Limited new development along corridor	88%	12%	\$484,800	Coordination w	master plan	Assumed drainage inlets every 500' of roadway.
19	No	Madison Ave. Complete Streets Phase 3	Sunrise Blvd	Fair Oaks Blvd.	Jurisdiction for Madison Ave in the project area is shared with Sacramento County.Complete Streets project that will implement transit stop improvements, ADA updates, improved pedestrian and bicycle facilities, close sidewalk gaps, separated sidewalks, traffic signal improvements, replace rolled curb with vertical curb, and add landscaping and hardscaping to Madison Ave between Sunrise Blvd and Fair Oaks Blvd. Project will also convert to LED street lights and rehabilitate pavement.	2021-2036	\$2,830,000	Limited new development along corridor	88%	12%	\$339,600	Coordination w	master plan	Assumed drainage inlets every 500' of roadway.
20	Yes	Auburn Blvd Complete Streets - Phase 4	S/W of Devecchi Ave	Greenback Lane	Complete Streets project that will implement transit stop improvements, ADA updates, improved pedestrian and bicycle facilities, separated sidewalks, traffic signal improvements, replace rolled curb with vertical curb, and add landscaping and hardscaping to Auburn Blvd between Devecchi Ave and Greenback Lane. Project will also convert to LED street lights and rehabilitate pavement.	2021-2036	\$2,660,000	Some redevelopment opportunities present	75%	25%	\$665,000	unique	master plan	Assumed drainage inlets every 500' of roadway.
21	Yes	Fair Oaks Blvd Complete Streets Phase 2	Greenback Lane	Stacey Hills	Complete Streets project that will connect to Electric Greenway Multi-use Trail and will implement ADA updates, improved pedestrian and bicycle facilities, traffic signal improvements, replace rolled curb with vertical curb, and add landscaping and hardscaping to Fair Oaks Blvd between Greenback Lane and Stacey Hills Drive. Project will also convert to LED street lights and rehabilitate pavement.	2021-2036	\$6,490,000	Limited new development along corridor	88%	12%	\$778,800	unique	master plan	Assumed drainage inlets every 500' of roadway.
22	Yes	Fair Oaks Blvd Complete Streets Phase 3	Madison Ave	Greenback Lane	Complete Streets project that will implement ADA updates, improved pedestrian and bicycle facilities, traffic signal improvements, replace rolled curb with vertical curb, and add landscaping and hardscaping to Fair Oaks Blvd between Madison Ave and Greenback Lane. Project will also convert to LED street lights and rehabilitate pavement.	2021-2036	\$5,590,000	Limited new development along corridor	88%	12%	\$670,800	unique	master plan	Assumed drainage inlets every 500' of roadway.
23	Yes	Sunrise Blvd Complete Streets - Phase 2B	Sayonara Drive	Oak Avenue	Complete Streets project that will implement transit stop improvements, ADA updates, improved pedestrian and bicycle facilities, separated sidewalks, traffic signal improvements, replace rolled curb with vertical curb, and add landscaping and hardscaping to the east side of Sunrise Blvd between Sayonara Drive and Oak Avenue. Project will also convert to LED street lights and rehabilitate pavement.	2021-2036	\$4,800,000	Some development opportunities present	75%	25%	\$1,200,000	unique	master plan	Assumed drainage inlets every 500' of roadway.
24	No	Arcade Creek Multi-Purpose Trail - Phase 1	Sayonara Drive	Sylvan Road	Multi-purpose trail project that will connect to existing parks and trails between Sayonara Drive to Sylvan Road along the Arcade Creek corridor.	2021-2036	\$620,000	has benefit to both new development and existing residents alike	50%	50%	\$310,000	unique	master plan	Asummed two feet of shoulder backing on each side of the trail.
25	No	Arcade Creek Multi-Purpose Trail - Phase 2	Sylvan Road	Van Maren Lane	Multi-purpose trail project that will connect to the Sacramento County Library on Van Maren Lane, existing parks and trails between Sylvan Road and Var Maren Lane along the Arcade Creek corridor.	2021-2036	\$1,510,000	has benefit to both new development and existing residents alike	50%	50%	\$755,000	unique	master plan	Assumed two feet of shoulder backing on each side of the trail.
26	No	Carriage Dr./Lauppe Ln. Safe School Corridor	Auburn Blvd	Antelope Road	Safe Routes to School project connecting to Carriage Lane Elementary School that will implement ADA updates, improved bicycle and pedestrian facilities, replace rolled curb with vertical curb, and add landscaping and hardscaping to Carriage Drive / Lauppe Lane between Antelope Road and Auburn Blvd. Project will also convert to LED street lights	2021-2036	\$6,790,000	Localized improvement primarily supporting existing residents	88%	12%	\$814,800	unique	master plan	Assumed drainage inlets every 500' of roadway.
27	No	Van Maren/Purselane/ Gardengate Complete Streets	Navion	Auburn Blvd	Complete Streets project that will implement ADA updates, improved pedestrian and bicycle facilities, close sidewalk gaps, traffic signal improvements, replace rolled curb with vertical curb, and add landscaping and hardscaping to Van Maren Lane / Purselane Way / Garden Gate between Navion Road and Auburn Blvd. Project will also convert to LED street lights and rehabilitate pavement.	2021-2036	\$7,250,000	Limited new development along corridor	88%	12%	\$870,000	unique	master plan	Assumed drainage inlets every 500' of roadway.
28	No	Annual Accessibility Improvements Project	Various	Various	On-going project to support the City's ADA Transition Plan goals.	2021-2036	\$2,000,000	has benefit to both new development and existing residents alike	75%	25%	\$500,000	unique	master plan	Assumed drainage inlets every 500' of roadway.
30	No	Cripple Creek	Zeeland Drive	Lauppe Lane	Multi-purpose trail project that will connect Lauppe Lane, Mesa Verde High School and Zeeland Drive.			Localized improvement primarily supporting existing residents	88%	12%	\$0	unique	master plan	Asummed two feet of shoulder backing on each side of the trail.
31	No	Old Auburn Road Complete Streets Phase 2	Sylvan	Tiara	Complete Streets project that will implement ADA updates, improved pedestrian and bicycle facilities, close sidewalk gaps, traffic signal improvements, replace rolled curb with vertical curb, and add landscaping and hardscaping to Old Auburn Road between Sylvan Road and Tiara Way. Project will also convert to LED street lights and rehabilitate pavement.			development and existing residents on important local artery	75%	25%	\$0	unique	master plan	Assumed drainage inlets every 500' of roadway.
29	Yes	Old Auburn Road / Watchel Complete Streets Phase 3	Garry Oak / Pitalo	NE City Limits / Old Auburn	Complete Streets project that will implement ADA updates, improved pedestrian and bicycle facilities, close sidewalk gaps, traffic signal improvements, replace rolled curb with vertical curb, and add landscaping and hardscaping to Old Auburn Road between Garry Oaks/Pitalo and the northern City limit. Project will also convert to LED street lights and rehabilitate pavement.	2021-2036	\$7,390,000	development and existing residents on important local artery	75%	25%	\$1,847,500	unique	master plan	Assumed drainage inlets every 500' of roadway.
TOTAL COST							\$137,250,000				\$36,212,300			

Exhibit B: Multimodal Impact Fee

Multimodal Impact Fee	
Land Use Category	Fee
Single-Family	<i>\$2,614 per unit</i>
Multi-Family	<i>\$1,418 per unit</i>
Commercial/Retail	
Food	<i>\$3.87 per SF</i>
General Retail	<i>\$6.26 per SF</i>
Service	<i>\$6.26 per SF</i>
Employment / Business	
Professional Office	<i>\$2.83 per SF</i>
Medical	<i>\$7.88 per SF</i>
Government Office	<i>\$3.44 per SF</i>

RESOLUTION NO. 2022 - ____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CITRUS HEIGHTS,
CALIFORNIA, ADOPTING THE PARK IMPACT FEE NEXUS STUDY AND UPDATING
THE PARK IMPACT FEE**

WHEREAS the City of Citrus Heights has, since 1999, assessed a fee on new development to be used to finance parks and recreation facilities in Citrus Heights;

WHEREAS in 2000, via Resolution 2000-46, the City Council of the City of Citrus Heights entered into a Memorandum of Understanding (MOU) with Sunrise Recreation and Park District related to the collection and use of Park Facilities Impact Fees;

WHEREAS the MOU specifies the process for expending the fees and requires the fees are only utilized for parks located within the City of Citrus Heights;

WHEREAS the City and Sunrise Recreation and Park District have a longstanding partnership to improve the quality of life in Citrus Heights;

WHEREAS on June 23, 2022, the City Council considered and adopted the technical study prepared by SCI Consulting Group., entitled “Sunrise Recreation and Park District Park Impact Fee Nexus Study” (“Nexus Study”), dated April 2021, which, in accordance with the provisions of State law, has identified the purpose of the impact fee, identified the intended use of the fee, determined how there is a reasonable relationship between the intended use of the fee and the types of development projects on which the fee is to be imposed, determined how there is a reasonable relationship between the need for affordable housing and the types of development projects on which the fee is to be imposed, and determined how there is a reasonable relationship between the amount of the fee and the cost attributable to the development projects on which the fee is to be imposed;

WHEREAS, the City Council desires to adopt this resolution, adopting the Park Impact Fee Nexus Study;

WHEREAS, following the adoption of the Nexus Study, the City Council intends to hold a duly noticed public hearing on June 23, 2022, at which data and findings related to the Nexus Study will be further considered by the City Council;

WHEREAS, the City Council has identified the Impact Fees in “Exhibit B” as appropriate;

WHEREAS, at least ten days prior to the date this resolution is being heard, data was made available to the public indicating the amount of cost, or estimated cost, required to provide the service for which the fee or service charge is levied and the revenue sources anticipated to provide the service, including general fund revenues in accordance with Government Code Section 66019;

WHEREAS, at least fourteen days prior to the date this resolution is being heard, notice was provided to those persons or organizations who had requested notice of these fees, in accordance with Government Code Section 66019;

WHEREAS, notice of the hearing on the proposed fees was published twice in the manner set forth in Government Code 6062a and as required by Government Code Section 66018;

WHEREAS, a public hearing was conducted by the City Council on June 23, 2022; and

WHEREAS, based upon all written and oral reports received, the City Council finds and determines that the proposed modifications to the Park Impact Fee as set forth herein are necessary to offset the impacts of new development on Parks and that these fees do not exceed the proportional cost of the service or benefit attributable to the fee payer.

NOW, THEREFORE, BE IT RESOLVED AND ORDERED that the City Council of the City of Citrus Heights does hereby declare, find, determine and order as follows:

- A) The Recitals set forth above are true and correct and incorporated herein by this reference.
- B) The Park Impact Fee Nexus Study attached hereto as “Exhibit A” complies with the requirements of Government Code 66016.5 and is hereby adopted and approved as presented.
- C) The Impact Fees attached hereto as “Exhibit B” are hereby adopted and approved as presented and may be updated annually on January 1, based upon the US Bureau of Labor Statistics Consumer Price Index, all items, San Francisco Area as of October of the previous calendar year, with adjustments, as recommended by the City Manager, rounded to the nearest whole dollar.
- (D) The adoption of this Resolution is not a project under the California Environmental Quality Act because it is the creation of a government funding mechanism that does not involve any commitment to any specific project. (CEQA Guidelines 15378(b)(4)).
- (E) This Resolution shall go into full force and effect 60 days following adoption.
- (F) 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 23rd day of June 2022, by the following vote, to wit:

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

Porsche Middleton, Mayor

ATTEST:

Amy Van, City Clerk

Exhibits

- A. Park Impact Fee Nexus Study
- B. Proposed Park Impact Fee

Exhibit A- Parks Impact Fee Nexus Study



SUNRISE RECREATION AND PARK DISTRICT

PARK IMPACT FEE NEXUS STUDY

CITY OF CITRUS HEIGHTS

APRIL 2021
FINAL REPORT

PREPARED FOR:

**ADVISORY BOARD OF DIRECTORS
SUNRISE RECREATION AND PARK DISTRICT**

PREPARED BY:


SCI Consulting Group
4745 MANGLES BOULEVARD
FAIRFIELD, CALIFORNIA 94534
PHONE 707.430.4300
www.sci-cg.com

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SUNRISE RECREATION AND PARK DISTRICT

ADVISORY BOARD OF DIRECTORS

Mark Shahan, Chair
Rita Lingwood, Vice-Chair
Shannon Brown, Director
David Huber, Director
Michelle Rivas, Director

DISTRICT ADMINISTRATOR

Dave Mitchell

FINANCE MANAGER

Margaret Hatton

IMPACT FEE CONSULTANT

Blair Aas, SCI Consulting Group

ACKNOWLEDGMENTS

This Park Impact Fee Nexus Study Update was prepared by SCI Consulting Group ("SCI") under contract with the Sunrise Recreation and Park District. The work was accomplished under the general direction of Dave Mitchell, District Administrator.

We would like to acknowledge the special efforts made by individuals and organizations to this project:

Margaret Hatton, Sunrise Recreation and Park District

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EXECUTIVE SUMMARY

INTRODUCTION

Since December 1, 2010, the City of Citrus Heights ("City"), on behalf of the Sunrise Recreation and Park District ("District"), has imposed a park impact fee on new residential and nonresidential development. The purpose of the park impact fee is to fund the one-time cost of expanding the District's park and recreational facilities in order to meet the impact of new development within the District's City service area.

This Park Impact Fee Nexus Study ("Nexus Study") was prepared pursuant to the "Mitigation Fee Act," as found in Government Code § 66000 et seq. and City Municipal Code Chapter 58. The purpose of this Nexus Study is to establish the legal and policy basis for a new park impact fee for the District's City service area. For purposes of this Nexus Study, "parks" shall mean neighborhood parks and community parks. The term "recreational facilities" shall mean, but not be limited to, playground equipment, fields, courts, shade structures, and restroom buildings.

In order to impose such fees, this Nexus Study will demonstrate that a reasonable relationship or "nexus" exists between new development and the need for additional park and recreational facilities with the City as a result of new development. More specifically, this Nexus Study will present findings in order to meet the substantive requirements of the Act, also known as AB 1600, which are as follows:

- Identify the **purpose** of the fee.
- Identify the **use** to which the fee is to be put.
- Determine how there is a reasonable relationship between the fee's use and the type of development project on which the fee is imposed ("**benefit relationship**").
- Determine how there is a reasonable relationship between the need for the park and recreational facilities and the type of development project on which the fee is imposed ("**impact relationship**").
- Determine how there is a reasonable relationship between the amount of the fee and the cost of the facilities or portion of the facilities attributable to the development on which the fee is imposed ("**proportional relationship**").

Additionally, the Act specifies that the fee shall not include costs attributable to existing deficiencies in public facilities but may include the costs attributable to the increased demand for public facilities reasonably related to the development project in order to refurbish existing facilities to maintain the existing level of service or achieve an adopted level of service that is consistent with the general plan.

METHODOLOGY / APPROACH

To update the District's City park impact fee program consistent with the **substantive requirements** of the Act, this Nexus Study utilizes a per capita standard-based methodology. Under this method, the cost components are based on the District's level of service ("LOS") standards and defined on a per capita basis. For the residential park impact fee, the total per capita costs are applied to five residential land use categories according to their respective dwelling unit occupancy factor to establish a cost/fee per new dwelling unit. For the nonresidential park impact fee, an equivalent cost per employee is determined and applied to three nonresidential land uses according to their respective employment density factors to establish a cost/fee per square foot of new nonresidential building area.

It is important to note that the maximum park impact fee determined by this Nexus Study is not directly influenced by the level of development in the City. The park impact fee is determined with an open-end approach based on the District's level of service standards rather than a definite facility plan and a definite level of future development. Therefore, if the actual level of development is significantly higher or lower rate than projected, no revision of the park impact fee program would be necessary.

The Nexus Study also details the **procedural requirements** for the adoption of the Nexus Study and new park impact fee program ("fee program"). Also, the Act contains specific requirements for the **annual administration** of the fee program. These statutory requirements and other important information regarding the imposition and collection of the fee are provided in the last two sections of the Nexus Study.

SUMMARY OF KEY FINDINGS

The following key findings are presented:

1. Park impact fees are needed to ensure that the District can develop park and recreation facilities and improvements needed for the resident and nonresident employee growth created by new development in the City.
2. The City, on behalf of the District, currently imposes the following park impact fees:

Figure 1 – Current Park Impact Fee Schedule

Construction Type	Rate
New Commercial Construction (totaling LESS THAN 5,000 sf)	Exempt
New Commercial Construction (totaling BETWEEN 5,000 and 10,000 sf)	
Retail Use	9¢ per sf
Office Use	18.5¢ per sf
Industrial Use	4.5¢ per sf
New Commercial Construction (totaling GREATER than 10,000 sf)	
Retail Use	18¢ per sf
Office Use	37¢ per sf
Industrial Use	9¢ per sf
Residential Construction Types	
Single-family, detached	\$1,078.50 per unit
Single-family, attached	\$800.65 per unit
Multi-family	\$665.38 per unit
Mobile Homes	\$577.64 per unit

3. According to the District's adopted 2014 Master Plan Update, the District's goal is to provide 4.5 acres of neighborhood parks and community for every 1,000 residents.
4. Based on the current population and existing park acres in the District's City service area, the existing level of service is 2.59 acres of developed parks for every 1,000 residents.
5. Consistent with the Act's nexus requirements, this Nexus Study demonstrates a reasonable relationship between new development, the amount of the proposed fee, and park and recreational facilities funded by the fee.

6. The District may approve, and the City may adopt the fees in Figure 2 at or below the maximum levels determined by this Nexus Study. If the District and the City choose to adopt lower fees, each land use category's adopted fee must be reduced by the same percentage.

FIGURE 2 – MAXIMUM PARK IMPACT FEE SCHEDULE

Land Use Category	Unit ¹	Maximum Park Impact
		Fee ²
Single-Family Detached Housing	DU	\$6,089
2 to 4 Unit Attached Housing	DU	\$4,722
5 + Unit Attached Housing	DU	\$4,453
Mobile Homes	DU	\$3,459
Accessory Dwelling Unit	See Note 3	
Retail / Commercial	BSQFT	\$0.36
Office	BSQFT	\$0.56
Industrial	BSQFT	\$0.24

Notes:

¹ DU means dwelling unit; BSQFT means building square feet.

² See Figures 7 and 8.

³ Accessory dwelling units less than 750 square feet of living area are exempt. Accessory dwelling units 750 square feet or greater shall be imposed 50% of the effective fee of the existing land use category.

SUMMARY OF KEY RECOMMENDATIONS

Based on the findings presented in the Nexus Study, the following key recommendations are presented:

1. The park impact fee should be adopted in accordance with Government Code Sections 66016, 66017, and 66018.
2. The District and the City should comply with the annual reporting requirements under Government Code § 66006(b).
3. Following the fifth fiscal year after the first deposit of fee revenue and every five years thereafter, District and the City should comply with the reporting requirements under Government Code § 66001(d).
4. The cost estimates presented in this Nexus Study are in January 2021 dollars. The adopted park impact fee should be adjusted annually by averaging the net percentage change in the Engineering News-Record Construction Cost Index for San Francisco and the Engineering News-Record 20 U.S. Cities Construction Cost Index for the preceding year.
5. In order to comply with the Act and recent court decisions, a fee credit must be given for demolished existing dwelling units or existing nonresidential building square footage as part of a new development project.

PER CAPITA COST COMPONENTS

The Act requires that development impact fees be determined in a way that ensures a reasonable relationship between the amount of the fee and the cost of the park and recreational facilities attributable to the new development on which the fee is imposed. This section presents the calculation of the total cost per capita for developed parks based on the District's master plan level of service for such facilities.

POPULATION PROJECTION

Figure 3 presents the City's current and projected population thru 2036. The City's population was determined using figures from the California Department of Finance. The 2036 population projection is based on the City's historical annual growth rate of 0.55%, or roughly 155 housing units per year. As shown below, it is estimated that the City's household population, as of January 2021, is 87,805. It is projected that the City will grow by 8,054 residents to a household population of 95,859 by 2036.

FIGURE 3 – CURRENT AND PROJECTED CITY POPULATION

Population Projection	2021	2025	2030	2036	Growth 2021 thru 2036
Citrus Heights	87,805	90,247	92,756	95,859	8,054

Source: California Department of Finance and Sacramento Area Council of Governments

DEVELOPED PARKS

According to the District's Master Plan, neighborhood parks are typically a combination of playground and park designed primarily for non-supervised, non-organized recreational activities. They are typically 2 – 10 acres in size. Community parks, ranging from 10 acres to 100 acres in size, are designed for organized groups or team sports while also providing facilities for individual and family activities.

For the City service area, the District has nine developed neighborhood parks and five developed community parks totaling 227.36 acres or 2.59 acres for every 1,000 residents. This is in addition to seven other natural park sites. However, the District's adopted Master Plan standard for developed parks is 4.5 acres per 1,000 residents. Therefore, to accommodate the anticipated population growth of 8,054 new residents by 2036, an additional 36.24 acres of developed parks will be required.

To achieve their adopted Master Plan goal, the District will need to fund existing development share of needed parks and any other improvements not identified with other funding sources. Other potential sources of funds include, but are not limited to, a general obligation bond measure, state and federal grants, the District's general fund, and existing or new special tax and assessment proceeds, if allowable.

PARK DEVELOPMENT COST PER CAPITA

Figure 4 below calculates the per capita cost of developing new parks in the District. As presented, the 4.5 acres per 1,000 population Master Plan standard is multiplied by the estimated average per acre cost for park development to arrive at a per capita cost. The average park development cost per acre shown represents the weighted average construction cost per acre (in 2021 dollars) for neighborhood and community parks per recent cost estimates.

FIGURE 4 – PARK DEVELOPMENT COST PER CAPITA

Cost Component	Acres per 1,000 Population ¹		Average Development Cost per Acre ²	
	Calc	a	b = a / 1,000	c
Developed Parks		4.50	0.00450	\$442,600
				\$1,991.70

Source: Sunrise Recreation and Park District, Master Plan Update 2014

Notes:

¹ Based on District's Master Plan Level of Service.

² See Appendix A. The average development cost per acre is weighted 2.5 acres for neighborhood parks and 2.0 acres for community parks.

DETERMINATION OF THE RESIDENTIAL PARK IMPACT FEE

This section presents the calculation of the total cost per capita for parks and recreational facilities. The total cost per capita for each is then applied to five residential land use categories in proportion to the demand they create as measured by their respective dwelling unit occupancy factor.

PARK IMPACT FEE COST COMPONENTS

The figure below summarizes the per capita cost components from the previous section and includes an additional four percent for administration of the park impact fee program. The fee program administrative cost component is designed to recover the cost of fee collection, documentation, annual reporting requirements, five-year report requirements, periodic Nexus Study updates, and other costs reasonably related to compliance with the Act. As shown, the total per capita cost is \$2,071.37.

FIGURE 5 – PARK IMPACT FEE COST COMPONENTS

Cost Component	Per Capita Cost
Park Development	\$1,991.70
Fee Program Administration (4%) ¹	\$79.67
Total Cost per Capita	\$2,071.37

Notes:

¹ Collection, accounting, documentation, annual reporting requirements, five-year report requirements, periodic Nexus Study updates and other costs reasonably related to compliance with the Act.

RESIDENTIAL LAND USE CATEGORIES

The Mitigation Fee Act requires that development impact fees be determined in a way that ensures a reasonable relationship between the amount of the fee and the cost of the facilities or portion of the facilities attributable to the development on which the fee is imposed. Since the demand for / need for park and recreational services is inherently driven by service population and since different residential land uses have varying household occupancies, the residential park impact fee is expressed on a per dwelling unit basis based on their respective dwelling unit occupancy factor for four residential land use.

This Nexus Study also incorporates the addition of another residential unit to a single-family parcel as a fifth category labeled as “Accessory Dwelling Unit.”

For the purpose of this fee program, a “dwelling unit” means one or more rooms in a building or structure or portion thereof designed exclusively for residential occupancy by one or more persons for living or sleeping purposes and having kitchen and bath facilities.

The five residential land use categories are as follows:

- ***“Single-family detached housing”*** means detached one-family dwelling units.
- ***“2 to 4 unit attached housing”*** means buildings or structures designed for two through four families for living or sleeping purposes and having kitchen and bath facilities for each family, including two-family, group, and row dwelling units.
- ***“5 + unit attached housing”*** means buildings or structures designed for five or more families for living or sleeping purposes and having kitchen and bath facilities for each family, including condominiums and cluster developments.
- ***“Mobile home”*** means a development area for residential occupancy in vehicles that require a permit to be moved on a highway, other than a motor vehicle designed or used for human habitation and for being drawn by another vehicle.
- ***“Accessory dwelling unit”*** means a dwelling unit, or “granny flat,” either a detached or attached dwelling unit, which provides complete, independent living facilities for one or more persons with provisions for living, sleeping, eating, cooking, and sanitation on the same parcel as the primary residence.

DWELLING UNIT OCCUPANCY FACTOR

Figure 6 below presents the calculation of the dwelling unit occupancy factor for the four residential land uses. The calculation is based on information from the *2014-2018 American Community Survey 5-Year Estimate* from the 2010 U.S. Census for the City.

FIGURE 6 – DWELLING UNIT OCCUPANCY FACTOR

Land Use Categories	Occupied Dwelling Units		Total Number of Occupants	Dwelling Unit Occupancy Factor
	Calc	a	b	c = b / a
Single-Family Detached Housing		19,816	58,259	2.94
2 to 4 Unit Attached Housing		6,166	14,058	2.28
5 + Unit Attached Housing		6,318	13,560	2.15
Mobile Homes ¹		1,023	1,708	1.67
Total/Average (2010 Census)		34,346	89,293	2.60

Source: 2010 U.S. Census for the City of Citrus Heights

RESIDENTIAL PARK IMPACT FEE DETERMINATION

Figure 7 below presents the calculation of the maximum park impact fee. As shown, the per dwelling unit fees for four residential land uses are determined by multiplying the total cost per capita by their respective dwelling unit occupancy factor. The park impact fee for an ADUs of 750 square feet or greater in size shall be imposed 50% of the effective fee imposed for the existing land use category.

The District may approve, and the City may adopt fees lower than the maximum, justified amounts shown below, provided that they are reduced by the same percentage for each land use category.

FIGURE 7 – MAXIMUM RESIDENTIAL PARK IMPACT FEE

Land Use Category	Unit	Total Cost Per Capita ¹	Dwelling Unit Occupancy Factor ²	Maximum Park Impact Fee ³
	Calc	a	b	c = a * b
Single-Family Detached Housing	DU	\$2,071.37	2.94	\$6,089
2 to 4 Unit Attached Housing	DU	\$2,071.37	2.28	\$4,722
5 + Unit Attached Housing	DU	\$2,071.37	2.15	\$4,453
Mobile Homes	DU	\$2,071.37	1.67	\$3,459
Accessory Dwelling Unit				See Note 4

Notes:

¹ See Figure 5.

² See Figure 6.

³ Maximum park impact fee is rounded down to the nearest dollar.

⁴ Accessory dwelling units less than 750 square feet of living area are exempt. Accessory dwelling units 750 square feet or greater shall be imposed 50% of the effective fee of the existing land use category.

PROJECTED PARK IMPACT FEE REVENUE

Figure 8 projects park impact fee revenue through 2036. Total fee residential revenue (in 2021 dollars) is estimated by multiplying the total cost per capita by the projected resident population growth in the fee program area for the period. As shown, it is projected the District may generate approximately \$16.7 million (in 2021 dollars) by 2036 from the City service area. Certainly, arguments can be made for higher or lower population growth. However, the projected population growth and fee revenue are merely estimates for planning purposes. The maximum fee amounts do not depend upon the timing and level of development.

FIGURE 8 – PROJECTED PARK IMPACT FEE REVENUE

Land Use Category	Total Cost per Capita ¹	Projected Population Growth (2036) ²	Projected Park Impact Fee Revenue (2021\$)	
	Calc	a	b	c = a * b
Residential Development	\$2,071.37	8,054	\$16,682,814	

Notes:

¹ See Figure 7.

² See Figure 3.

The fee revenue must be deposited into a separate park impact fee account or fund in a manner to avoid any commingling of the fees with other revenues and funds of the City.

The fee revenue will be restricted to the funding of new or expanded parks and recreational facilities in the City limits that add to the park and recreational service capacity. Additionally, the use of fee proceeds for rehabilitation of existing parks and recreational facilities is limited in that they may only cover the portion of an improvement that expands service capacity. For example, if the District planned to replace a shade structure with an existing park with a significantly larger shade structure, park impact fee proceeds could fund the portion equal to the percentage increase in the square footage of the larger shade structure, or by another reasonable measurement of capacity. (See Figure 9 for more information.)

Fee revenue will also be used to cover fee program administration costs such as collection, documentation, annual reporting requirements, five-year report requirements, periodic Nexus Study updates, and other costs reasonably related to compliance with the Act.

Fee revenue may not be used to fund 1) the renovation or replacement of existing facilities and 2) operational, maintenance or repair costs.

NEXUS FINDINGS FOR RESIDENTIAL PARK IMPACT FEE

This section summarizes the nexus findings required to demonstrate the legal justification of the residential park impact fee.

PURPOSE OF THE FEE

The purpose of the residential park impact fee is to fund new or expanded park and recreational facilities to meet the needs of the new resident population generated by new residential development in the District.

USE OF FEE REVENUE

Park impact fee revenue will be used to fund the development and/or acquisition of new or expanded park and recreational facilities to serve new development within the City limits. A summary of the allowable and prohibited uses of the fee revenue is provided in Figure 9 below.

FIGURE 9 – SUMMARY OF ALLOWABLE AND PROHIBITED USES OF FEE REVENUE

<u><i>Allowable Uses</i></u>	<u><i>Prohibited Uses</i></u>
<ul style="list-style-type: none"> ▪ <i>The cost of new or expanded parks and recreational facilities in the City limits (100%)</i> ▪ <i>The cost of new recreational facilities in <u>existing</u> parks that that expand service capacity in the City limits (100%)</i> ▪ <i>Park and recreational facility costs already incurred that provide growth-related capacity in the City limits (100%)</i> ▪ <i>The proportional cost of park and recreational facility renovation projects that expand service capacity in the City limits</i> ▪ <i>Collection, accounting, documentation, annual reporting requirements, five-year report requirements, periodic Nexus Study updates, and other costs reasonably related to compliance with the Act.</i> 	<ul style="list-style-type: none"> ▪ <i>Existing deficiencies, such as renovation or replacement of existing recreational facilities that do not expand service capacity</i> ▪ <i>Parkland acquisition, construction of swimming pools, community use facilities, and purchase or lease of vehicles.</i> ▪ <i>Operational, maintenance, or repair costs</i> ▪ <i>Any District improvements outside the City limits</i>

BENEFIT RELATIONSHIP

The fee will be collected as development occurs. Fee revenue will be used to fund new and expanded park and recreational facilities to meet the additional demand generated by the new residents created by new development projects. Fee revenue will be deposited into a separate park impact fee account or fund in a manner to avoid any commingling of the fees with other revenues and funds. The fee revenue will be restricted to the uses described in the "Use of Fee Revenue" finding. These actions ensure that a development project paying the park impact fee will benefit from its use.

IMPACT RELATIONSHIP

Since the need for park and recreational services is inherently population-driven, new residential development in the District will generate the need for additional park and recreational services and the corresponding need for various facilities. The need is measured in proportion to the dwelling unit occupancy factor for five residential land use categories. The District's Master Plan park standard is 4.50 improved park acres for every 1,000 residents. The fees' use (funding new or expanded park and recreational facilities) is therefore reasonably related to the type of project (new residential development) upon which it is imposed.

PROPORTIONALITY

The amount of park and recreational facilities needed to serve a unit of development is based on the District's level of service standards for such facilities. The cost of new and expanded park and recreational facilities and fee program administrative costs are defined on a cost per capita basis. These per capita costs are then applied to five residential land use categories based on their respective dwelling unit occupancy factor.

The use of average dwelling unit occupancy for five residential land use categories to determine the park impact fee schedule achieves proportionality across the types of development on which the fee is imposed. In general, a single-family home will generate a higher number of persons than a multi-family unit, and as a result, will pay a higher fee. Thus, the application of the park impact fee schedule to a specific project ensures a reasonable relationship between the fee and the cost of park and recreational facilities attributable to that residential development project.

DETERMINATION OF THE NONRESIDENTIAL PARK IMPACT FEE

In addition to the residents of the District, employees who work in the District also use and place demands upon the District's park facilities. Just as future growth in the residential population will impact park facilities, future growth in the District's employee population will also impact park facilities, and additional park and recreational facilities are required for the future growth in employees within the District. Therefore, this section determines a park impact fee for nonresidential land uses.

RESIDENTIAL EQUIVALENT FACTOR

Employees use park and recreational facilities in a variety of ways. They participate in lunchtime activities, gym use, community center functions, before-work and after-work group functions, weekend company functions, company-sponsored sports leagues, lunchtime trail use, etc. However, one employee is generally not considered to have the same demand for or impact upon park facilities as one resident. Therefore, this Nexus Study utilizes a residential equivalent factor which is determined by the number of hours an employee is within the District divided by the number of hours in a year available to a full-time employee to use the District's park and recreation facilities while in the District as the ratio of the demand one employee will have on park facilities, as compared to one resident.

In general, residents of the District can use the District's park and recreation facilities year-round. Conversely, park and recreation facility use by employees in the District is generally limited to shorter periods before and after work and during lunch or break times. This time available for park usage within the District is estimated to be two hours per day, five days per week. In order to establish an employee park usage factor of equivalence with residents, each resident is assumed to be able to use parks 16 hours per day, 365 days per year. Thus, for purposes of this Nexus Study, one employee is considered to have the equivalent park facilities demand of 0.09 residents, as shown in Figure 10 below.

FIGURE 10 – RESIDENTIAL EQUIVALENT FACTOR

Total Park Hours Available per Year ¹	5,840
Hours Available to Employees per Year for Park Use ²	520
Residential Equivalent Factor	0.09

Notes:

¹ 365 days per year, 16 hours per day.

² 52 weeks per year, 5 days per week, 2 hours per day out of a 10 hour day.

NONRESIDENT EMPLOYEE FACTOR

In order to measure the impact of new employees that do not live in the District, a nonresident employee factor is determined using figures from the 2000 U.S. Census. (Unfortunately, the 2010 Census does not provide similar data and 2000 U.S. Census data is no longer accessible.) However, it is known that 48,393 employees that worked in the City and the Foothill Farm Census-Designated Place ("CDP") in 2000, and 41,791 were not residents. For purposes of this Nexus Study, it is assumed that 86 percent of employees generated by new nonresidential development with the District will reside outside the District. 2000 Census figures for the City and the Foothill Farm CDP are found to be reasonably representative of the same ratio today.

FIGURE 11 – NONRESIDENT EMPLOYEE FACTOR

	Calc	
Work In Place of Residence	a	6,602
Work Outside Place of Residence	b	41,791
Total Workers in Place	$c = a + b$	48,393
Nonresident Employee Factor	$d = b / c$	0.86

Source: 2000 U.S. Census

COST PER EMPLOYEE

Figure 12 below presents the calculation of the cost per nonresident employee based on the per capita cost multiplied by the residential equivalent factor and nonresident employee factor for nonresidential land uses. As shown, the cost per employee is \$159.28, or the equivalent of 7.7% of the per capita cost for a District resident.

FIGURE 12 – COST PER EMPLOYEE

Land Use	Per Capita Costs ¹	Residential Equivalent Factor ²	Nonresident Employee Factor ³	Cost per Employee
Calc	a	b	c	$d = a * b * c$
Nonresidential	\$2,071.37	0.09	0.86	\$159.28

Notes:

¹ See Figure 7.

² See Figure 10.

³ See Figure 11.

NONRESIDENTIAL LAND USE CATEGORIES

As mentioned earlier, the Act requires that development impact fees be determined in a way that ensures a reasonable relationship between the amount of the fee and the cost of the facilities or portion of the facilities attributable to the development on which the fee is imposed. Since nonresidential land uses have varying employment densities, the nonresidential park impact fee is expressed on a per square footage basis based on their respective employment density for three nonresidential land use categories.

Nonresidential development means a permit for the original construction or installation of three categories of structures, including retail and commercial, office, and industrial or similar nonresidential occupancy. These categories are defined below.

- ***“Retail / Commercial”*** means buildings to be used for retail, general commercial, hotel/motel, private school, and similar nonresidential occupancy.
- ***“Office”*** means a building to be used for general business services, professional office, medical office, and similar nonresidential occupancy.
- ***“Industrial”*** means a building to be used for manufacturing, fabrication, assembly, storage, distribution, and similar nonresidential purposes.

The nonresidential fee shall be charged for “covered and enclosed space” within the perimeter of a nonresidential structure. Any storage areas incidental to the principal use of the development, garages, parking structures, unenclosed walkways, or utility or disposal areas shall not be subject to the fee.

NONRESIDENTIAL PARK IMPACT FEE DETERMINATION

In order to determine the nonresidential park impact fees, the cost per employee is applied to the three nonresidential land uses by their employment density to arrive at nonresidential park impact fees per square foot. The nonresidential park impact fees for retail/commercial, office, and industrial land uses are shown in Figure 13 on the following page. The District may approve, and the City may adopt fees lower than the maximum amounts justified by this Nexus Study provided that they are reduced by the same percentage for each land use category.

FIGURE 13 – MAXIMUM NONRESIDENTIAL PARK IMPACT FEE

Nonresidential Land Use Category	Cost per Employee ¹	Employees per 1,000 Sq. Ft. ²	Maximum Nonresidential Park Impact Fee ³
Calc	a	b	c = a / (1,000 / b)
Retail / Commercial	\$159.28	2.25	\$0.36
Office	\$159.28	3.50	\$0.56
Industrial	\$159.28	1.50	\$0.24

Notes:

¹ See Figure 12.

² Employment density figures based on the SCAG "Employment Density Study" dated October 31, 2001 prepared by The Natelson Company, Inc.

³ Fee is rounded to the nearest cent.

The employment density figures are based on the commonly cited Southern California Association of Government ("SCAG") "Employment Density Study" dated October 31, 2001, prepared by The Natelson Company, Inc. All density figures are expressed in terms of the number of employees per 1,000 square feet of building area. For the purpose of this Nexus Study, these figures are found to be representative of the employment density of future nonresidential development.

NEXUS FINDINGS FOR NONRESIDENTIAL PARK IMPACT FEE

This section summarizes the nexus findings required to demonstrate the legal justification of the nonresidential park impact fee.

PURPOSE OF THE FEE

The purpose of the nonresidential park impact fee is to fund new or expanded park and recreational facilities within the City limits to meet the needs of new employees created by new nonresidential development.

USE OF FEE REVENUE

Park impact fee revenue will be used to fund the development and/or acquisition of new or expanded park and recreational facilities to serve new development with City limits. A summary of the allowable and prohibited uses of the fee revenue is provided in Figure 9.

BENEFIT RELATIONSHIP

The fee will be collected as new nonresidential development occurs. Fee revenue will be used to fund new and expanded park and recreational facilities to meet the additional demand generated by the employees created by new development projects. Fee revenue will be deposited into a separate park impact fee account or fund in a manner to avoid any commingling of the fees with other revenues and funds. The fee revenue will be restricted to the uses described in the "Use of Fee Revenue" finding. These actions ensure that a nonresident development project paying the park impact fee will benefit from its use.

IMPACT RELATIONSHIP

Since the need for park and recreational services is inherently service population-driven, new nonresidential development will generate additional demand for park services and the associated need for new or expanded park and recreational facilities. The demand is measured in proportion to the residential equivalent factor, the nonresident employee factor, and the average employment density for retail/other commercial, office, and industrial land use categories. The fees' use (funding new or expanded park and recreational facilities) is therefore reasonably related to the type of project (new nonresidential development) upon which it is imposed.

PROPORTIONALITY

The amount of park and recreational facilities needed to serve a unit of nonresidential development is determined by dividing the cost per employee by the employment density for retail/other commercial, office, and industrial land uses.

The use of employment density to determine the nonresidential park impact fee schedule achieves proportionality across the types of nonresidential development on which the fee is imposed. In general, an office will generate a higher number of employees than an industrial facility on a square footage basis, and as a result, will pay a higher fee. Thus, the application of the park impact fee schedule to a specific nonresidential project ensures a reasonable relationship between the fee and the cost of the park and recreational facilities attributable to that nonresidential development project.

COMPARISON OF CURRENT AND MAXIMUM PARK IMPACT FEES

The figure below compares the current park impact fee schedule with the maximum park impact fee schedule justified by this Nexus Study.

FIGURE 14 – COMPARISON OF CURRENT AND MAXIMUM PARK IMPACT FEES

Land Use Category	Unit ¹	Maximum Current Park Park Impact		\$ Change	% Change
		Impact Fee	Fee		
	Calc	a	b	c = a - b	d = c / a - 1
Single-Family Detached Housing	DU	\$1,079	\$6,089	\$5,010.50	464.6%
2 to 4 Unit Attached Housing	DU	\$801	\$4,722	\$3,921.35	489.8%
5 + Unit Attached Housing	DU	\$665	\$4,453	\$3,787.62	569.2%
Mobile Homes	DU	\$578	\$3,459	\$2,881.36	498.8%
Accessory Dwelling Unit		----- See Note 3 -----			
Retail / Commercial	BSQFT	\$0.09; \$0.18	\$0.36	\$0.09; \$0.27	26%; 74%
Office	BSQFT	\$0.185; \$0.37	\$0.56	\$0.185; \$0.375	34%; 66%
Industrial	BSQFT	\$0.045; \$0.09	\$0.24	\$0.045; \$0.195	20%; 80%

Notes:

¹ DU means dwelling unit; BSQFT means building square feet.

² Established by Citrus Heights City Council on July 28, 1999 by Ordinance No. 99-12

³ Accessory dwelling units less than 750 square feet of living area are exempt. Accessory dwelling units 750 square feet or greater shall be imposed 50% of the effective fee of the existing land use category.

FEE PROGRAM ADOPTION REQUIREMENTS

The following is a summary of the statutory procedural requirements for approval of the Nexus Study and proposed park impact fee program ("fee program") by the District Advisory Board of Directors and adoption by the City Council on behalf of the District. The specific statutory procedural requirements for the adoption of the fee program may be found in the California Government Code Sections 66016, 66017 and 66018, and City Municipal Code 58. It is recommended that the notice and hearing requirements be satisfied by the District and the City.

SUNRISE RECREATION AND PARK DISTRICT

1. The District Advisory Board of Directors shall conduct at least "one open and public meeting" as part of a regularly scheduled meeting on the proposed fee program.
2. At least 14 days before the meeting, the District shall mail out a notice of the meeting to any interested party who filed a written request for notice of the adoption of new or increased fees.
3. At least ten days before the meeting, the District shall make available to the public the Nexus Study for review.
4. At least ten days before the public hearing, a notice of the time and place of the meeting shall be published twice in a newspaper of general circulation with at least five days intervening between the dates of first and last publication, not counting such publication dates.
5. After the public hearing, the District Advisory Board shall adopt a resolution approving the Nexus Study and proposed fee program with a recommendation that the City Council adopt the proposed fee program on behalf of the District.

CITY OF CITRUS HEIGHTS

1. The City Council shall conduct at least "one open and public meeting" as part of a regularly scheduled meeting on the requested fee program.
2. At least 14 days before the meeting, the City shall mail out a notice of the meeting to any interested party who filed a written request for notice of the adoption of new or increased fees.
3. At least ten days before the meeting, the City shall make available to the public the Nexus Study for review.
4. At least ten days before the public hearing, a notice of the time and place of the meeting shall be published twice in a newspaper of general circulation with at least five days

intervening between the dates of first and last publication, not counting such publication dates.

5. After the public hearing, the City Council shall adopt a resolution establishing the new fee program on behalf of the District.
6. The fee shall become effective 60 days after the adoption of the resolution or longer as specified by the resolution.

FEE PROGRAM ADMINISTRATION REQUIREMENTS

This section summarizes the statutory requirements and general recommendations for the annual administration of the park impact fee program. The specific statutory requirements for the administration of the fee program may be found in California Govt. Code § 66000 et seq.

ACCOUNTING REQUIREMENTS

Proceeds from the new park impact fee should be deposited into separate funds or accounts so that there will be no commingling of fees with other revenue or unexpended balances of the existing fee program funds. Once the old existing fee program funds have been spent, the old accounts should be closed.

The park impact fees should be expended solely for the purpose for which they were collected. Any interest earned by such account should be deposited in that account and expended solely for the purpose for which originally collected.

REPORTING REQUIREMENTS

The following information, entitled "*Annual Report*," must be made available to the public within 180 days after the last day of each fiscal year:

- a brief description of the type of fee in the account;
- the amount of the fee;
- the beginning and ending balance of the account;
- the fees collected that year and the interest earned;
- an identification of each public improvement for which the fees were expended and the amount of the expenditures for each improvement;
- an identification of an approximate date by which development of the improvement will commence if the local agency determines that sufficient funds have been collected to complete financing of an incomplete public improvement;
- a description of each inter-fund transfer or loan made from the account or fund, including the public improvement on which the transferred or loaned fees will be expended, the date on which any loan will be repaid, and the rate of interest to be returned to the account; and
- the amount of money refunded under section Govt. Code § 66001.

The District and City shall review the Annual Report at the next regularly scheduled public meeting, not less than 15 days after the Annual Report is made available to the public. Notice of the time and place of the meeting, including the address where this information may be reviewed, shall be mailed, at least 15 days prior to the meeting, to any interested party who files a written request with the District or City for mailed notice of the meeting. Any written request for mailed notices shall be valid for one year from the date on which it is filed unless a renewal request is filed. Renewal requests for mailed notices shall be filed on or before April 1 of each year. The District Board and City Council may establish a reasonable annual charge for sending notices based on the estimated cost of providing the service.

For the fifth fiscal year following the first receipt of any park impact fee proceeds, and every five years thereafter, the District must comply with Government Code Section 66001(d)(1) by affirmatively demonstrating that the District still needs the unexpended park impact fees to achieve the purpose for which it was originally imposed and that the District has a plan on how to use the unexpended balance to achieve that purpose. Specifically, the District shall make the following findings, entitled "*Five-Year Findings Report*," concerning that portion of the account or fund remaining unexpended, whether committed or uncommitted:

- Identify the purpose to which the fee is to be put;
- Demonstrate a reasonable relationship between the fee and the purpose for which it is charged;
- Identify all sources and amounts of funding anticipated to complete financing in incomplete improvements; and
- Designate the approximate dates on which the funding is expected to be deposited into the appropriate account or fund.

The District and the City shall provide for the refund of all or any part of such unexpended or unappropriated fee revenue, together with any actual interest accrued thereon, in the manner described in Government Code § 66001 (e) of the, to the current record owner of any property for which a fee was paid; provided that if the administrative costs of refunding such fee revenue exceed the amount to be refunded.

ANNUAL INFLATIONARY ADJUSTMENT

All costs and the associated park impact fees determined by this Nexus Study are in January 2021 dollars. The park impact fee shall be adjusted automatically without any further action of the District Advisory Board or the City Council on March 1 by averaging the net percentage change Engineering News-Record Construction Cost Index for San Francisco and the 20 U.S. Cities Index for the preceding year.

FEE EXEMPTIONS

The following are exempted from payment of the fee.

- Any replacement or reconstruction of an existing dwelling unit.
- Additions to single-family residential structures provided no change in use occurs, and a second full kitchen is not added.
- Additions to multi-family residential structures that do not create additional units.
- Supporting use square footage in multi-family projects, such as the office and recreation areas required to directly serve the multi-family project.
- Nonhabitable residential structures such as decks, pools, pool cabanas, sheds, garages, etc.
- Construction of an accessory dwelling unit less than 750 square feet or that does not have a full kitchen.
- Mobile or manufactured homes with no permanent foundation.
- New nonresidential construction less than 5,000 square feet.

FEE CREDITS

Pursuant to City Municipal Code 58, the Act, and recent court cases, the following circumstances must receive a fee credit:

- Nonresidential building square footage as part of a development project.
- If a developer dedicates land or builds specific park facilities under a turn-key agreement, the fee imposed on that development project may be adjusted to reflect a credit for the parks and recreational facilities constructed.

APPENDICES

Appendix A – Cost Estimates for Parks and Recreational Facilities

Appendix B – Inventory of District Park Facilities within the City

APPENDIX A – COST ESTIMATES FOR PARK AND RECREATION FACILITIES

FIGURE 15 – TYPICAL 5-ACRE NEIGHBORHOOD PARK CONSTRUCTION COSTS

Item	Units		Unit Cost ¹	2021 \$ ¹
	Calc	a	b	c = a * b
Basic Park Development		5 acre	\$283,000	\$1,415,000
Parking Lots		20 stall	\$4,000	\$80,000
Soccer Field		1 each	\$16,000	\$16,000
Restroom Building		1 each	\$310,300	\$310,300
Playground Equipment - Large		1 each	\$374,500	\$374,500
Basketball Court (1/2 Court)		1 each	\$48,100	\$48,100
Shade Structure - Large (50 people)		1 each	\$96,600	\$96,600
Total Project Cost				<u>\$2,340,500</u>
Average Cost Per Acre (rounded)				<u>\$468,000</u>

Sources: County of Sacramento and SCI Consulting Group

Notes:

¹ Based on park and recreation capital improvement estimates for the Florin Vineyard Community Plan as of January 1, 2019 and adjusted 5.9% for cost inflation based on the average change in ENR CCI SF from January 2019 (12114.87) to January 2021 (13097.91) and the ENR CCI 20-Cities from January 2019 (11206) to January 2021 (11628).

FIGURE 16 – TYPICAL 20-ACRE COMMUNITY PARK CONSTRUCTION COSTS

Item	Units		Unit Cost ¹	2021 \$ ¹
	Calc	a	b	c = a * b
Basic Park Development	20	acre	\$224,600	\$4,492,000
Playground Equipment - Small	2	each	\$187,200	\$374,400
Playground Equipment - Large	1	each	\$374,500	\$374,500
Soccer Field	2	each	\$16,000	\$32,000
Youth Baseball / Softball Fields	3	each	\$64,200	\$192,600
Tennis Court with Fence (Set of 2)	4	each	\$107,000	\$428,000
Sports Lighting	1	each	\$41,700	\$41,700
Basketball Court (1/2 Court)	3	each	\$48,100	\$144,300
Shade Structure - Large (50 people)	2	each	\$96,600	\$193,200
Shade Structure - Small (25 people)	2	each	\$49,400	\$98,800
Restroom Building	4	each	\$310,300	\$1,241,200
Parking Lots	150	stall	\$4,000	\$600,000
Total Project Cost				<u>\$8,212,700</u>
Average Cost Per Acre (rounded)				<u>\$411,000</u>

Sources: County of Sacramento and SCI Consulting Group

Notes:

¹ Based on park and recreation capital improvement estimates for the Florin Vineyard Community Plan as of January 1, 2019 and adjusted 5.9% for cost inflation based on the average change in ENR CCI SF from January 2019 (12114.87) to January 2021 (13097.91) and the ENR CCI 20-Cities from January 2019 (11206) to January 2021 (11628).

APPENDIX B – CITY PARK INVENTORY

FIGURE 17 – CITY PARK INVENTORY

NAME OF PARK	DEVELOPED (ACRES)	UNDEVELOPED (ACRES)	TOTAL (ACRES)
C-BAR-C COMMUNITY PARK	25.30		25.30
CROSSWOODS COMMUNITY PARK	15.91		15.91
RUSCH PARK COMMUNITY PARK	48.36		48.36
TEMPO COMMUNITY PARK	23.92		23.92
FOOTHILL GOLF CENTER	15.27		
CHERRY CREEK MANOR PARK SITE		6.97	6.97
EDGECLIFF CT./CRIPPLE CREEK PARK SITE		8.63	8.63
INDIAN RIVER DRIVE PARK SITE		10.13	10.13
STOCK RANCH NATURE PRESERVE		39.10	39.10
SUNRISE OAKS PARK SITE		9.08	9.08
TWN CREEK PARK		7.35	7.35
WOODSIDE OAKS/OLIVEINE DR. PARK SITE		4.71	4.71
ARCADE CREEK PARK PRESERVE	10.36		10.36
BROOKTREE PARK	14.79		14.79
GREENBACK WOODS PARK	3.90		3.90
MADERA PARK	15.71		15.71
MCDONALD FIELD PARK	2.27		2.27
NORTHWOODS PARK	8.87		8.87
SAN JUAN PARK	15.00		15.00
VAN MAREN PARK	4.37		4.37
WESTWOOD PARK	11.67		11.67
SHADOWCREEK PARK	11.66		11.66
TOTAL	227.36	85.97	298.06

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Exhibit B – Parks Impact Fee

Citrus Heights Park Impact Fee by Land Use							
	Per Unit				Per SF		
Land Use	<i>Single Family</i>	<i>2-4 Unit</i>	<i>5+ Unit</i>	<i>Mobile Homes</i>	<i>Retail/Commercial</i>	<i>Office</i>	<i>Industrial</i>
<i>Fee</i>	\$ 6,089.00	\$ 4,722.00	\$ 4,453.00	\$ 3,459.00	\$ 0.36	\$ 0.56	\$ 0.24

RESOLUTION NO. 2022 - ____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CITRUS HEIGHTS,
CALIFORNIA, ADOPTING A NEXUS STUDY FOR A FIRE CAPITAL FACILITIES
DEVELOPMENT IMPACT FEE**

WHEREAS, the Sacramento Metropolitan Fire District (“SMFD”) provides fire protection and medical emergency services in the City of Citrus Heights;

WHEREAS, the City currently collects from developers within the City, on behalf of SMFD, an impact fee that has been adopted by SMFD;

WHEREAS, SMFD uses the proceeds of this impact fee to fund its capital costs necessary to provide services to new development;

WHEREAS, SMFD desires to update the impact fee and has requested the City’s assistance towards that end;

WHEREAS, the City Council intends, to have the City itself impose the fee, including a complementary three percent fee to cover the City’s costs of administering the fee program;

WHEREAS, SMFD caused the preparation of a nexus study for the proposed fee;

WHEREAS, SMFD has approved that nexus study and transmitted it to the City;

WHEREAS, the nexus study is intended to meet the criteria set forth in Government Code Section 66016.5;

WHEREAS, on June 23, 2022, the City Council held a public hearing regarding the nexus study and the proposed fee;

WHEREAS, notice of the public hearing was published twice, with the first publication occurring not less than 30 days prior to the hearing and the second publication occurring not less than five days after the first publication;

WHEREAS, notice was also mailed, concurrent with the first publication, to any person who had requested such notice;

WHEREAS, the District and the City conducted outreach to interested parties in early 2022 and the City made the nexus study available for public inspection beginning on May 20, 2022;

WHEREAS, at the public hearing the City Council accepted oral and written testimony from all persons desiring to provide comment on the nexus study or the fee;

WHEREAS, the City Council now desires to approve the nexus study; and

WHEREAS, it is the intent of the City Council that the City will subsequently adopt (i) an ordinance imposing the fee; (ii) a resolution setting the rates for the fee; and (iii) direct the City Attorney to execute an updated agreement with SMFD governing the terms under which the City will pay fee proceeds to SMFD.

NOW, THEREFORE, BE IT RESOLVED AND ORDERED that the City Council of the City of Citrus Heights does hereby declare, find, determine and order as follows:

- A) The Recitals set forth above are true and correct and incorporated herein by this reference.
- B) The Nexus Study attached hereto as “Exhibit A” complies with the requirements of Government Code 66016.5 and is hereby adopted and approved as presented.
- C) The City Council adopts the findings set forth on Page 3.6 of the Nexus Study.

(D) The adoption of this Resolution is not a project under the California Environmental Quality Act because it is the creation of a government funding mechanism that does not involve any commitment to any specific project. (CEQA Guidelines 15378(b)(4).

(E) 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 23rd day of June 2022, by the following vote, to wit:

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

Porsche Middleton, Mayor

ATTEST:

Amy Van, City Clerk

Exhibits

A. Capital Facilities Nexus Fee Study

SACRAMENTO METROPOLITAN FIRE DISTRICT

Final Report
Capital Facilities (Impact) Fee Study
April 9, 2021

Prepared by:



Corporate Headquarters

32605 Temecula Parkway, Suite 100

Temecula, CA 92592

Toll Free 800.676.7516

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Executive Summary

The Sacramento Metropolitan Fire District (District) retained NBS Government Finance Group to prepare this study to analyze the impacts of new development on the District's facility and equipment needs and to calculate impact fees based on that analysis. The methods used in this study are intended to satisfy all legal requirements of the U. S. Constitution, the California Constitution and the California Mitigation Fee Act (Government Code Sections 66000 *et seq.*).

Organization of the Report

Chapter 1 of this report provides an overview of the legal requirements for establishing and imposing such fees, and the methods used to calculate impact fees.

Chapter 2 contains data on existing and future development and the demand factors used to allocate costs in the impact fee analysis.

Chapter 3 presents the impact fee calculations and explains the data and methodology used in the calculations. Chapter 3 also projects the potential future revenue from impact fees calculated in this report.

Chapter 4 contains recommendations for adopting and implementing impact fees, including suggested findings to satisfy the requirements of the Mitigation Fee Act.

Development Projections

Chapter 2 of this report presents estimates of existing development and projections of future development out to 2040 for the area served by the District. Because the District encompasses two cities and only part of unincorporated areas of two counties, there is no single source of information about existing and future development for the District as a whole. Sources of data used in each of the tables in Chapter 2 are indicated in footnotes to those tables.

Impact Fee Analysis

Chapter 3 of this report calculates impact fees for fire protection facilities. The calculation of this fee allocates the cost of both existing and future fire protection facilities to all existing and future development within the existing boundaries of the District at buildout, so that costs are shared equitably by all development in the District.

Impact fees per unit calculated in this report are summarized in Table S.1, below. The Proposed Fee per Unit column shows the calculated fee outcome from this Study, which is compared to the District's Current Fee per Unit.

Table S.1 Summary of Impact Fees Calculated in this Study

Development Type	Units ¹	Current Fee per Unit ²	Proposed Fee per Unit ³	Increase / (Decrease) per Unit (\$) ⁴	Increase / (Decrease) per Unit (%) ⁴
Residential - Single-Family	DU	\$ 1,356	\$ 1,521	\$ 165	12%
Residential - Multi-Family	DU	\$ 1,059	\$ 1,192	\$ 133	13%
Accessory Dwelling Unit ⁵					
Commercial	KSF	\$ 715	\$ 1,260	\$ 545	76%
Office	KSF	\$ 1,186	\$ 1,599	\$ 413	35%
Industrial	KSF	\$ 643	\$ 856	\$ 213	33%
Institutional/Other	KSF	\$ 1,135	\$ 1,524	\$ 389	34%

¹ DU = dwelling unit; KSF = 1,000 gross square feet of building area

² Source: Current Master Fee Schedule for SMFD; includes 2% admin fee

³ See Table 3.3: Figures are rounded to the nearest whole dollar

⁴ Increase/(decrease) between current fee and proposed fee per unit

⁵ Recent legislation requires special fee considerations for ADUs; see further discussion in report

The current and proposed fees in Table S-1 are also compared to the existing impact fees of other agencies in Attachment E to this report. The list of surveyed agencies was provided by the District to stay in line with agencies that the Board of Directors typically utilizes for comparisons.

Impact fee programs across California often assess an administrative fee on top of the impact fee to recover the operational costs of complying with Mitigation Fee Act's accounting and reporting requirements. Because the District's impact fees are adopted, collected and administered by the respective city and County agencies served by the District, those agencies can charge an administrative fee to recover their costs accordingly. The administrative fee should not exceed the estimated and reasonable costs of impact fee program administration and require adoption by the local City Council and/or County Board of Supervisors.

Based on discussions with District staff, the fire impact fees are also recommended to be adjusted annually by averaging the net percentage change in the Engineering News-Record Construction Cost Index for San Francisco and the 20 U.S. Cities Index for the preceding year. The District will coordinate with the respective cities and counties served to ensure the escalation occurs according to their established procedures for updating fees.

Projected Revenue

Table 3.4 in Chapter 3 projects the total revenue from the impact fees calculated in this report. That projection assumes that future development to 2040 occurs as forecasted in this study. The projected revenue of \$90.7 million is about 24% of the estimated cost of constructing and equipping the future fire stations planned by the District.

Chapter 1. Introduction

Purpose

The purpose of this study is to analyze the impacts of development on the need for fire protection facilities and other capital assets provided by the Sacramento Metropolitan Fire District (District) and to calculate impact fees that apply throughout the District.

The methods used to calculate impact fees in this report are intended to satisfy all legal requirements governing such fees, including provisions of the U. S. Constitution, the California Constitution and the California Mitigation Fee Act (Government Code Sections 66000-66025.)

Background

The Sacramento Metropolitan Fire District services a population of over 745,000 in a 358 square mile service area. The District is a combination of 16 smaller fire departments that, over the years, merged to create this California Special District. The impact fees calculated in this study are intended to apply districtwide. A map of the District's boundaries and service area is provided as Attachment F to this report.

Legal Framework for Impact Fees

This brief summary of the legal framework for development fees is intended as a general overview. It was not prepared by an attorney and should not be treated as a legal opinion.

Fire Protection District Law of 1987. California Health and Safety Code Section 13916, which is part of the Fire Protection District Law of 1987, states: "A (fire protection) district board shall not charge a fee on new construction or development for the construction of public improvements or facilities or the acquisition of equipment." However, although the District itself may not charge such fees, it is quite common in California for cities and counties to impose fire impact fees for fire protection districts that provide services within their jurisdiction. The fees calculated in this report are intended to be adopted by the incorporated cities of Citrus Heights and Rancho Cordova, part of the unincorporated area of Sacramento County, and less than two square miles of West Placer County. Current agreements between the District, Sacramento County, and cities of Rancho Cordova and Citrus Heights, allow the District's Board to set the fee amounts and provide for cooperation between the agencies in administering the fees and funds accordingly. After accepting and considering public input, the Sacramento County Board of Supervisors approves the findings and resolution of the Sacramento Metropolitan Fire District and sets the appropriate fees. The fees are imposed, collected and dispersed by Sacramento County pursuant to the County's development Police Powers under Art. XI, Section 7 of the California Constitution and administered by Sacramento County under the Mitigation Fee Act of Government Code 66000, et. seq.

U. S. Constitution. Like all land use regulations, development exactions including impact fees are subject to the 5th Amendment prohibition on taking of private property for public use without just compensation. Both state and federal courts have recognized the imposition of impact fees on development as a legitimate form of land use regulation, provided the fees meet standards intended to protect against “regulatory takings.” A regulatory taking occurs when regulations unreasonably deprive landowners of property rights protected by the Constitution.

In two landmark cases dealing with exactions, the U. S. Supreme Court has held that when a government agency requires the dedication of land or an interest in land as a condition of development approval, or imposes ad hoc exactions as a condition of approval on a single development project that do not apply to development generally, a higher standard of judicial scrutiny applies. To meet that standard, the agency must demonstrate an “essential nexus” between such exactions and the interest being protected (See *Nollan v. California Coastal Commission*, 1987) and make an “individualized determination” that the exaction imposed is “roughly proportional” to the burden created by development (See *Dolan v. City of Tigard*, 1994).

Until recently, it was widely accepted that legislatively enacted impact fees that apply to all development in a jurisdiction are not subject to the higher standard of judicial scrutiny flowing from the *Nollan* and *Dolan* decisions. But after the U. S. Supreme Court decision in *Koontz v. St. Johns Water Management District* (2013), state courts have reached conflicting conclusions on that issue.

In light of that uncertainty, any agency enacting or imposing impact fees would be wise to demonstrate a nexus and ensure proportionality in the calculation of those fees.

Defining the “Nexus.” While courts have not been entirely consistent in defining the nexus required to justify exactions and impact fees, that term can be thought of as having the three elements discussed below. We think proportionality is logically included as one element of that nexus, even though it was discussed separately in *Dolan v. Tigard*. The elements of the nexus discussed below mirror the three “reasonable relationship” findings required by the Mitigation Fee Act for establishment and imposition of impact fees.

Need or Impact. Development must create a need for the facilities to be funded by impact fees. All new development in a community creates additional demands on some or all public facilities provided by local government. If the capacity of facilities is not increased to satisfy the additional demand, the quality or availability of public services for the entire community will deteriorate. Impact fees may be used to recover the cost of development-related facilities, but only to the extent that the need for facilities is related to the development project subject to the fees.

The *Nollan* decision reinforced the principle that development exactions may be used only to mitigate impacts created by the development projects upon which they are imposed. In this study, the impact of development on facility needs is analyzed in terms of quantifiable relationships between various types of development and the demand for

public facilities based on applicable level-of-service standards. This report contains all of the information needed to demonstrate compliance with this element of the nexus.

Benefit. Development must benefit from facilities funded by impact fees. With respect to the benefit relationship, the most basic requirement is that facilities funded by impact fees be available to serve the development paying the fees. A sufficient benefit relationship also requires that impact fee revenues be segregated from other funds and expended in a timely manner on the facilities for which the fees were charged. Nothing in the U.S. Constitution or California law requires that facilities paid for with impact fee revenues be available exclusively to development projects paying the fees.

Procedures for earmarking and expenditure of fee revenues are mandated by the Mitigation Fee Act, as are procedures to ensure that the fees are either expended expeditiously or refunded. Those requirements are intended to ensure that developments benefit from the impact fees they are required to pay. Thus, over time, procedural issues as well as substantive issues can come into play with respect to the benefit element of the nexus.

Proportionality. Impact fees must be proportional to the impact created by a particular development project. Proportionality in impact fees depends on properly identifying development-related facility costs and calculating the fees in such a way that those costs are allocated in proportion to the facility needs created by different types and amounts of development. The section on impact fee methodology, below, describes methods used to allocate facility costs and calculate impact fees that meet the proportionality standard.

California Constitution. The California Constitution grants broad police power to local governments, including the authority to regulate land use and development. That police power is the source of authority for local governments in California to impose impact fees on development. Some impact fees have been challenged on grounds that they are special taxes imposed without voter approval in violation of Article XIII A. However, that objection is valid only if the fees charged to a project exceed the cost of providing facilities needed to serve the project. In that case, the fees would also run afoul of the U.S. Constitution and the Mitigation Fee Act.

Articles XIII C and XIII D, added to the California Constitution by Proposition 218 in 1996 require voter approval for some “property-related fees,” but exempt “the imposition of fees or charges as a condition of property development,” which includes impact fees. That exemption also applies with respect to Proposition 26 which amended Article XIII C to reclassify some fees as taxes.

The Mitigation Fee Act. California’s impact fee statute originated in Assembly Bill 1600 during the 1987 session of the Legislature and took effect in January 1989. AB 1600 added several sections to the Government Code, beginning with Section 66000. Since that time, the impact fee statute has been amended from time to time and in 1997 was officially titled the “Mitigation Fee Act.” Unless otherwise noted, code sections referenced in this report are from the Government Code.

The Mitigation Fee Act does not limit the types of capital improvements for which impact fees may be charged. It defines public facilities very broadly to include "public improvements, public services and community amenities." Although the issue is not specifically addressed in the Mitigation Fee Act, it is clear both in case law and statute (see Government Code Section 65913.8) that impact fees may not be used to pay for maintenance or operating costs. Consequently, the fees calculated in this report are based on the cost of capital assets only.

The Mitigation Fee Act does not use the term "mitigation fee" except in its official title. Nor does it use the more common term "impact fee." The Act simply uses the word "fee," which is defined as "a monetary exaction, other than a tax or special assessment...that is charged by a local agency to the applicant in connection with approval of a development project for the purpose of defraying all or a portion of the cost of public facilities related to the development project"

To avoid confusion with other types of fees, this report uses the widely-accepted terms "impact fee" and "development impact fee" which both should be understood to mean "fee" as defined in the Mitigation Fee Act.

The Mitigation Fee Act contains requirements for establishing, increasing and imposing impact fees. They are summarized below. It also contains provisions that govern the collection and expenditure of fees and requires annual reports and periodic re-evaluation of impact fee programs. Those administrative requirements are discussed in the implementation chapter of this report.

Required Findings. Section 66001 requires that an agency establishing, increasing or imposing impact fees, must make findings to:

1. Identify the purpose of the fee;
2. Identify the use of the fee; and,
3. Determine that there is a reasonable relationship between:
 - a. The use of the fee and the development type on which it is imposed;
 - b. The need for the facility and the type of development on which the fee is imposed; and
 - c. The amount of the fee and the facility cost attributable to the development project. (Applies when fees are imposed on a specific project.)

Each of those requirements is discussed in more detail below.

Identifying the Purpose of the Fees. The broad purpose of impact fees is to protect public health, safety and general welfare by providing for adequate public facilities. The specific purpose of the fees calculated in this study is to fund construction of certain capital improvements that will be needed to mitigate the impacts of planned new development on District facilities, and to maintain an acceptable level of public services as the District grows.

This report recommends that findings regarding the purpose of an impact fee should define the purpose broadly, as providing for the funding of adequate public facilities to serve additional development.

Identifying the Use of the Fees. According to Section 66001, if a fee is used to finance public facilities, those facilities must be identified. A capital improvement plan may be used for that purpose but is not mandatory if the facilities are identified in a General Plan, a Specific Plan, or in other public documents. In this case, we recommend that the Citrus Heights and Rancho Cordova City Councils and the Sacramento and West Placer County Board of Supervisors adopt this report as the public document that identifies the facilities to be funded by the fees.

Reasonable Relationship Requirement. As discussed above, Section 66001 requires that, for fees subject to its provisions, a "reasonable relationship" must be demonstrated between:

1. the use of the fee and the type of development on which it is imposed;
2. the need for a public facility and the type of development on which a fee is imposed; and,
3. the amount of the fee and the facility cost attributable to the development on which the fee is imposed.

These three reasonable relationship requirements, as defined in the statute, mirror the nexus and proportionality requirements often cited in court decisions as the standard for defensible impact fees. The term "dual rational nexus" is often used to characterize the standard used by courts in evaluating the legitimacy of impact fees. The "duality" of the nexus refers to (1) an impact or need created by a development project subject to impact fees, and (2) a benefit to the project from the expenditure of the fees.

Although proportionality is reasonably implied in the dual rational nexus formulation, it was explicitly required by the Supreme Court in the *Dolan* case, and we prefer to list it as the third element of a complete nexus.

Development Agreements and Reimbursement Agreements. The requirements of the Mitigation Fee Act do not apply to fees collected under development agreements (see Govt. Code Section 66000) or reimbursement agreements (see Govt. Code Section 66003). The same is true of fees in lieu of park land dedication imposed under the Quimby Act (see Govt. Code Section 66477).

Existing Deficiencies. In 2006, Section 66001(g) was added to the Mitigation Fee Act (by AB 2751) to clarify that impact fees "shall not include costs attributable to existing deficiencies in public facilities..." The legislature's intent in adopting this amendment, as stated in the bill, was to codify the holdings of *Bixel v. City of Los Angeles* (1989), *Rohn v. City of Visalia* (1989), and *Shapell Industries Inc. v. Governing Board* (1991).

That amendment does not appear to be a substantive change. It is widely understood that other provisions of law make it improper for impact fees to include costs for correcting existing deficiencies.

However, Section 66001(g) also states that impact fees “may include the costs attributable to the increased demand for public facilities reasonably related to the development project in order to (1) refurbish existing facilities to maintain the existing level of service or (2) achieve an adopted level of service that is consistent with the general plan.”

Impact Fee Calculation Methodology

Any one of several legitimate methods may be used to calculate impact fees. The choice of a particular method depends primarily on the service characteristics of, and planning requirements for, the facility type being addressed. Each method has advantages and disadvantages in a particular situation. To some extent they are interchangeable, because they all allocate facility costs in proportion to the needs created by development.

Allocating facility costs to various types and amounts of development is central to all methods of impact fee calculation. Costs are allocated by means of formulas that quantify the relationship between development and the need for facilities. In a cost allocation formula, the impact of development is measured by some attribute of development such as added population or added vehicle trips that represent the impacts created by different types and amounts of development.

The method used to calculate impact fees in this study is called the Plan-Based Method. Plan-based impact fee calculations are based on the relationship between a specified set of improvements and a specified increment of development. The improvements are typically identified in a facility plan or plans, while the development is identified in a land use plan or set of plans that forecasts potential development by type and quantity.

Using this method, facility costs are allocated to various categories of development in proportion to the service demand created by each type of development. To calculate plan-based impact fees, it is necessary to determine what facilities will be needed to serve a particular increment of new development.

With this method, the total cost of eligible facilities is divided by the total 2040 service population to calculate a cost per unit of demand. As discussed in detail in Chapter 2, service population is used in this study as the indicator of demand for fire protection and emergency response services. So, in this study, the cost per capita of service population is multiplied by the service population per unit of development to arrive at a cost per unit of development for each type of development. Details regarding the data and methodology used to calculate impact fees in this study are presented in Chapter 2 and Chapter 3.

As discussed in Chapter 3, the resources of a single fire station do not serve a particular area in isolation from the other resources of the District. The District's fire protection and emergency response capabilities are organized as an integrated system. Whenever an emergency response is required, whether for a fire or other emergency, the response may involve resources from multiple fire stations.

The method used to calculate impact fees in this study reflects that fact by allocating costs for both existing and future capital facilities to both existing and future development Districtwide. The method used to calculate impact fees in this report ensures that the impact fees will recover only future development's share of the cost of all capital assets needed to serve the District in 2040. The projected revenue from impact fees calculated in this report will not be adequate to fund all of the new facilities, apparatus, vehicles and equipment needed to serve the District in 2040. Funding from other sources will be needed to pay for a portion of those assets.

Terminology

Where the terms "impact fees" and "capital facilities fees" are used interchangeably, both terms are a reference to fees that are established in accordance with the Mitigation Fee Act.

Where "fire protection facilities" or a similar term is used in this report, it is intended to mean fire protection and emergency response facilities, apparatus, vehicles and equipment.

Chapter 2. Development Data

This chapter presents data on existing and future development in the area served by the Sacramento Metropolitan Fire District (District). The information in this chapter is used to allocate the cost of capital facilities between existing and future development and among various types of new development in the calculation of the District's Capital Facilities Fees (impact fees).

Study Area

The study area for this impact fee study is the area within the boundaries of the District, which covers 358 square miles, and serves the incorporated cities of Citrus Heights and Rancho Cordova, part of the unincorporated area of Sacramento County, and less than two square miles of West Placer County. The following is a list of the various communities served by the District:

) Anatolia	) Fair Oaks	) North Highlands
) Antelope	) Florin	) Orangevale
) Arcade	) Foothill Farms	) Rancho Cordova
) Arden	) Gold River	) Rancho Murrieta
) Carmichael	) Mather	) Rio Linda
) Citrus Heights	) McClellan	) Rosemont
) Dry Creek	) Michigan Bar	) Sloughhouse
) Elverta	) Mills Station	

Time Frame

For consistency, 2040 is used as the target date for forecasts of future development in this chapter. However, it is the amount of future development rather than the rate and timing of that development that matters in the impact fee calculations. Costs used in the impact fee calculations are current costs. Impact fees calculated in this study should be adjusted over time to reflect changes in costs for land, construction and equipment.¹

Development Types

The development types defined in this study are intended to reflect actual land uses rather than zoning or general plan land use designations. The following breakdown of development types is used throughout this study.

¹ The District currently applies the ENR Building Cost Index for this purpose

) Residential – Single-Family	) Office
) Residential – Multi-Family	) Industrial
) Accessory Dwelling Unit	) Institutional/Other
) Commercial	

It should be noted that Senate Bill 13 prohibits the imposition of impact fees on accessory dwelling units (ADUs) smaller than 750 square feet and provides that impact fees for ADUs of 750 square feet or more must be proportional to the square footage of the primary dwelling unit. The proportionality requirement means that impact fees for ADUs of 750 square feet or more must be calculated on a case-by-case basis during the approval process. The District's approach to implementation of this law will be to honor the policies and procedures set by the cities and counties within District service boundaries.

Demand Variable – Service Population

To calculate impact fees, the relationship between facility needs and development must be quantified in cost allocation formulas. Some measurable attribute of development must be used as a "demand variable" in those formulas. The demand variable used to calculate fire protection impact fees in this study is service population.

Service population is commonly used to represent the demand created by development for fire protection and emergency response services. Resident population alone represents only residential development and does not reflect the service demand created by non-residential development. Service population is a composite variable that includes both residents of the District and employees of businesses in the District. Residents are included to represent the impacts of residential development while employees are included to represent the impacts of non-residential development.

Because the impact of one new resident is not necessarily the same as the impact of one new employee, employee numbers are typically weighted to reflect the difference. In estimating those weights, residents are assigned a weight of 1.0. The weight assigned to employees is relative to the residential weight of 1.0.

In this study, the employee component of the service population is assigned a weight of 1.03, meaning that employees are weighted at approximately 103% of the service demand of residents. That weighting results in a service population where the residential and non-residential components are in balance with the relative shares of emergency response incidents generated in the last year by residential and non-residential development in the District.

In this study, the number of calls for service per year is used to represent the demand for fire services for various types of development. The calls for service data used in this study is based on analysis by NBS of a random sample of all 2019 calls for service received by the District. In 2019, the district logged 97,365 calls. A random sample of 934 calls was classified by development type based on address of location. Based on that sample size, the results of the analysis have a 3.2% margin of error at a 95% confidence level. As shown

in Exhibit 1A, below, that analysis found that 73.8% of incidents logged were generated by residential development.

Exhibit 1A: Sample Distribution of Incidents

Development Type	Count of Type	Reallocate Unknowns	TOTAL	Percent
Single Family Residential	416	67	483	51.7%
Multi-Family Residential	178	29	207	22.1%
Subtotal Residential	594		690	73.8%
Commercial/Retail	98	16	114	12.2%
Office	16	3	19	2.0%
Industrial	12	2	14	1.5%
Institutional/Other	64	10	98	10.5%
P: Public	20	3	see Inst./Other	
U: Unknown	130			
Subtotal Non-Residential	340		245	26.2%
Total	934	130	935	100%

Figures for existing development in Table 2.2 later in this chapter show that with employees weighted at 1.03 of residents in the service population, 74% of the estimated 2019 service population is residential. So, the weighting of service population components in this study is consistent with actual demand for service by residential and non-residential development in the District. Projections of 2040 development in Table 2.4 show that the residential share of service population is at 73%.

Demand Factors

Each type of development defined in this study has a specific value for population, employees and service population per unit as shown in Table 2.1. Those values affect how the capital costs of the District's facilities and equipment are allocated to various types of development in this study.

The demand factors shown in Table 2.1 for population per unit and employees per unit are intended to approximate District-wide averages and may differ from any factors calculated individually for incorporated cities or census designated places (CDP's) within the unincorporated county area.

Table 2.1: Demand Factors

Land Use Category	Unit Type ¹	Population per Unit ²	Employees per Unit ³	Service Pop per Unit ⁴
Residential - Single-Family	DU	2.91		2.91
Residential - Multi-Family	DU	2.28		2.28
Commercial	KSF		2.34	2.41
Office	KSF		2.97	3.06
Industrial	KSF		1.59	1.64
Institutional/Other	KSF		2.83	2.91

¹ DU = dwelling units; KSF = 1,000 square feet of gross building area

² Average population per unit for single-family, multi-family based on analysis of data from 2018 U. S. Census Bureau American Community Survey 5-Yr Estimate. Population per dwelling unit calculated based on the average across all communities served.

³ Derived from ITE Trip Generation Manual, 10th Edition.

⁴ Service population per unit for residential categories = population per unit; service population per unit for non-residential categories = weighted employees per unit (see discussion in text)

Existing and Forecasted Development

Summaries of existing and forecasted development in the District are presented in Tables 2.2 through 2.4 below. Because the District encompasses two cities and only part of unincorporated areas of two counties, there is no single source of information about existing and future development for the District as a whole. Sources of data used in each of the following tables are indicated in footnotes to those tables.

Table 2.2 shows estimated existing development in the District as of January 1, 2020 in terms of population, employees and service population. In the following tables, SFDU stands for single-family dwelling unit, and MFDU stands for multi-family dwelling unit.

The data used in constructing this table was sourced from the Sacramento Area Council of Governments (SACOG). SACOG provides transportation planning and funding for the region and serves as a forum for the study and resolution of regional issues. SACOG maintains growth forecasts of local population, housing, and employment statistics. This study relied on current forecast data provided by SACOG for 2016, 2035, and 2040. ² The average growth rate provided by the 2016 and 2035 benchmark years was utilized to establish the 2020 starting values shown below.

² Data organized by Traffic Analysis District was utilized as the closest statistical information available that matches the service boundary of the District.

Table 2.2: SMFD 2020 Dwelling Units, Population and Employees

2020 SFDU ¹	2020 MFDU ¹	2020 Population ²	2020 Employees ³	2020 Service Population ⁴
196,309	85,962	718,796	245,184	971,336

¹ Source: SACOG 2016 Forecast Series for Metropolitan Transportation Plan/Sustainable Community Strategy (MTP/SCS); increased by 3.8% to 2020

² Source: SACOG 2016 Forecast Series for Metropolitan Transportation Plan/Sustainable Community Strategy (MTP/SCS); increased by 3.6% to 2020

³ Source: SACOG 2016 Forecast Series for Metropolitan Transportation Plan/Sustainable Community Strategy (MTP/SCS); increased by 4.4% to 2020

⁴ Service population = population + (1.03 * employees); see report text for details

Table 2.3 shows added dwelling units, population and employees in the District from 2020 to 2040. The numbers in that table represent the difference between 2020 development in Table 2.2 and 2040 development in Table 2.4.

Table 2.3: SMFD Added DU, Population and Employees 2020-2040

Added SFDU	Added MFDU	Added Population	Added Employees	Added Svc Population
33,950	14,867	120,054	51,876	173,486

Note: All figures in this table represent the difference between the 2040 numbers in Table 2.4 and the 2020 numbers in Table 2.2

Table 2.4 shows projected dwelling units, population, employees, and service population for the District in 2040.

Table 2.4: SMFD 2040 Dwelling Units, Population and Employees

2040 SFDU ¹	2040 MFDU ¹	2040 Population ²	2040 Employees ³	2040 Service Population ⁴
230,259	100,829	838,850	297,060	1,144,822

¹ Source: SACOG 2016 Forecast Series for Metropolitan Transportation Plan/Sustainable Community Strategy (MTP/SCS)

² Source: SACOG 2016 Forecast Series for Metropolitan Transportation Plan/Sustainable Community Strategy (MTP/SCS)

³ Source: SACOG 2016 Forecast Series for Metropolitan Transportation Plan/Sustainable Community Strategy (MTP/SCS)

⁴ Service population = population + (1.03 * employees); see report text for details

For reference, Table 2.5 shows the percentage change in dwelling units, population and employees in the District from 2020 to 2040 based on data in the previous three tables.

Table 2.5: SMFD 2020 - 2040 % Change in DU, Pop and Employees

% Change SFDU	% Change MFDU/MH	% Change Population	% Change Employees	% Change Service Pop
17.29%	17.29%	16.70%	21.16%	17.86%

The information in the foregoing tables is used in the next chapter in the calculation of fire protection impact fees for the District.

Chapter 3. Fire Protection Impact Fees

This chapter calculates impact fees for fire protection facilities, apparatus and equipment for the Sacramento Metropolitan Fire District.

The District currently operates 41 fire stations, 39 of which are owned by the District, and two are owned by the County of Sacramento. To support its operations, the District also owns an administrative building, and several logistics facilities.

The District plans to relocate and/or expand several of its existing fire stations and add 15 new stations to meet its projected service demands at buildout.³ The District also plans for construction of a centralized training facility and communications center.

Methodology

Impact fees may be used to pay only for capital assets, not for staffing or operating costs. Impact fee calculation methodology for this study was discussed generally in Chapter 1. Chapter 2 discussed the use of service population to represent service demand created by various types of development. This chapter walks step-by-step through the calculation of impact fees for the District's fire protection and emergency response facilities, apparatus, vehicles and equipment.

As discussed in Chapter 1, development in any part of the District is served by all of the District's facilities, apparatus, and equipment, not just by the nearest fire station. When an emergency call is received, the fire company based in the nearest fire station may not be available so the initial response would be handled from a different station. And in the case of a fire, even a residential fire can require a response by at least five fire engines with a minimum of 15 firefighters and one or more battalion chiefs.

Because the emergency services provided by the District depend on an integrated system of facilities and staff, the method used to calculate impact fees in this report allocates costs for all existing and planned facilities in the District to all existing and future development in the District, so that capital costs are shared equitably. In effect, by paying the impact fees, new development is paying for its proportionate share of all of the District's existing and future capital assets.

The share of cost to be recovered by impact fees calculated in this study is equal to new development's share of the total service population projected for 2040. Specifically, future development's share of 2040 service population as shown in Table 2.4 in Chapter 2 is 15.2% of projected 2040 buildout population. The revenue projected from impact fees calculated in this study also equals 15.2% of the total cost of existing and future District assets shown in Table 3.1. That assumes the projections of future development used in this study are correct.

³ Buildout is a hypothetical condition that assumes all undeveloped land is built to its capacity.

Level of Service

The critical measure of level of service for fire protection and emergency medical services is emergency response time. The number of fire stations needed to serve a particular area with acceptable response times is determined by specific conditions within the area. In this case, the number and general location of existing and future fire stations needed to provide an acceptable level of service within the District were identified by the District. The Metro Fire Board adopted the Level of Service in May 2010. The basis for the master plan was complete in 2013 and adjusted as master plans and growth patterns change. Those fire stations and their associated apparatus, vehicles and equipment are discussed in the next section.

Each new development project will pay impact fees according to the added service population it generates. Revenue from impact fees will not cover the cost of all of the new fire stations, apparatus and equipment that will be needed by the District out to 2040. The District will need to raise the additional revenue needed for its planned facilities from other sources.

Existing and Future Facilities

Attachments A and C to this report list the District's existing facilities and planned facilities with estimated building construction cost for future buildings, depreciated replacement cost for existing buildings, and estimated land cost (for future facilities) or land value (for existing facilities).

Attachment C shows the replacement cost and depreciated replacement cost for the District's existing firefighting apparatus and vehicles. Some items shown in that table are fully depreciated so their cost will not be reflected in the impact fee calculations.

Attachment D provides the planned number and cost of future apparatus, vehicles and equipment estimated as needed to serve the District's needs.

Table 3.1 summarizes the impact fee cost basis figures from the exhibits. The total cost from Table 3.1 will be used to calculate impact fees in the next section.

Table 3.1: Impact Fee Cost Basis - Existing and Future Assets

Component	Impact Fee Cost Basis ¹
Existing Fire Stations	\$ 175,446,633
Future Fire Stations	\$ 346,104,164
Existing - Fire Apparatus and Vehicles	\$ 42,856,031
Future - Fire Apparatus and Vehicles	\$ 33,969,049
Total	\$ 598,375,878

¹ See Attachments A-D

Cost per Capita of Service Population

As discussed in Chapter 2, service population is used as the demand variable for the impact fee calculations in this report. Table 3.2 calculates an average cost per capita of service population by dividing the total impact fee cost basis from Table 3.1 by the total 2040 projected service population of the District, as shown in Table 2.4 in Chapter 2.

Table 3.2: Cost per Capita of Service Population

Total Impact Fee Cost Basis ¹	2040 Service Population ²	Cost per Capita ³
\$598,375,878	1,144,822	\$522.68

¹ See Table 3.5

² Projected 2040 service population for the District; see Table 2.4

³ Cost per capita of service population = total impact fee cost basis / 2040 service population

Impact Fees per Unit of Development

Table 3.3 calculates the impact fee per unit by development type based on the cost per capita from Table 3.2 and a population per unit from Table 2.1 in Chapter 2. The Capital Facilities Fee program identifies fees for the major land use categories. Specialized land uses may have unique demand characteristics and in these cases the District may calculate the appropriate fee based on project-specific information. For specialized development projects, the District will review public facility demand generated by the specialized development and decide on an applicable fee.

Table 3.3 Impact Fee per Unit

Development Type	Units ¹	Cost per Capita ²	Svc Pop per Unit ³	Impact Fee per Unit ⁴
Residential - Single-Family	DU	\$522.68	2.91	\$ 1,521.00
Residential - Multi-Family	DU	\$522.68	2.28	\$ 1,191.71
Accessory Dwelling Unit ⁵				
Commercial	KSF	\$522.68	2.41	\$ 1,259.76
Office	KSF	\$522.68	3.06	\$ 1,598.93
Industrial	KSF	\$522.68	1.64	\$ 855.99
Institutional/Other	KSF	\$522.68	2.91	\$ 1,523.56

¹ DU = dwelling unit; KSF = 1,000 gross square feet of building area

² Cost per capita of service population; see Table 3.2

³ See Table 2.1

⁴ Impact fee per unit = cost per capita X service population per unit; Note all figures in the table show as rounded figures

⁵ Senate Bill 13 recently amended Section 65852.2 of the Government Code.

See discussion in Chapter 2. Development Data, Development Types for implementation guidelines pertaining to ADUs

Impact fee programs across California also often assess an administrative fee on top of the impact fee to recover the operational costs of complying with Mitigation Fee Act's accounting and reporting requirements. Because the District's impact fees are adopted, collected and administered by the respective city and County agencies served by the District, those agencies can charge an administrative fee to recover their costs accordingly. The administrative fee should not exceed the estimated and reasonable costs of impact fee program administration and require adoption by the local City Council and/or County Board of Supervisors.

Customizing Impact Fees

The non-residential development types defined in this study and shown in Table 3.3 are rather broad, and some proposed development projects may not fit neatly into a particular category. In such cases, the agency imposing impact fees may wish to adjust the fee to the particular characteristics of the project. That can be done quite simply by multiplying the cost per capita shown in Table 3.2 by the added service population associated with the project. Since each employee equates to 1.03 added units of service population, the added service population equals the number of employees to be added by the project multiplied by 1.03. Using the example of a 100-room hotel with 0.5 employees per room, the impact fee would be calculated as 50 employees X 1.03 X \$522.68 for an impact fee of \$26,918.

Projected Revenue

Table 3.4 projects the total revenue from the impact fees calculated in this chapter. That projection assumes that future development to 2040 occurs as forecasted in this study.

Revenue is projected by applying the impact fee per capita to added service population from Table 2.3 in Chapter 2.

Table 3.4 Projected Revenue

Added Service Population ¹	Revenue per Capita ²	Projected Revenue ³
173,486	\$522.68	\$90,677,872

¹ See Table 2.3

² See Table 3.2

³ Projected Revenue - added service population x revenue per capita

Although this analysis accounts for the cost of serving public institutions and facilities such as schools, the District either may not have authority, or may not be likely to charge impact fees to other governmental agencies. Consequently, slightly less revenue will be received to offset the capital costs attributed to public facilities if they are not able to collect impact fees from these institutions. We estimate the portion of Projected Revenue associated with these facilities to be approximately \$3.95 million dollars, or 4.4% of the total shown in Table 3.4.

Updating the Fees

The impact fees calculated in this chapter are based on current cost estimates. Between impact fee update studies, we recommend that the District review those costs annually and adjust the fees as needed to keep pace with percentage changes in construction and equipment costs. Use of Engineering News Record (ENR) Building Cost Index or the California Construction Cost Index (CCI) published by the California Department of General Services are considered industry standard inflationary factors applicable to impact fees.

Nexus Summary

As discussed in Chapter 1 of this report, Section 66001 of the Mitigation Fee Act requires that an agency establishing, increasing or imposing impact fees, must make findings to:

1. Identify the purpose of the fee;
2. Identify the use of the fee; and,
3. Determine that there is a reasonable relationship between:

- a. The use of the fee and the development type on which it is imposed;
- b. The need for the facility and the type of development on which the fee is imposed; and
- c. The amount of the fee and the facility cost attributable to the development project.

Satisfying those requirements also ensures that the fees meet the “rational nexus” and “rough proportionality” standards enunciated in leading court decisions bearing on impact fees and other exactions. (For more detail, see “Legal Framework for Impact Fees” in Chapter 1.)

The following paragraphs explain how the impact fees calculated in this chapter satisfy those requirements.

Purpose of the Fee: The purpose of the impact fees calculated in this chapter is to pay for new development’s proportionate share of the cost of providing fire protection facilities to serve future development in areas served by the Sacramento Metropolitan Fire District.

Use of the Fee. Impact fees calculated in this chapter will be used to pay for future fire protection facilities needed to serve the Sacramento Metropolitan Fire District.

Reasonable Relationship between the Use of the Fee and the Development Type on Which It Is Imposed. The impact fees calculated in this chapter will be used to pay for new development’s proportionate share of the cost of fire protection facilities needed to serve the Sacramento Metropolitan Fire District.

Reasonable Relationship between the Need for the Facilities and the Type of Development on Which the Fee Is Imposed. All new development in the Sacramento Metropolitan Fire District increases the demand for fire protection and emergency medical services provided by the District. The impact fees calculated in this chapter will pay for additional fire protection facilities needed serve the additional demand that will be created by anticipated development in the District.

Reasonable Relationship between the Amount of the Fee and the Facility Cost Attributable to the Development Project. The amount of the fire protection impact fees charged to a development project will depend on the estimated service population to be added by that project. Thus, the fee charged to a development project reflects that project’s proportionate share of the cost of facilities needed by the Sacramento Metropolitan Fire District to provide an acceptable level of service. The Metro Fire Board adopted the Level of Service in May 2010. The basis for the master plan was complete in 2013 and adjusted as master plans and growth patterns change.

Chapter 4. Implementation

This chapter of the report contains recommendations for adoption and administration of impact fees, and for the interpretation and application of the development impact fees calculated in this study. It was not prepared by an attorney and is not intended as legal advice.

Statutory requirements for the adoption and administration of fees imposed as a condition of development approval (impact fees) are found in the Mitigation Fee Act (Government Code Sections 66000 *et seq.*).

Adoption

As discussed in Chapter 1, California Health and Safety Code Section 13916, which is part of the Fire Protection District Law of 1987, does not allow the board of a fire protection district to charge a fee on new construction or development for the construction of public improvements or facilities or the acquisition of equipment.

Consequently, the fire protection impact fees calculated in this report must be adopted by the agencies having authority to approve development projects in the areas served by the District, namely the cities of Citrus Heights and Rancho Cordova and portions of Sacramento and West Placer County.

The form in which development impact fees are enacted should be determined by the attorneys for those agencies. Procedures for adoption of fees subject to the Mitigation Fee Act, including notice and public hearing requirements, are specified in Government Code Sections 66016 and 66018. It should be noted that Section 66018 refers to Government Code Section 6062a, which requires that the public hearing notice be published at least twice during the required 10-day notice period. Government Code Section 66017 provides that fees subject to the Mitigation Fee Act do not become effective until 60 days after final action by the governing body.

Actions establishing or increasing fees subject to the Mitigation Act require certain findings, as set forth in Government Code Section 66001 and discussed below and in Chapter 1 of this report.

Establishment of Fees. Pursuant to the Mitigation Fee Act, Section 66001(a), when an agency establishes fees to be imposed as a condition of development approval, it must make findings to:

1. Identify the purpose of the fee;
2. Identify the use of the fee; and
3. Determine how there is a reasonable relationship between:
 - a. The use of the fee and the type of development project on which it is imposed; and,

- b. The need for the facility and the type of development project on which the fee is imposed

Examples of findings that could be used for impact fees calculated in this study are shown below. The specific language of such findings should be reviewed and approved by the Attorney for the agency adopting the fees. A more complete discussion of the nexus for the impact fees can be found in Chapter 3 of this report.

Sample Finding: Purpose of the Fee. The [City Council or Board of Supervisors] finds that the purpose of the impact fees hereby enacted is to protect the public health, safety and welfare by requiring new development to contribute to the cost of fire protection facilities needed to mitigate the impacts created by that development.

Sample Finding: Use of the Fee. The [City Council or Board of Supervisors] finds that revenue from the impact fees hereby enacted will be used to provide public facilities needed to mitigate the impacts of new development. Those facilities are identified in the 2021 Sacramento Metropolitan Fire District Impact Fee Study by NBS.⁴

Sample Finding: Reasonable Relationship: Based on analysis presented in the 2021 Sacramento Metropolitan Fire District Impact Fee Study by NBS, the [City Council or Board of Supervisors] finds that there is a reasonable relationship between:

- a. The use of the fees and the types of development projects on which they are imposed; and,
- b. The need for facilities and the types of development projects on which the fees are imposed.

Administration

The California Mitigation Fee Act (Government Code Sections 66000 et seq.) mandates procedures for administration of impact fee programs, including collection and accounting, reporting, and refunds. References to code sections in the following paragraphs pertain to the California Government Code.

Imposition of Fees. Pursuant to the Mitigation Fee Act, Section 66001(a), when an agency imposes an impact fee upon a specific development project, it must make essentially the same findings adopted upon establishment of the fees to:

⁴ According to Gov't Code Section 66001 (a) (2), the use of the fee may be specified in a capital improvement plan, the General Plan, or other public documents that identify the public facilities for which the fee is charged. The findings recommended here identify this impact fee study as the source of that information.

1. Identify the purpose of the fee;
2. Identify the use of the fee; and
3. Determine how there is a reasonable relationship between:
 - a. The use of the fee and the type of development project on which it is imposed;
 - b. The need for the facility and the type of development project on which the fee is imposed

Per Section 66001 (b), at the time when an impact fee is imposed on a specific development project, the agency is also required to make a finding to determine how there is a reasonable relationship between:

- c. The amount of the fee and the facility cost attributable to the development project on which it is imposed.

In addition, Section 66006 (f) provides that a local agency, at the time it imposes a fee for public improvements on a specific development project, "... shall identify the public improvement that the fee will be used to finance." The required notification could refer to the improvements identified in this study.

Section 66020 (d) (1) requires that the agency, at the time it imposes an impact fee, provide the applicant with a written statement of the amount of the fee and written notice of a 90-day period during which the imposition of the fee can be protested. Failure to protest imposition of the fee during that period may deprive the fee payer of the right to subsequent legal challenge.

Section 66022 (a) provides a separate procedure for challenging the establishment of an impact fee. Such challenges must be filed within 120 days of enactment.

Collection of Fees. Section 66007 (a), provides that a local agency shall not require payment of fees by developers of residential projects prior to the date of final inspection, or issuance of a certificate of occupancy, whichever occurs first.

However, "utility service fees" (not defined) may be collected upon application for utility service. In a residential development project of more than one dwelling unit, Section 66007 (a) allows the agency to choose to collect fees either for individual units or for phases upon final inspection, or for the entire project upon final inspection of the first dwelling unit completed.

Section 66007 (b) provides two exceptions when the local agency may require the payment of fees from developers of residential projects at an earlier time: (1) when the local agency determines that the fees "will be collected for public improvements or facilities for which an account has been established and funds appropriated and for which the local agency has adopted a proposed construction schedule or plan prior to final inspection or issuance of the certificate of occupancy" or (2) the fees are "to reimburse the local agency for expenditures previously made."

These statutory restrictions on the time at which fees may be collected do not apply to non-residential development.

In cases where the fees are not collected upon issuance of building permits, Subsections 66007 (c) (1) and (2) provide that the agency may require the property owner to execute a contract to pay the fee, and to record that contract as a lien against the property until the fees are paid.

Earmarking and Expenditure of Fee Revenue. Section 66006 (a) mandates that fees be deposited “with other fees for the improvement in a separate capital facilities account or fund in a manner to avoid any commingling of the fees with other revenues and funds of the local agency, except for temporary investments, and expend those fees solely for the purpose for which the fee was collected.” Section 66006 (a) also requires that interest earned on the fee revenues be placed in the capital account and used for the same purpose.

The language of the law is not clear as to whether depositing fees “with other fees for the improvement” refers to a specific capital improvement or a class of improvements (e.g., street improvements).

We are not aware of any agency that has interpreted that language to mean that funds must be segregated by individual projects. And, as a practical matter, that approach would be unworkable because it would mean that no pay-as-you-go project could be constructed until all benefiting development had paid the fees. Common practice is to maintain separate funds or accounts for impact fee revenues by facility category (e.g., fire protection or park improvements), but not for individual projects.

Impact Fee Exemptions, Reductions, and Waivers. In the event that a development project is found to have no impact on facilities for which impact fees are charged, such project must be exempted from the fees.

If a project has characteristics that will make its impacts on a particular public facility or infrastructure system significantly and permanently smaller than the average impact used to calculate impact fees in this study, the fees should be reduced accordingly. Per Section 66001 (b), there must be a reasonable relationship between the amount of the fee and the cost of the public facility attributable to the development on which the fee is imposed. The fee reduction is required if the fee is not proportional to the impact of the development on relevant public facilities.

In some cases, the agency may desire to voluntarily waive or reduce impact fees that would otherwise apply to a project as a way of promoting goals such as affordable housing or economic development. Such a waiver or reduction may not result in increased costs to other development projects, so the effect of such policies is that the lost revenue must be made up from other fund sources.

Credit for Improvements Provided by Developers. If an agency requires a developer, as a condition of project approval to dedicate land or construct facilities or improvements for which impact fees are charged, the agency should ensure that the impact fees are

adjusted so that the overall contribution by the developer does not exceed the impact created by the development.

In the event that a developer voluntarily offers to dedicate land, or construct facilities or improvements in lieu of paying impact fees, the agency may accept or reject such offers and may negotiate the terms under which such an offer would be accepted. Excess contributions by a developer may be offset by reimbursement agreements.

Credit for Existing Development. If a project involves replacement, redevelopment or intensification of previously existing development, impact fees should be applied only to the portion of the project that represents a net increase in demand for relevant facilities, applying the demand factors used in this study to calculate that particular impact fee.

Annual Reports. Section 66006 (b) (1) requires that once each year, within 180 days of the close of the fiscal year, the local agency must make available to the public the following information for each separate account established to receive impact fee revenues:

1. A brief description of the type of fee in the account or fund;
2. The amount of the fee;
3. The beginning and ending balance of the account or fund;
4. The amount of the fees collected and interest earned;
5. Identification of each public improvement on which fees were expended and the amount of the expenditures on each improvement, including the percentage of the cost of the public improvement that was funded with fees;
6. Identification of the approximate date by which the construction of a public improvement will commence, if the agency determines sufficient funds have been collected to complete financing of an incomplete public improvement;
7. A description of each inter-fund transfer or loan made from the account or fund, including interest rates, repayment dates, and a description of the improvement on which the transfer or loan will be expended;
8. The amount of any refunds or allocations made pursuant to Section 66001, paragraphs (e) and (f).

The annual report must be reviewed by the governing body at its next regularly scheduled public meeting, but not less than 15 days after the statements are made public, per Section 66006 (b) (2).

Fifth Year Reports on Unexpended Funds. Prior to 1996, the Mitigation Fee Act required that a local agency collecting impact fees was required to expend or commit impact fee revenue within five years or make findings to justify a continued need for the money. Otherwise, those funds had to be refunded. SB 1693, adopted in 1996 as an amendment to the Mitigation Fee Act, changed that requirement in material ways.

Now, Section 66001 (d) requires that, for the fifth fiscal year following the first deposit of any impact fee revenue into an account or fund as required by Section 66006 (b), and every five years thereafter, the local agency shall make all of the following findings for any fee revenue that remains unexpended, whether committed or uncommitted:

1. Identify the purpose to which the fee will be put;
2. Demonstrate the reasonable relationship between the fee and the purpose for which it is charged;
3. Identify all sources and amounts of funding anticipated to complete financing of incomplete improvements for which impact fees are to be used;
4. Designate the approximate dates on which the funding necessary to complete financing of those improvements will be deposited into the appropriate account or fund.

Those findings are to be made in conjunction with the annual reports discussed above. If such findings are not made as required by Section 66001, the local agency could be required to refund the moneys in the account or fund, per Section 66001 (d).

Once the agency determines that sufficient funds have been collected to complete financing on incomplete improvements for which impact fee revenue is to be used, it must, within 180 days of that determination, identify an approximate date by which construction of the public improvement will be commenced (Section 66001 (e)).

Note: Because impact fees for Sacramento Metropolitan Fire District must be adopted by other agencies as discussed above, the District and those agencies should agree on which agency will be responsible for annual reporting and the fifth-year review required by the Mitigation Fee Act, and should develop procedures to ensure that the requirements of the Act are satisfied.

Annual Update of the Capital Improvement Plan. Section 66002 (b) of the Mitigation Fee Act provides that if a local agency cites a capital improvement plan to identify the use of impact fees, that plan must be adopted and annually updated by a resolution of the governing body at a noticed public hearing. The alternative, per Section 66001 (a) (2) is to identify improvements by applicable general or specific plans or in other public documents.

In most cases, the CIP identifies projects for a limited number of years and may not include all improvements needed to serve future development covered by the impact fee study. We recommend that this impact fee study be cited as the public document identifying the use of the fees.

Indexing of Impact Fees. Where impact fees calculated in this report are based on current costs, those costs should, if possible, be adjusted periodically to account for changes in the cost of facilities or other capital assets that will be funded by the impact

fees. That adjustment is intended to account for escalation in costs for land, construction, vehicles and other relevant capital assets.

Based on discussions with District staff, the fire impact fees are recommended to be adjusted annually by averaging the net percentage change in the Engineering News-Record Construction Cost Index for San Francisco and the 20 U.S. Cities Index for the preceding year. The District will coordinate with the respective cities and counties served to ensure the escalation occurs according to their established procedures for updating fees.

Training and Public Information

Effective administration of an impact fee program requires considerable preparation and training. It is important that those responsible for collecting the fees, and for explaining them to the public, understand both the details of the fee program and its supporting rationale.

Before fees are imposed, a staff training workshop is highly desirable if more than a handful of employees will be involved in collecting or accounting for fees.

It is also useful to pay close attention to handouts that provide information to the public regarding impact fees. Impact fees should be clearly distinguished from other fees, such as user fees for application processing, and the purpose and use of impact fees should be made clear.

Finally, anyone responsible for accounting, capital budgeting, or project management for projects involving impact fees must be fully aware of the restrictions placed on the expenditure of impact fee revenues and should refer to this report for a list of the facilities and on which the impact fee calculations are based.

Attachments A-D

Facilities, Apparatus', Vehicles & Equipment

Attachment A: Existing Fire Facilities

Facility	Building Sq Ft ¹	Bldg Cost/ Repl Cost ²	Contents Repl Cost ²	Site Acres ³	Est Land Cost ⁴	Impact Fee Cost Basis ⁵
Fire Stations						
Station 21	28,004	\$ 5,441,361	\$ 321,292	3.97	\$ 3,176,000	\$ 8,938,653
Station 22	3,263	\$ 1,014,640	\$ 27,057	0.90	\$ 720,000	\$ 1,761,697
Station 23	4,858	\$ 1,361,669	\$ 37,566	0.99	\$ 792,000	\$ 2,191,235
Station 24	5,944	\$ 1,615,274	\$ 27,057	1.02	\$ 816,000	\$ 2,458,331
Station 25	5,400	\$ 1,879,527	\$ 40,194	n/a	\$ -	\$ 1,919,721
Station 26	6,830	\$ 2,521,810	\$ 59,899	0.95	\$ 760,000	\$ 3,341,709
Station 27	3,610	\$ 999,352	\$ 27,057	0.31	\$ 248,000	\$ 1,274,409
Station 28	2,592	\$ 801,362	\$ 27,057	1.14	\$ 912,000	\$ 1,740,419
Station 29	12,825	\$ 6,147,942	\$ 259,550	4.92	\$ 3,936,000	\$ 10,343,492
Station 31	4,648	\$ 1,315,817	\$ 40,194	0.22	\$ 176,000	\$ 1,532,011
Station 32	13,000	\$ 6,253,853	\$ 80,980	1.43	\$ 1,144,000	\$ 7,478,833
Station 41	5,200	\$ 1,487,693	\$ 27,057	0.49	\$ 392,000	\$ 1,906,750
Station 42 (Relocated/replaced)	2,150	\$ 851,879	\$ 27,057	0.11	\$ 88,000	\$ 966,936
Station 50	21,505	\$ 9,023,606	\$ 452,250	1.80	\$ 1,440,000	\$ 10,915,856
Station 51	8,906	\$ 2,633,071	\$ 27,670	0.45	\$ 360,000	\$ 3,020,741
Station 52 (active training site)	3,800	\$ 1,002,297	\$ 83,830	1.83	\$ 1,464,000	\$ 2,550,127
Station 53	3,500	\$ 982,137	\$ 97,968	0.31	\$ 248,000	\$ 1,328,105
Station 54	2,400	\$ 943,672	\$ 94,514	0.32	\$ 256,000	\$ 1,294,186
Station 55	5,245	\$ 1,554,895	\$ 102,052	4.37	\$ 3,496,000	\$ 5,152,947
Station 58	3,290	\$ 996,861	\$ 14,739	2.00	\$ 1,600,000	\$ 2,611,600
Station 59	5,926	\$ 1,687,979	\$ 14,739	0.74	\$ 592,000	\$ 2,294,718
Station 61	6,744	\$ 1,973,109	\$ 40,194	0.70	\$ 560,000	\$ 2,573,303
Station 62 (Relocated/replaced)	7,036	\$ 2,024,654	\$ 47,546	1.43	\$ 1,144,000	\$ 3,216,200
Station 63	3,090	\$ 904,049	\$ 27,057	0.62	\$ 496,000	\$ 1,427,106
Station 64	1,900	\$ 349,588	\$ 27,057	0.18	\$ 144,000	\$ 520,645
Station 65	8,427	\$ 2,458,004	\$ 27,057	1.00	\$ 800,000	\$ 3,285,061
Station 66	10,000	\$ 2,520,734	\$ 54,114	0.99	\$ 792,000	\$ 3,366,848
Station 101	19,886	\$ 4,267,007	\$ 569,583	0.68	\$ 544,000	\$ 5,380,590
Station 102	3,097	\$ 801,514	\$ 78,246	0.74	\$ 592,000	\$ 1,471,760
Station 103	3,250	\$ 837,945	\$ 28,430	0.30	\$ 240,000	\$ 1,106,375
Station 105	7,747	\$ 1,960,039	\$ 44,295	0.64	\$ 512,000	\$ 2,516,334
Station 106	12,780	\$ 2,758,026	\$ 118,179	0.47	\$ 376,000	\$ 3,252,205
Station 108	3,710	\$ 939,409	\$ 36,904	0.51	\$ 408,000	\$ 1,384,313
Station 109	11,481	\$ 3,340,863	\$ 140,267	1.38	\$ 1,104,000	\$ 4,585,130
Station 110	9,175	\$ 3,293,177	\$ 145,545	0.87	\$ 696,000	\$ 4,134,722
Station 111	12,800	\$ 6,143,345	\$ 226,181	5.00	\$ 4,000,000	\$ 10,369,526
Station 111 Outbuilding	1,723	\$ 209,240	\$ -	n/a	\$ -	\$ 209,240
Station 112	3,609	\$ 779,918	\$ 44,295	0.88	\$ 704,000	\$ 1,528,213
Station 114 (County owned facility)						
Station 115 (County owned facility)						
Station 116	6,952	\$ 1,214,663	\$ 46,531	0.46	\$ 368,000	\$ 1,629,194
Station 117 (relocated/replaced)	3,650	\$ 576,391	\$ 42,618	0.66	\$ 528,000	\$ 1,147,009
Administrative Facilities:						
Armstrong Admin Building ⁶	85,000	\$ -	\$ -	0.00	\$ -	\$ 16,187,462
Hurley Admin Building (leased)						
Gold Canal Finance Office (leased)						
Gold Canal Logistics	27,000	\$ 6,066,361	\$ 138,717	2.01	\$ 1,608,000	\$ 7,813,078
Building 444 Shop (Dudley)	33,914	\$ 10,107,103	\$ 2,533,610	7.12	\$ 5,696,000	\$ 18,336,713
Building 445 Shop (Dudley)	10,710	\$ 3,005,392	\$ 1,977,738	0.00	\$ -	\$ 4,983,130
Total		\$ 107,047,228	\$ 8,283,943	54.91	\$ 43,928,000	\$ 175,446,633

¹ Building square feet provided by SMFD² SDRMA Property Inventory FY 19-20; Replacement values take into account the age and condition of each facility³ Site acres provided by SMFD⁴ Estimated Land Value per acre of \$800,000 unless otherwise specified⁵ Impact fee cost basis = sum of building, FF&E and site cost or value⁶ Per Lease Revenue Bond Closing Memorandum, November 30, 2011: Total Cost Basis excludes 50.069% for UC Davis Medical's leasable square footage

Attachment B: Future Fire Facilities

Facility	Building Sq Ft ¹	Bldg Cost/ Station ¹	Bldg Cost/ Storage&Wash ¹	Contents FF&E ¹	Site Acres ¹	Est Land Cost ²	Est Site Impr. Cost ¹	Impact Fee Cost Basis ³
Station 68 (under construction)	9,217	\$ 6,436,800	\$ 403,200	\$ 320,000	2.63	\$ 2,104,000	\$ 2,160,000	\$ 11,424,000
Battalion 5								
112 Expansion	14,594	\$ 7,369,970	\$ 403,200	\$ 218,910	n/a	\$ -	\$ -	\$ 7,992,080
117 Expansion/Relocation	9,138	\$ 4,614,690	\$ 403,200	\$ 137,070	2.50	\$ 2,000,000	\$ 3,000,000	\$ 10,154,960
Future EA - 1	13,638	\$ 6,887,190	\$ -	\$ 204,570	3.00	\$ 2,400,000	\$ 3,600,000	\$ 13,091,760
Battalion 6								
Future CH-01	18,203	\$ 9,192,515	\$ -	\$ 273,045	3.00	\$ 2,400,000	\$ 3,600,000	\$ 15,465,560
Future CH-05	13,638	\$ 6,887,190	\$ -	\$ 204,570	3.00	\$ 2,400,000	\$ 3,600,000	\$ 13,091,760
Future 41	13,638	\$ 6,887,190	\$ 403,200	\$ 204,570	3.00	\$ 2,400,000	\$ 3,600,000	\$ 13,494,960
Future 45	13,638	\$ 6,887,190	\$ -	\$ 204,570	3.00	\$ 2,400,000	\$ 3,600,000	\$ 13,091,760
Battalion 7								
106 Expansion	5,586	\$ 2,820,930	\$ -	\$ 83,790	n/a	\$ -	\$ -	\$ 2,904,720
42 Expansion/Relocation	11,478	\$ 5,796,390	\$ -	\$ 172,170	3.00	\$ 2,400,000	\$ 3,600,000	\$ 11,968,560
Battalion 8								
Future 38	18,203	\$ 9,192,454	\$ 403,200	\$ 273,043	3.00	\$ 2,400,000	\$ 3,600,000	\$ 15,868,698
Future 9	16,763	\$ 8,465,254	\$ 403,200	\$ 251,443	3.00	\$ 2,400,000	\$ 3,600,000	\$ 15,119,898
Future 16	13,638	\$ 6,887,094	\$ -	\$ 204,567	3.00	\$ 2,400,000	\$ 3,600,000	\$ 13,091,661
Future 3	13,638	\$ 6,887,094	\$ -	\$ 204,567	3.00	\$ 2,400,000	\$ 3,600,000	\$ 13,091,661
Future 4	13,638	\$ 6,887,094	\$ -	\$ 204,567	3.00	\$ 2,400,000	\$ 3,600,000	\$ 13,091,661
SHOP	9,000	\$ 4,545,000	\$ -	\$ 135,000	1.00	\$ 800,000	\$ 1,200,000	\$ 6,680,000
Battalion 9								
Future 18	13,638	\$ 6,887,094	\$ -	\$ 204,567	4.50	\$ 3,600,000	\$ 5,400,000	\$ 16,091,661
Future 11	16,763	\$ 8,465,254	\$ -	\$ 251,443	3.00	\$ 2,400,000	\$ 3,600,000	\$ 14,716,698
53 Expansion	7,618	\$ 3,847,090	\$ -	\$ 114,270	n/a	\$ -	\$ -	\$ 3,961,360
Battalion 12								
23 Expansion	13,508	\$ 6,821,540	\$ -	\$ 202,620	n/a	\$ -	\$ -	\$ 7,024,160
21 Expansion	7,973	\$ 4,026,365	\$ -	\$ 119,595	n/a	\$ -	\$ -	\$ 4,145,960
24 Expansion	13,510	\$ 6,822,550	\$ -	\$ 202,650	n/a	\$ -	\$ -	\$ 7,025,200
25 Expansion	8,110	\$ 4,095,550	\$ -	\$ 121,650	n/a	\$ -	\$ -	\$ 4,217,200
Battalion 14								
Future 33	13,638	\$ 6,887,094	\$ -	\$ 204,567	3.00	\$ 2,400,000	\$ 3,600,000	\$ 13,091,661
Future ES-03	16,763	\$ 8,465,254	\$ 403,200	\$ 251,443	3.00	\$ 2,400,000	\$ 3,600,000	\$ 15,119,898
61 Expansion	9,366	\$ 4,729,830	\$ -	\$ 140,490	n/a	\$ -	\$ -	\$ 4,870,320
62 Expansion/Relocation	9,047	\$ 4,568,735	\$ -	\$ 135,705	3.00	\$ 2,400,000	\$ 3,600,000	\$ 10,704,440
<u>Administrative Facilities</u>								
Zinfandel Training Facility (80% District portion)		\$ 28,291,625	\$ -	\$ -	42.40	\$ 8,115,446	\$ 7,164,314	\$ 43,571,385
Comm Center (46% District portion)		\$ 11,940,523	\$ -	\$ -	n/a	\$ -	\$ -	\$ 11,940,523
Total		\$ 212,492,551	\$ 2,822,400	\$ 5,245,454	98.03	\$ 52,619,446	\$ 72,924,314	\$ 346,104,164

¹ Provided by Sac Metro Fire² Estimated Land Value per acre of \$800,000 unless otherwise specified³ Impact fee cost basis = sum of building, FF&E and site cost or value

Attachment C: Existing Fire Apparatus, Vehicles, and Equipment

Unit #	Model Year	Type	Useful Life (Yrs)	Replacement Cost ¹	Equipment Cost ¹	Total Repl Cost ¹	Depr Repl Cost ²	Impact Fee Cost Basis ³
24110	1998	Air Unit	15	\$ 575,000	\$ -	\$ 575,000	\$ 86,250	\$ 86,250
24161	2001	Air Unit	15	\$ 575,000	\$ -	\$ 575,000	\$ 86,250	\$ 86,250
24136	2001	Aircraft Rescue Fire Unit	17	NA	NA	NA	NA	NA
24141	1977	Aircraft Rescue Fire Unit	17	\$ 750,000	\$ 189,731	\$ 939,731	\$ 112,500	\$ 112,500
24229	1996	Aircraft Rescue Fire Unit	17	NA	NA	NA	NA	NA
00224	1934	Antique	NA	NA	NA	NA	NA	NA
02308	1955	Antique	NA	NA	NA	NA	NA	NA
02499	1900	Antique	NA	NA	NA	NA	NA	NA
02735	1952	Antique	NA	NA	NA	NA	NA	NA
03307	1956	Antique	NA	NA	NA	NA	NA	NA
04722	1923	Antique	NA	NA	NA	NA	NA	NA
24113	1999	Battalion Chief Vehicle	10	\$ 50,000	\$ 10,754	\$ 60,754	\$ 7,500	\$ 7,500
24320	2008	Battalion Chief Vehicle	10	\$ 50,000	\$ 10,754	\$ 60,754	\$ 7,500	\$ 7,500
24338	2008	Battalion Chief Vehicle	10	\$ 50,000	\$ 10,754	\$ 60,754	\$ 7,500	\$ 7,500
24340	2008	Battalion Chief Vehicle	10	\$ 50,000	\$ 10,754	\$ 60,754	\$ 7,500	\$ 7,500
24393	2012	Battalion Chief Vehicle	10	\$ 50,000	\$ 10,754	\$ 60,754	\$ 12,151	\$ 12,151
24421	2015	Battalion Chief Vehicle	10	\$ 50,000	\$ 10,754	\$ 60,754	\$ 30,377	\$ 30,377
24422	2015	Battalion Chief Vehicle	10	\$ 50,000	\$ 10,754	\$ 60,754	\$ 30,377	\$ 30,377
24435	2016	Battalion Chief Vehicle	10	\$ 50,000	\$ 10,754	\$ 60,754	\$ 36,453	\$ 36,453
24493	2018	Battalion Chief Vehicle	10	\$ 50,000	\$ 10,754	\$ 60,754	\$ 48,603	\$ 48,603
24494	2018	Battalion Chief Vehicle	10	\$ 50,000	\$ 10,754	\$ 60,754	\$ 48,603	\$ 48,603
24495	2019	Battalion Chief Vehicle	10	\$ 50,000	\$ 10,754	\$ 60,754	\$ 54,679	\$ 54,679
24502	2020	Battalion Chief Vehicle	10	\$ 50,000	\$ 10,754	\$ 60,754	\$ 60,754	\$ 60,754
24503	2020	Battalion Chief Vehicle	10	\$ 50,000	\$ 10,754	\$ 60,754	\$ 60,754	\$ 60,754
24254	2005	Decontamination Unit - Grant	20	\$ 500,000	-	\$ 500,000	\$ 125,000	\$ 125,000
24302	2006	Dozer	10	\$ 650,000	-	\$ 650,000	\$ 97,500	\$ 97,500
24407	1995	Dozer	10	\$ 650,000	-	\$ 650,000	\$ 97,500	\$ 97,500
24191	2003	Duty Chief Vehicle	10	\$ 50,000	\$ 10,754	\$ 60,754	\$ 7,500	\$ 7,500
24193	2003	Duty Chief Vehicle	10	\$ 50,000	\$ 10,754	\$ 60,754	\$ 7,500	\$ 7,500
24242	2004	Duty Chief Vehicle	10	\$ 50,000	\$ 10,754	\$ 60,754	\$ 7,500	\$ 7,500
24261	2005	Duty Chief Vehicle	10	\$ 50,000	\$ 10,754	\$ 60,754	\$ 7,500	\$ 7,500
24282	2006	Duty Chief Vehicle	10	\$ 50,000	\$ 10,754	\$ 60,754	\$ 7,500	\$ 7,500
24283	2006	Duty Chief Vehicle	10	\$ 50,000	\$ 10,754	\$ 60,754	\$ 7,500	\$ 7,500
24284	2006	Duty Chief Vehicle	10	\$ 50,000	\$ 10,754	\$ 60,754	\$ 7,500	\$ 7,500
24285	2006	Duty Chief Vehicle	10	\$ 50,000	\$ 10,754	\$ 60,754	\$ 7,500	\$ 7,500
24286	2006	Duty Chief Vehicle	10	\$ 50,000	\$ 10,754	\$ 60,754	\$ 7,500	\$ 7,500
24287	2006	Duty Chief Vehicle	10	\$ 50,000	\$ 10,754	\$ 60,754	\$ 7,500	\$ 7,500
24288	2006	Duty Chief Vehicle	10	\$ 50,000	\$ 10,754	\$ 60,754	\$ 7,500	\$ 7,500
24339	2008	Duty Chief Vehicle	10	\$ 50,000	\$ 10,754	\$ 60,754	\$ 7,500	\$ 7,500
24408	2014	Duty Chief Vehicle	10	\$ 50,000	\$ 10,754	\$ 60,754	\$ 24,302	\$ 24,302
24409	2014	Duty Chief Vehicle	10	\$ 50,000	\$ 10,754	\$ 60,754	\$ 24,302	\$ 24,302
24410	2014	Duty Chief Vehicle	10	\$ 50,000	\$ 10,754	\$ 60,754	\$ 24,302	\$ 24,302
24411	2014	Duty Chief Vehicle	10	\$ 50,000	\$ 10,754	\$ 60,754	\$ 24,302	\$ 24,302
24412	2014	Duty Chief Vehicle	10	\$ 50,000	\$ 10,754	\$ 60,754	\$ 24,302	\$ 24,302
24436	2016	Duty Chief Vehicle	10	\$ 50,000	\$ 10,754	\$ 60,754	\$ 36,453	\$ 36,453
24437	2016	Duty Chief Vehicle	10	\$ 50,000	\$ 10,754	\$ 60,754	\$ 36,453	\$ 36,453
24438	2016	Duty Chief Vehicle	10	\$ 50,000	\$ 10,754	\$ 60,754	\$ 36,453	\$ 36,453
24439	2016	Duty Chief Vehicle	10	\$ 50,000	\$ 10,754	\$ 60,754	\$ 36,453	\$ 36,453
24450	2017	Duty Chief Vehicle	10	\$ 50,000	\$ 10,754	\$ 60,754	\$ 42,528	\$ 42,528
24451	2017	Duty Chief Vehicle	10	\$ 50,000	\$ 10,754	\$ 60,754	\$ 42,528	\$ 42,528
24452	2017	Duty Chief Vehicle	10	\$ 50,000	\$ 10,754	\$ 60,754	\$ 42,528	\$ 42,528
24453	2017	Duty Chief Vehicle	10	\$ 50,000	\$ 10,754	\$ 60,754	\$ 42,528	\$ 42,528
24465	2019	Duty Chief Vehicle	10	\$ 50,000	\$ 10,754	\$ 60,754	\$ 54,679	\$ 54,679
24488	2018	Duty Chief Vehicle	10	\$ 50,000	\$ 10,754	\$ 60,754	\$ 48,603	\$ 48,603
24489	2018	Duty Chief Vehicle	10	\$ 50,000	\$ 10,754	\$ 60,754	\$ 48,603	\$ 48,603
24496	2019	Duty Chief Vehicle	10	\$ 50,000	\$ 10,754	\$ 60,754	\$ 54,679	\$ 54,679
00313	1999	Engine - Type I	20	\$ 720,000	\$ 84,817	\$ 804,817	\$ 108,000	\$ 108,000
00314	1999	Engine - Type I	20	\$ 720,000	\$ 84,817	\$ 804,817	\$ 108,000	\$ 108,000
00315	1999	Engine - Type I	20	\$ 720,000	\$ 84,817	\$ 804,817	\$ 108,000	\$ 108,000
00316	1999	Engine - Type I	20	\$ 720,000	\$ 84,817	\$ 804,817	\$ 108,000	\$ 108,000
00317	1999	Engine - Type I	20	\$ 720,000	\$ 84,817	\$ 804,817	\$ 108,000	\$ 108,000
00318	1999	Engine - Type I	20	\$ 720,000	\$ 84,817	\$ 804,817	\$ 108,000	\$ 108,000
00319	2000	Engine - Type I	20	\$ 720,000	\$ 84,817	\$ 804,817	\$ 108,000	\$ 108,000
00320	2000	Engine - Type I	20	\$ 720,000	\$ 84,817	\$ 804,817	\$ 108,000	\$ 108,000
24121	2000	Engine - Type I	20	\$ 720,000	\$ 84,817	\$ 804,817	\$ 108,000	\$ 108,000
24210	2003	Engine - Type I	20	\$ 720,000	\$ 84,817	\$ 804,817	\$ 120,723	\$ 120,723
24211	2003	Engine - Type I	20	\$ 720,000	\$ 84,817	\$ 804,817	\$ 120,723	\$ 120,723
24212	2003	Engine - Type I	20	\$ 720,000	\$ 84,817	\$ 804,817	\$ 120,723	\$ 120,723
24224	2003	Engine - Type I	20	\$ 720,000	\$ 84,817	\$ 804,817	\$ 120,723	\$ 120,723

Attachment C: Existing Fire Apparatus, Vehicles, and Equipment

Unit #	Model Year	Type	Useful Life (Yrs)	Replacement Cost ¹	Equipment Cost ¹	Total Repl Cost ¹	Depr Repl Cost ²	Impact Fee Cost Basis ³
24225	2003	Engine - Type I	20	\$ 720,000	\$ 84,817	\$ 804,817	\$ 120,723	\$ 120,723
24226	2003	Engine - Type I	20	\$ 720,000	\$ 84,817	\$ 804,817	\$ 120,723	\$ 120,723
24251	2004	Engine - Type I	20	\$ 720,000	\$ 84,817	\$ 804,817	\$ 160,963	\$ 160,963
24252	2004	Engine - Type I	20	\$ 720,000	\$ 84,817	\$ 804,817	\$ 160,963	\$ 160,963
24266	2006	Engine - Type I	20	\$ 720,000	\$ 84,817	\$ 804,817	\$ 241,445	\$ 241,445
24267	2006	Engine - Type I	20	\$ 720,000	\$ 84,817	\$ 804,817	\$ 241,445	\$ 241,445
24268	2006	Engine - Type I	20	\$ 720,000	\$ 84,817	\$ 804,817	\$ 241,445	\$ 241,445
24269	2006	Engine - Type I	20	\$ 720,000	\$ 84,817	\$ 804,817	\$ 241,445	\$ 241,445
24270	2006	Engine - Type I	20	\$ 720,000	\$ 84,817	\$ 804,817	\$ 241,445	\$ 241,445
24271	2006	Engine - Type I	20	\$ 720,000	\$ 84,817	\$ 804,817	\$ 241,445	\$ 241,445
24324	2008	Engine - Type I	20	\$ 720,000	\$ 84,817	\$ 804,817	\$ 321,927	\$ 321,927
24334	2008	Engine - Type I	20	\$ 720,000	\$ 84,817	\$ 804,817	\$ 321,927	\$ 321,927
24356	2011	Engine - Type I	20	\$ 720,000	\$ 84,817	\$ 804,817	\$ 442,650	\$ 442,650
24357	2011	Engine - Type I	20	\$ 720,000	\$ 84,817	\$ 804,817	\$ 442,650	\$ 442,650
24364	2011	Engine - Type I	20	\$ 720,000	\$ 84,817	\$ 804,817	\$ 442,650	\$ 442,650
24397	2012	Engine - Type I	20	NA	NA	NA	NA	NA
24506	2020	Engine - Type I	20	\$ 720,000	\$ 84,817	\$ 804,817	\$ 804,817	\$ 804,817
24512	2020	Engine - Type I	20	\$ 720,000	\$ 84,817	\$ 804,817	\$ 804,817	\$ 804,817
24299	2007	Engine - Type I	20	\$ 720,000	\$ 84,817	\$ 804,817	\$ 281,686	\$ 281,686
24323	2008	Engine - Type I	20	\$ 720,000	\$ 84,817	\$ 804,817	\$ 321,927	\$ 321,927
24325	2008	Engine - Type I	20	\$ 720,000	\$ 84,817	\$ 804,817	\$ 321,927	\$ 321,927
24335	2008	Engine - Type I	20	\$ 720,000	\$ 84,817	\$ 804,817	\$ 321,927	\$ 321,927
24336	2008	Engine - Type I	20	\$ 720,000	\$ 84,817	\$ 804,817	\$ 321,927	\$ 321,927
24358	2011	Engine - Type I	20	\$ 720,000	\$ 84,817	\$ 804,817	\$ 442,650	\$ 442,650
24359	2011	Engine - Type I	20	\$ 720,000	\$ 84,817	\$ 804,817	\$ 442,650	\$ 442,650
24360	2011	Engine - Type I	20	\$ 720,000	\$ 84,817	\$ 804,817	\$ 442,650	\$ 442,650
24361	2011	Engine - Type I	20	\$ 720,000	\$ 84,817	\$ 804,817	\$ 442,650	\$ 442,650
24362	2011	Engine - Type I	20	\$ 720,000	\$ 84,817	\$ 804,817	\$ 442,650	\$ 442,650
24363	2011	Engine - Type I	20	\$ 720,000	\$ 84,817	\$ 804,817	\$ 442,650	\$ 442,650
24365	2011	Engine - Type I	20	\$ 720,000	\$ 84,817	\$ 804,817	\$ 442,650	\$ 442,650
24366	2011	Engine - Type I	20	\$ 720,000	\$ 84,817	\$ 804,817	\$ 442,650	\$ 442,650
24367	2011	Engine - Type I	20	\$ 720,000	\$ 84,817	\$ 804,817	\$ 442,650	\$ 442,650
24368	2011	Engine - Type I	20	\$ 720,000	\$ 84,817	\$ 804,817	\$ 442,650	\$ 442,650
24369	2011	Engine - Type I	20	\$ 720,000	\$ 84,817	\$ 804,817	\$ 442,650	\$ 442,650
24370	2011	Engine - Type I	20	\$ 720,000	\$ 84,817	\$ 804,817	\$ 442,650	\$ 442,650
24371	2011	Engine - Type I	20	\$ 720,000	\$ 84,817	\$ 804,817	\$ 442,650	\$ 442,650
24372	2011	Engine - Type I	20	\$ 720,000	\$ 84,817	\$ 804,817	\$ 442,650	\$ 442,650
24373	2011	Engine - Type I	20	\$ 720,000	\$ 84,817	\$ 804,817	\$ 442,650	\$ 442,650
24374	2011	Engine - Type I	20	\$ 720,000	\$ 84,817	\$ 804,817	\$ 442,650	\$ 442,650
24375	2011	Engine - Type I	20	\$ 720,000	\$ 84,817	\$ 804,817	\$ 442,650	\$ 442,650
24442	2014	Engine - Type I	20	NA	NA	NA	NA	NA
24507	2020	Engine - Type I	20	\$ 720,000	\$ 84,817	\$ 804,817	\$ 804,817	\$ 804,817
24513	2020	Engine - Type I	20	\$ 720,000	\$ 84,817	\$ 804,817	\$ 804,817	\$ 804,817
24514	2020	Engine - Type I	20	\$ 720,000	\$ 84,817	\$ 804,817	\$ 804,817	\$ 804,817
00600	1991	Engine - Type III	10	\$ 500,000	\$ 84,817	\$ 584,817	\$ 75,000	\$ 75,000
02475	1995	Engine - Type III	10	\$ 500,000	\$ 84,817	\$ 584,817	\$ 75,000	\$ 75,000
02495	1997	Engine - Type III	10	\$ 500,000	\$ 84,817	\$ 584,817	\$ 75,000	\$ 75,000
24109	1998	Engine - Type III	10	\$ 500,000	\$ 84,817	\$ 584,817	\$ 75,000	\$ 75,000
24127	2000	Engine - Type III	10	\$ 500,000	\$ 84,817	\$ 584,817	\$ 75,000	\$ 75,000
24128	2000	Engine - Type III	10	\$ 500,000	\$ 84,817	\$ 584,817	\$ 75,000	\$ 75,000
24129	2000	Engine - Type III	10	\$ 500,000	\$ 84,817	\$ 584,817	\$ 75,000	\$ 75,000
24130	2000	Engine - Type III	10	\$ 500,000	\$ 84,817	\$ 584,817	\$ 75,000	\$ 75,000
24131	2000	Engine - Type III	10	\$ 500,000	\$ 84,817	\$ 584,817	\$ 75,000	\$ 75,000
24132	2001	Engine - Type III	10	\$ 500,000	\$ 84,817	\$ 584,817	\$ 75,000	\$ 75,000
24133	2001	Engine - Type III	10	\$ 500,000	\$ 84,817	\$ 584,817	\$ 75,000	\$ 75,000
24398	2014	Engine - Type III	10	\$ 500,000	\$ 84,817	\$ 584,817	\$ 233,927	\$ 233,927
24399	2014	Engine - Type III	10	\$ 500,000	\$ 84,817	\$ 584,817	\$ 233,927	\$ 233,927
24427	2014	Engine - Type III	10	NA	NA	NA	NA	NA
24480	2019	Engine - Type III	10	\$ 500,000	\$ 84,817	\$ 584,817	\$ 526,336	\$ 526,336
24482	2019	Engine - Type III	10	\$ 500,000	\$ 84,817	\$ 584,817	\$ 526,336	\$ 526,336
24306	2007	Engine - Type III	10	\$ 500,000	\$ 84,817	\$ 584,817	\$ 75,000	\$ 75,000
24307	2007	Engine - Type III	10	\$ 500,000	\$ 84,817	\$ 584,817	\$ 75,000	\$ 75,000
24308	2007	Engine - Type III	10	\$ 500,000	\$ 84,817	\$ 584,817	\$ 75,000	\$ 75,000
24322	2007	Engine - Type III	10	\$ 500,000	\$ 84,817	\$ 584,817	\$ 75,000	\$ 75,000
24481	2019	Engine - Type III	10	\$ 500,000	\$ 84,817	\$ 584,817	\$ 526,336	\$ 526,336
24483	2019	Engine - Type III	10	\$ 500,000	\$ 84,817	\$ 584,817	\$ 526,336	\$ 526,336
02453	1990	Engine - Type V	10	\$ 225,000	\$ 47,000	\$ 272,000	\$ 33,750	\$ 33,750
02454	1990	Engine - Type V	10	\$ 225,000	\$ 47,000	\$ 272,000	\$ 33,750	\$ 33,750
02459	1991	Engine - Type V	10	\$ 225,000	\$ 47,000	\$ 272,000	\$ 33,750	\$ 33,750

Attachment C: Existing Fire Apparatus, Vehicles, and Equipment

Unit #	Model Year	Type	Useful Life (Yrs)	Replacement Cost ¹	Equipment Cost ¹	Total Repl Cost ¹	Depr Repl Cost ²	Impact Fee Cost Basis ³
02460	1991	Engine - Type V	10	\$ 225,000	\$ 47,000	\$ 272,000	\$ 33,750	\$ 33,750
02469	1992	Engine - Type V	10	\$ 225,000	\$ 47,000	\$ 272,000	\$ 33,750	\$ 33,750
02470	1992	Engine - Type V	10	\$ 225,000	\$ 47,000	\$ 272,000	\$ 33,750	\$ 33,750
02473	1994	Engine - Type V	10	\$ 225,000	\$ 47,000	\$ 272,000	\$ 33,750	\$ 33,750
02474	1994	Engine - Type V	10	\$ 225,000	\$ 47,000	\$ 272,000	\$ 33,750	\$ 33,750
02482	1995	Engine - Type V	10	\$ 225,000	\$ 47,000	\$ 272,000	\$ 33,750	\$ 33,750
24228	2001	Engine - Type V	10	\$ 225,000	\$ 47,000	\$ 272,000	\$ 33,750	\$ 33,750
24294	2006	Engine - Type V	10	\$ 225,000	\$ 47,000	\$ 272,000	\$ 33,750	\$ 33,750
24404	2014	Engine - Type V	10	\$ 225,000	\$ 47,000	\$ 272,000	\$ 108,800	\$ 108,800
24472	2018	Engine - Type V	10	\$ 225,000	\$ 47,000	\$ 272,000	\$ 217,600	\$ 217,600
24473	2018	Engine - Type V	10	\$ 225,000	\$ 47,000	\$ 272,000	\$ 217,600	\$ 217,600
24295	2006	Engine - Type V	10	\$ 225,000	\$ 47,000	\$ 272,000	\$ 33,750	\$ 33,750
24405	2014	Engine - Type V	10	\$ 225,000	\$ 47,000	\$ 272,000	\$ 108,800	\$ 108,800
24474	2018	Engine - Type V	10	\$ 225,000	\$ 47,000	\$ 272,000	\$ 217,600	\$ 217,600
24484	2018	Engine - Type V	10	\$ 225,000	\$ 47,000	\$ 272,000	\$ 217,600	\$ 217,600
24485	2018	Engine - Type V	10	\$ 225,000	\$ 47,000	\$ 272,000	\$ 217,600	\$ 217,600
02493	1997	Flatbed	10	\$ 150,000	\$ -	\$ 150,000	\$ 22,500	\$ 22,500
24345	2008	Flatbed	10	\$ 60,000	\$ -	\$ 60,000	\$ 9,000	\$ 9,000
24479	2018	Flatbed	10	\$ 150,000	\$ -	\$ 150,000	\$ 120,000	\$ 120,000
24508	2020	Flatbed	10	\$ 150,000	\$ -	\$ 150,000	\$ 150,000	\$ 150,000
24423	2014	Fleet Repair	10	\$ 120,000	\$ -	\$ 120,000	\$ 48,000	\$ 48,000
24500	2019	Fleet Repair	10	\$ 120,000	\$ -	\$ 120,000	\$ 108,000	\$ 108,000
24296	2006	Forklift	10	\$ 20,000	\$ -	\$ 20,000	\$ 3,000	\$ 3,000
24316	1998	Forklift	10	\$ 20,000	\$ -	\$ 20,000	\$ 3,000	\$ 3,000
24317	1995	Forklift	10	\$ 20,000	\$ -	\$ 20,000	\$ 3,000	\$ 3,000
24318	1995	Forklift	10	\$ 20,000	\$ -	\$ 20,000	\$ 3,000	\$ 3,000
24331	1980	Forklift	10	\$ 20,000	\$ -	\$ 20,000	\$ 3,000	\$ 3,000
24305	1995	Forklift - Used	10	\$ 20,000	\$ -	\$ 20,000	\$ 3,000	\$ 3,000
24232	1988	Fuel Truck	10	\$ 200,000	\$ -	\$ 200,000	\$ 30,000	\$ 30,000
24230	2004	Hazmat	20	\$ 1,000,000	\$ 189,731	\$ 1,189,731	\$ 237,946	\$ 237,946
24470	2019	Hazmat	20	\$ 1,000,000	\$ 189,731	\$ 1,189,731	\$ 1,130,245	\$ 1,130,245
24214	1972	Helicopter	20	\$ 2,500,000	\$ -	\$ 2,500,000	\$ 375,000	\$ 375,000
24355	1970	Helicopter	20	\$ 2,500,000	\$ -	\$ 2,500,000	\$ 375,000	\$ 375,000
24134	2000	Helicopter Tender	10	\$ 300,000	\$ -	\$ 300,000	\$ 45,000	\$ 45,000
18-001	2018	Lease Vehicle	NA	NA	NA	NA	NA	NA
18-002	2018	Lease Vehicle	NA	NA	NA	NA	NA	NA
18-003	2018	Lease Vehicle	NA	NA	NA	NA	NA	NA
18-004	2018	Lease Vehicle	NA	NA	NA	NA	NA	NA
18-005	2018	Lease Vehicle	NA	NA	NA	NA	NA	NA
18-006	2018	Lease Vehicle	NA	NA	NA	NA	NA	NA
18-007	2018	Lease Vehicle	NA	NA	NA	NA	NA	NA
18-008	2018	Lease Vehicle	NA	NA	NA	NA	NA	NA
18-009	2018	Lease Vehicle	NA	NA	NA	NA	NA	NA
18-010	2018	Lease Vehicle	NA	NA	NA	NA	NA	NA
18-011	2018	Lease Vehicle	NA	NA	NA	NA	NA	NA
18-012	2018	Lease Vehicle	NA	NA	NA	NA	NA	NA
18-013	2018	Lease Vehicle	NA	NA	NA	NA	NA	NA
18-014	2018	Lease Vehicle	NA	NA	NA	NA	NA	NA
18-015	2018	Lease Vehicle	NA	NA	NA	NA	NA	NA
18-016	2018	Lease Vehicle	NA	NA	NA	NA	NA	NA
18-017	2018	Lease Vehicle	NA	NA	NA	NA	NA	NA
18-018	2018	Lease Vehicle	NA	NA	NA	NA	NA	NA
18-019	2018	Lease Vehicle	NA	NA	NA	NA	NA	NA
18-020	2018	Lease Vehicle	NA	NA	NA	NA	NA	NA
20-001	2020	Lease Vehicle	NA	NA	NA	NA	NA	NA
24401	2013	Medic - Type II	6	\$ 220,000	\$ 88,508	\$ 308,508	\$ 33,000	\$ 33,000
24402	2013	Medic - Type II	6	\$ 220,000	\$ 88,508	\$ 308,508	\$ 33,000	\$ 33,000
24403	2013	Medic - Type II	6	\$ 220,000	\$ 88,508	\$ 308,508	\$ 33,000	\$ 33,000
24415	2014	Medic - Type II	6	\$ 220,000	\$ 88,508	\$ 308,508	\$ 33,000	\$ 33,000
24416	2014	Medic - Type II	6	\$ 220,000	\$ 88,508	\$ 308,508	\$ 33,000	\$ 33,000
24417	2014	Medic - Type II	6	\$ 220,000	\$ 88,508	\$ 308,508	\$ 33,000	\$ 33,000
24418	2014	Medic - Type II	6	\$ 220,000	\$ 88,508	\$ 308,508	\$ 33,000	\$ 33,000
24349	2008	Medic - Type III	9	\$ 220,000	\$ 88,508	\$ 308,508	\$ 33,000	\$ 33,000
24383	2010	Medic - Type III	9	\$ 220,000	\$ 88,508	\$ 308,508	\$ 33,000	\$ 33,000
24384	2010	Medic - Type III	9	\$ 220,000	\$ 88,508	\$ 308,508	\$ 33,000	\$ 33,000
24385	2010	Medic - Type III	9	\$ 220,000	\$ 88,508	\$ 308,508	\$ 33,000	\$ 33,000
24386	2010	Medic - Type III	9	\$ 220,000	\$ 88,508	\$ 308,508	\$ 33,000	\$ 33,000
24388	2010	Medic - Type III	9	\$ 220,000	\$ 88,508	\$ 308,508	\$ 33,000	\$ 33,000
24389	2010	Medic - Type III	9	\$ 220,000	\$ 88,508	\$ 308,508	\$ 33,000	\$ 33,000

Attachment C: Existing Fire Apparatus, Vehicles, and Equipment

Unit #	Model Year	Type	Useful Life (Yrs)	Replacement Cost ¹	Equipment Cost ¹	Total Repl Cost ¹	Depr Repl Cost ²	Impact Fee Cost Basis ³
24390	2010	Medic - Type III	9	\$ 220,000	\$ 88,508	\$ 308,508	\$ 33,000	\$ 33,000
24440	2016	Medic - Type III	9	\$ 220,000	\$ 88,508	\$ 308,508	\$ 171,393	\$ 171,393
24441	2016	Medic - Type III	9	\$ 220,000	\$ 88,508	\$ 308,508	\$ 171,393	\$ 171,393
24444	2016	Medic - Type III	9	\$ 220,000	\$ 88,508	\$ 308,508	\$ 171,393	\$ 171,393
24445	2016	Medic - Type III	9	\$ 220,000	\$ 88,508	\$ 308,508	\$ 171,393	\$ 171,393
24446	2016	Medic - Type III	9	\$ 220,000	\$ 88,508	\$ 308,508	\$ 171,393	\$ 171,393
24447	2016	Medic - Type III	9	\$ 220,000	\$ 88,508	\$ 308,508	\$ 171,393	\$ 171,393
24448	2016	Medic - Type III	9	\$ 220,000	\$ 88,508	\$ 308,508	\$ 171,393	\$ 171,393
24449	2016	Medic - Type III	9	\$ 220,000	\$ 88,508	\$ 308,508	\$ 171,393	\$ 171,393
24456	2017	Medic - Type III	9	\$ 220,000	\$ 88,508	\$ 308,508	\$ 205,672	\$ 205,672
24457	2017	Medic - Type III	9	\$ 220,000	\$ 88,508	\$ 308,508	\$ 205,672	\$ 205,672
24458	2017	Medic - Type III	9	\$ 220,000	\$ 88,508	\$ 308,508	\$ 205,672	\$ 205,672
24459	2017	Medic - Type III	9	\$ 220,000	\$ 88,508	\$ 308,508	\$ 205,672	\$ 205,672
24460	2017	Medic - Type III	9	\$ 220,000	\$ 88,508	\$ 308,508	\$ 205,672	\$ 205,672
24461	2017	Medic - Type III	9	\$ 220,000	\$ 88,508	\$ 308,508	\$ 205,672	\$ 205,672
24462	2017	Medic - Type III	9	\$ 220,000	\$ 88,508	\$ 308,508	\$ 205,672	\$ 205,672
24463	2017	Medic - Type III	9	\$ 220,000	\$ 88,508	\$ 308,508	\$ 205,672	\$ 205,672
24464	2017	Medic - Type III	9	\$ 220,000	\$ 88,508	\$ 308,508	\$ 205,672	\$ 205,672
24475	2018	Medic - Type III	9	\$ 220,000	\$ 88,508	\$ 308,508	\$ 239,951	\$ 239,951
24476	2018	Medic - Type III	9	\$ 220,000	\$ 88,508	\$ 308,508	\$ 239,951	\$ 239,951
24477	2018	Medic - Type III	9	\$ 220,000	\$ 88,508	\$ 308,508	\$ 239,951	\$ 239,951
24497	2016	Medic - Type III	9	\$ 220,000	\$ 88,508	\$ 308,508	\$ 171,393	\$ 171,393
24498	2016	Medic - Type III	9	\$ 220,000	\$ 88,508	\$ 308,508	\$ 171,393	\$ 171,393
24499	2016	Medic - Type III	9	\$ 220,000	\$ 88,508	\$ 308,508	\$ 171,393	\$ 171,393
24504	2017	Medic - Type III	9	\$ 220,000	\$ 88,508	\$ 308,508	\$ 205,672	\$ 205,672
24333	2002	Pallet Jack	10	\$ 7,500	-	\$ 7,500	\$ 1,125	\$ 1,125
24126	2001	Ramp Unit	10	\$ 500,000	-	\$ 500,000	\$ 75,000	\$ 75,000
24455	2017	Rescue	20	\$ 1,000,000	\$ 189,731	\$ 1,189,731	\$ 1,011,271	\$ 1,011,271
24231	2004	Rescue	20	\$ 1,000,000	\$ 189,731	\$ 1,189,731	\$ 237,946	\$ 237,946
24253	2005	Rescue Boat	10	\$ 100,000	-	\$ 100,000	\$ 15,000	\$ 15,000
24424	2014	Rescue Boat	10	\$ 100,000	-	\$ 100,000	\$ 40,000	\$ 40,000
24433	2015	Rescue Boat	10	\$ 100,000	-	\$ 100,000	\$ 50,000	\$ 50,000
24120	1999	Rescue Boat Trailer	10	NA	NA	NA	NA	NA
24396	2004	Rescue Boat Trailer	10	NA	NA	NA	NA	NA
24425	2014	Rescue Boat Trailer	10	NA	NA	NA	NA	NA
24434	2015	Rescue Boat Trailer	10	NA	NA	NA	NA	NA
24304	2000	Scissor Lift	10	\$ 30,000	-	\$ 30,000	\$ 4,500	\$ 4,500
24337	2008	Scissor Lift	10	\$ 30,000	-	\$ 30,000	\$ 4,500	\$ 4,500
00818	1992	Support Vehicle	10	\$ 60,000	-	\$ 60,000	\$ 9,000	\$ 9,000
02483	1995	Support Vehicle	10	\$ 50,000	-	\$ 50,000	\$ 7,500	\$ 7,500
02492	1996	Support Vehicle	10	\$ 50,000	-	\$ 50,000	\$ 7,500	\$ 7,500
24106	1998	Support Vehicle	10	\$ 50,000	-	\$ 50,000	\$ 7,500	\$ 7,500
24119	1999	Support Vehicle	10	\$ 50,000	-	\$ 50,000	\$ 7,500	\$ 7,500
24135	2001	Support Vehicle	10	\$ 50,000	-	\$ 50,000	\$ 7,500	\$ 7,500
24162	2002	Support Vehicle	10	\$ 50,000	-	\$ 50,000	\$ 7,500	\$ 7,500
24166	2002	Support Vehicle	10	\$ 30,000	-	\$ 30,000	\$ 4,500	\$ 4,500
24168	2002	Support Vehicle	10	\$ 30,000	-	\$ 30,000	\$ 4,500	\$ 4,500
24170	2002	Support Vehicle	10	\$ 50,000	-	\$ 50,000	\$ 7,500	\$ 7,500
24171	2002	Support Vehicle	10	\$ 50,000	-	\$ 50,000	\$ 7,500	\$ 7,500
24173	2002	Support Vehicle	10	\$ 30,000	-	\$ 30,000	\$ 4,500	\$ 4,500
24175	2002	Support Vehicle	10	\$ 30,000	-	\$ 30,000	\$ 4,500	\$ 4,500
24176	2002	Support Vehicle	10	\$ 30,000	-	\$ 30,000	\$ 4,500	\$ 4,500
24195	2003	Support Vehicle	10	\$ 30,000	-	\$ 30,000	\$ 4,500	\$ 4,500
24200	2003	Support Vehicle	10	\$ 50,000	-	\$ 50,000	\$ 7,500	\$ 7,500
24201	2003	Support Vehicle	10	\$ 50,000	-	\$ 50,000	\$ 7,500	\$ 7,500
24202	2003	Support Vehicle	10	\$ 50,000	-	\$ 50,000	\$ 7,500	\$ 7,500
24203	2003	Support Vehicle	10	\$ 50,000	-	\$ 50,000	\$ 7,500	\$ 7,500
24204	2003	Support Vehicle	10	\$ 50,000	-	\$ 50,000	\$ 7,500	\$ 7,500
24205	2003	Support Vehicle	10	\$ 50,000	-	\$ 50,000	\$ 7,500	\$ 7,500
24206	2003	Support Vehicle	10	\$ 50,000	-	\$ 50,000	\$ 7,500	\$ 7,500
24208	2003	Support Vehicle	10	\$ 50,000	-	\$ 50,000	\$ 7,500	\$ 7,500
24209	2003	Support Vehicle	10	\$ 50,000	-	\$ 50,000	\$ 7,500	\$ 7,500
24233	2004	Support Vehicle	10	\$ 50,000	-	\$ 50,000	\$ 7,500	\$ 7,500
24234	2004	Support Vehicle	10	\$ 30,000	-	\$ 30,000	\$ 4,500	\$ 4,500
24235	2004	Support Vehicle	10	\$ 30,000	-	\$ 30,000	\$ 4,500	\$ 4,500
24236	2004	Support Vehicle	10	\$ 50,000	-	\$ 50,000	\$ 7,500	\$ 7,500
24238	2004	Support Vehicle	10	\$ 50,000	-	\$ 50,000	\$ 7,500	\$ 7,500
24239	2004	Support Vehicle	10	\$ 50,000	-	\$ 50,000	\$ 7,500	\$ 7,500
24240	2004	Support Vehicle	10	\$ 50,000	-	\$ 50,000	\$ 7,500	\$ 7,500

Attachment C: Existing Fire Apparatus, Vehicles, and Equipment

Unit #	Model Year	Type	Useful Life (Yrs)	Replacement Cost ¹	Equipment Cost ¹	Total Repl Cost ¹	Depr Repl Cost ²	Impact Fee Cost Basis ³
24245	2004	Support Vehicle	10	\$ 50,000	\$ -	\$ 50,000	\$ 7,500	\$ 7,500
24246	2004	Support Vehicle	10	\$ 50,000	\$ -	\$ 50,000	\$ 7,500	\$ 7,500
24258	2005	Support Vehicle	10	\$ 30,000	\$ -	\$ 30,000	\$ 4,500	\$ 4,500
24259	2005	Support Vehicle	10	\$ 30,000	\$ -	\$ 30,000	\$ 4,500	\$ 4,500
24260	2005	Support Vehicle	10	\$ 50,000	\$ -	\$ 50,000	\$ 7,500	\$ 7,500
24262	2005	Support Vehicle	10	\$ 30,000	\$ -	\$ 30,000	\$ 4,500	\$ 4,500
24280	2006	Support Vehicle	10	\$ 50,000	\$ -	\$ 50,000	\$ 7,500	\$ 7,500
24289	2006	Support Vehicle	10	\$ 50,000	\$ -	\$ 50,000	\$ 7,500	\$ 7,500
24309	2008	Support Vehicle	10	\$ 50,000	\$ -	\$ 50,000	\$ 7,500	\$ 7,500
24310	2008	Support Vehicle	10	\$ 50,000	\$ -	\$ 50,000	\$ 7,500	\$ 7,500
24311	2008	Support Vehicle	10	\$ 30,000	\$ -	\$ 30,000	\$ 4,500	\$ 4,500
24312	2008	Support Vehicle	10	\$ 30,000	\$ -	\$ 30,000	\$ 4,500	\$ 4,500
24314	2008	Support Vehicle	10	\$ 30,000	\$ -	\$ 30,000	\$ 4,500	\$ 4,500
24354	2010	Support Vehicle	10	\$ 30,000	\$ -	\$ 30,000	\$ 4,500	\$ 4,500
24419	2014	Support Vehicle	10	\$ 60,000	\$ -	\$ 60,000	\$ 24,000	\$ 24,000
24420	2014	Support Vehicle	10	\$ 60,000	\$ -	\$ 60,000	\$ 24,000	\$ 24,000
24428	2015	Support Vehicle	10	\$ 30,000	\$ -	\$ 30,000	\$ 15,000	\$ 15,000
24429	2015	Support Vehicle	10	\$ 30,000	\$ -	\$ 30,000	\$ 15,000	\$ 15,000
24430	2015	Support Vehicle	10	\$ 30,000	\$ -	\$ 30,000	\$ 15,000	\$ 15,000
24431	2015	Support Vehicle	10	\$ 30,000	\$ -	\$ 30,000	\$ 15,000	\$ 15,000
24432	2015	Support Vehicle	10	\$ 30,000	\$ -	\$ 30,000	\$ 15,000	\$ 15,000
24466	2017	Support Vehicle	10	\$ 30,000	\$ -	\$ 30,000	\$ 21,000	\$ 21,000
24467	2017	Support Vehicle	10	\$ 30,000	\$ -	\$ 30,000	\$ 21,000	\$ 21,000
24468	2017	Support Vehicle	10	\$ 30,000	\$ -	\$ 30,000	\$ 21,000	\$ 21,000
24469	2017	Support Vehicle	10	\$ 30,000	\$ -	\$ 30,000	\$ 21,000	\$ 21,000
24478	2018	Support Vehicle	10	\$ 50,000	\$ -	\$ 50,000	\$ 40,000	\$ 40,000
24505	2019	Support Vehicle	10	\$ 60,000	\$ -	\$ 60,000	\$ 54,000	\$ 54,000
24511	2019	Support Vehicle	10	\$ 60,000	\$ -	\$ 60,000	\$ 54,000	\$ 54,000
24515	2020	Support Vehicle	10	\$ 60,000	\$ -	\$ 60,000	\$ 60,000	\$ 60,000
24516	2020	Support Vehicle	10	\$ 60,000	\$ -	\$ 60,000	\$ 60,000	\$ 60,000
00607	1994	Tow Vehicle	10	\$ 60,000	\$ -	\$ 60,000	\$ 9,000	\$ 9,000
24192	2003	Tow Vehicle	10	\$ 50,000	\$ -	\$ 50,000	\$ 7,500	\$ 7,500
24256	2005	Tow Vehicle	10	\$ 50,000	\$ -	\$ 50,000	\$ 7,500	\$ 7,500
24264	2005	Tow Vehicle	10	\$ 50,000	\$ -	\$ 50,000	\$ 7,500	\$ 7,500
24341	2008	Tow Vehicle	10	\$ 50,000	\$ -	\$ 50,000	\$ 7,500	\$ 7,500
24300	2006	Tractor - Dozer Transport	10	\$ 175,000	\$ -	\$ 175,000	\$ 26,250	\$ 26,250
24454	2017	Tractor - Dozer Transport	10	\$ 175,000	\$ -	\$ 175,000	\$ 122,500	\$ 122,500
00833	1994	Trailer	10	\$ 30,000	\$ -	\$ 30,000	\$ 4,500	\$ 4,500
02444	1989	Trailer	10	\$ 30,000	\$ -	\$ 30,000	\$ 4,500	\$ 4,500
04723	1985	Trailer	10	\$ 30,000	\$ -	\$ 30,000	\$ 4,500	\$ 4,500
24153	2001	Trailer	10	\$ 30,000	\$ -	\$ 30,000	\$ 4,500	\$ 4,500
24178	2002	Trailer	10	\$ 30,000	\$ -	\$ 30,000	\$ 4,500	\$ 4,500
24237	2004	Trailer	10	\$ 30,000	\$ -	\$ 30,000	\$ 4,500	\$ 4,500
24293	2006	Trailer	10	\$ 30,000	\$ -	\$ 30,000	\$ 4,500	\$ 4,500
24315	2007	Trailer	10	\$ 30,000	\$ -	\$ 30,000	\$ 4,500	\$ 4,500
24342	2007	Trailer	10	\$ 30,000	\$ -	\$ 30,000	\$ 4,500	\$ 4,500
24376	2011	Trailer	10	\$ 30,000	\$ -	\$ 30,000	\$ 3,000	\$ 3,000
24391	2011	Trailer	10	\$ 30,000	\$ -	\$ 30,000	\$ 3,000	\$ 3,000
24392	2011	Trailer	10	\$ 30,000	\$ -	\$ 30,000	\$ 3,000	\$ 3,000
24501	2020	Trailer	10	\$ 5,000	\$ -	\$ 5,000	\$ 5,000	\$ 5,000
00841	1998	Trailer - Foam	10	\$ 30,000	\$ -	\$ 30,000	\$ 4,500	\$ 4,500
24351	1997	Trailer - Foam	10	\$ 30,000	\$ -	\$ 30,000	\$ 4,500	\$ 4,500
24491	2017	Trailer - Foam	10	\$ 30,000	\$ -	\$ 30,000	\$ 21,000	\$ 21,000
24227	1985	Trailer - Fuel	10	\$ 75,000	\$ -	\$ 75,000	\$ 11,250	\$ 11,250
24301	2007	Trailer - Lowbed	10	\$ 100,000	\$ -	\$ 100,000	\$ 15,000	\$ 15,000
24414	1985	Trailer - Lowbed	10	\$ 100,000	\$ -	\$ 100,000	\$ 15,000	\$ 15,000
24487	2018	Trailer - Lowbed	10	\$ 100,000	\$ -	\$ 100,000	\$ 80,000	\$ 80,000
24492	2018	Trailer - Pump Pod	10	\$ 120,000	\$ -	\$ 120,000	\$ 96,000	\$ 96,000
00061	1986	Training Tower	10	\$ 200,000	\$ -	\$ 200,000	\$ 30,000	\$ 30,000
00507	2000	Truck - Aerial Ladder	20	\$ 1,000,000	\$ 146,493	\$ 1,146,493	\$ 150,000	\$ 150,000
24426	2015	Truck - Aerial Ladder	20	\$ 1,000,000	\$ 146,493	\$ 1,146,493	\$ 859,870	\$ 859,870
24486	2018	Truck - Aerial Ladder	20	\$ 1,000,000	\$ 146,493	\$ 1,146,493	\$ 1,031,844	\$ 1,031,844
24265	2005	Truck - Aerial Platform	25	\$ 1,100,000	\$ 146,493	\$ 1,246,493	\$ 498,597	\$ 498,597
24297	2007	Truck - Tiller	20	\$ 1,100,000	\$ 146,493	\$ 1,246,493	\$ 436,273	\$ 436,273
24298	2007	Truck - Tiller	20	\$ 1,100,000	\$ 146,493	\$ 1,246,493	\$ 436,273	\$ 436,273
24377	2011	Truck - Tiller	20	\$ 1,100,000	\$ 146,493	\$ 1,246,493	\$ 685,571	\$ 685,571
24378	2011	Truck - Tiller	20	\$ 1,100,000	\$ 146,493	\$ 1,246,493	\$ 685,571	\$ 685,571
24186	1995	Tug	10	\$ 20,000	\$ -	\$ 20,000	\$ 3,000	\$ 3,000
00628	1998	Utility/Rehab	10	\$ 150,000	\$ -	\$ 150,000	\$ 22,500	\$ 22,500

Attachment C: Existing Fire Apparatus, Vehicles, and Equipment

Unit #	Model Year	Type	Useful Life (Yrs)	Replacement Cost ¹	Equipment Cost ¹	Total Repl Cost ¹	Depr Repl Cost ²	Impact Fee Cost Basis ³
24275	2006	Utility/Rehab	10	\$ 150,000	\$ -	\$ 150,000	\$ 22,500	\$ 22,500
24329	2007	Utility/Rehab	10	\$ 150,000	\$ -	\$ 150,000	\$ 22,500	\$ 22,500
24400	2013	Utility/Rehab	10	\$ 150,000	\$ -	\$ 150,000	\$ 45,000	\$ 45,000
00072	1989	Water Tender	17	\$ 600,000	\$ -	\$ 600,000	\$ 90,000	\$ 90,000
02479	1995	Water Tender	17	\$ 600,000	\$ -	\$ 600,000	\$ 90,000	\$ 90,000
02496	1998	Water Tender	17	\$ 600,000	\$ -	\$ 600,000	\$ 90,000	\$ 90,000
04721	1987	Water Tender	17	\$ 600,000	\$ -	\$ 600,000	\$ 90,000	\$ 90,000
24139	1993	Water Tender	17	\$ 600,000	\$ -	\$ 600,000	\$ 90,000	\$ 90,000
24222	2004	Water Tender	17	\$ 600,000	\$ -	\$ 600,000	\$ 35,294	\$ 35,294
24509	2020	Water Tender	17	\$ 600,000	\$ -	\$ 600,000	\$ 600,000	\$ 600,000
24510	2020	Water Tender	17	\$ 600,000	\$ -	\$ 600,000	\$ 600,000	\$ 600,000
Total				\$ 98,312,500	\$ 13,363,221		\$ 42,856,031	\$ 42,856,031

¹ Replacement and Equipment cost provided by SMFD

² Depreciated replacement cost using straight-line depreciation over the useful life of the asset. Assumes 15% minimum

³ Impact fee cost basis equals the depreciated replacement cost

Attachment D: Future Fire Apparatus, Vehicles and Equipment

Description	No. of Units ¹	Cost per Unit ²	Impact Fee Cost Basis ²
Type 1 Engine	20	\$ 804,817	\$ 16,096,349
Type 3 Engine	9	\$ 584,817	\$ 5,263,357
Truck	5	\$ 1,146,493	\$ 5,732,466
Water Tender	2	\$ 600,000	\$ 1,200,000
Air Rig	1	\$ 560,000	\$ 560,000
Medic	16	\$ 308,508	\$ 4,936,128
Battalion Chief Vehicle	3	\$ 60,250	\$ 180,750
Total			\$ 33,969,049

¹ Planned number of future units provided by SMFD

² Cost per Unit provided by SMFD, assumes fully equipped vehicle/apparatus

³ Impact fee cost basis equals the cost per unit multiplied by number of future units needed

Attachment E

Fee Comparison

Sacramento Metropolitan Fire District, Capital Facilities Fee Study, 2021

Attachment E: Fee Comparison

Sacramento Metropolitan Fire District				Comparison Agencies							
Land Use	Units	Current Fee	Proposed Fee	City of Long Beach	City of Oakland [1]	City of San Diego	Contra Costa County Fire Protection District	County of Los Angeles [2]	Cosumnes CSD Fire Department	City of South San Francisco	East Contra Costa Fire Protection District
Single Family Residential	DU	\$ 1,356	\$ 1,521	\$ 496	Zone 1: \$4,000 Zone 2: \$3,000 Zone 3: \$1,000	\$0 - \$1,244 depending on neighborhood	\$ 970	Area 1: \$2,426 Area 2: \$3,089 Area 3: \$2,295	Zone 1: \$2,085 Zone 6: \$1,771	\$ 1,285	\$ 1,318
Multi-Family Residential	DU	\$ 1,059	\$ 1,192	\$ 378	Multi-Family: Zone 1: \$1,250 Zone 2: \$750 Zone 3: \$0 Townhome: Zone 1: \$3,000 Zone 2: \$2,000 Zone 3: \$1,000		\$ 460	Area 1: \$971 Area 2: \$1,236 Area 3: \$918	Zone 1: \$1,373 Zone 6: \$1,170	8.1 - 18 DU: \$810 18+ DU: \$563	\$ 935
Commercial / Retail	KSF	\$ 715	\$ 1,260	\$ 267	Free Standing Retail - \$250 Ground Floor Retail - \$0	\$0 - \$2,862 depending on neighborhood	\$ 662	Area 1: \$971 Area 2: \$1,236 Area 3: \$918	Zone 1: \$1,760 Zone 6: \$1,360	\$ 440	\$ 893
Office	KSF	\$ 1,186	\$ 1,599	\$ 325	\$ 1,000		\$ 579		Zone 1: \$1,760 Zone 6: \$1,360	\$ 440	\$ 1,190
Industrial	KSF	\$ 643	\$ 856	\$ 132	\$ 750		\$ 387		Zone 1: \$570 Zone 6: \$790	\$ 180	\$ 595
Institutional / Other	KSF	\$ 1,135	\$ 1,524	no comparison available	\$ 350		no comparison available		no comparison available	no comparison available	no comparison available

Notes:

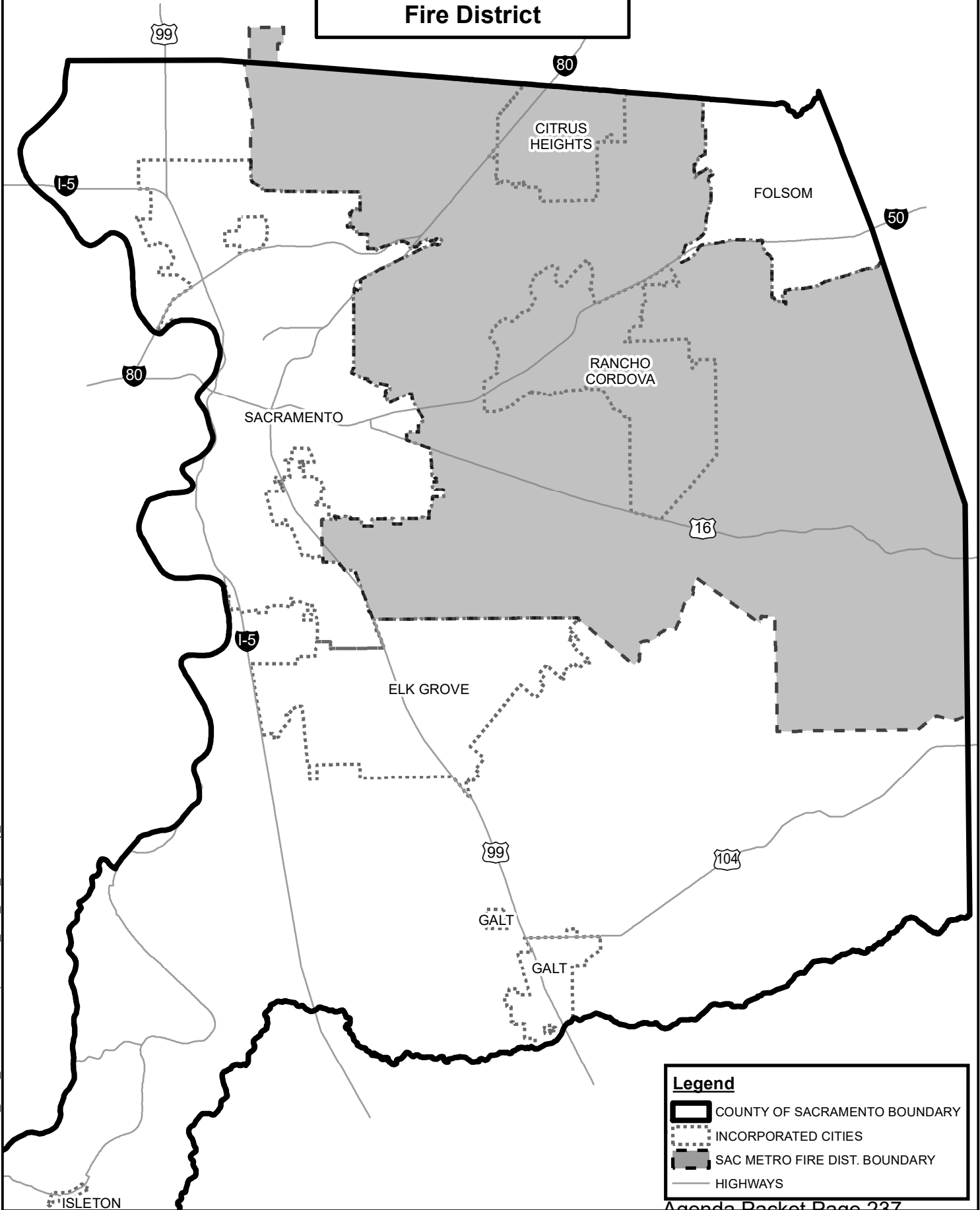
[1] Per the City of Oakland Impact Fee Annual Report, fire impact fees are included within the Capital Improvements Impact Fee. Cost basis may include more than Fire facilities and apparatus

[2] Fees are per s.f. regardless of land use type. Fees for comparison purposes assume SFR at 2,500 s.f., MFR @ 1,000 s.f., Non-res per 1,000 s.f.

Attachment F

District Boundary Map

Sacramento Metropolitan Fire District



AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CITRUS HEIGHTS ADDING ARTICLE XXIX TO CHAPTER 18 OF THE MUNICIPAL CODE RELATED TO FIRE CAPITAL FACILITIES IMPACT FEE

WHEREAS, the Sacramento Metropolitan Fire District ("SMFD") provides fire protection and medical emergency services in the City of Citrus Heights; and

WHEREAS, the City currently collects from developers within the City, on behalf of SMFD, an impact fee that has been adopted by SMFD; and

WHEREAS, SMFD uses the proceeds of this impact fee to fund its capital costs necessary to provide services to new development; and

WHEREAS, SMFD desires to revise the impact fee; and

WHEREAS, the City now needs to impose the impact fee, and an associated fee for administration of the fee, in order to collect that fee; and

WHEREAS, the City and SMFD will enter into an updated agreement pursuant to which the City will agree to pay the proceeds of the fee to Sac Metro and Sac Metro will agree to spend these proceeds on eligible costs, make certain reports to the City and indemnify the City from certain liabilities; and

WHEREAS, the City Council desires to adopt an ordinance governing the fee.

The City Council of the City of Citrus Heights, California, ordains as follows:

SECTION 1: Article XXIX is added to Chapter 18 of the Citrus Heights Municipal Code to read as follows:

ARTICLE XXIX FIRE CAPITAL FACILITIES IMPACT FEE

Section 18.700. Purpose.

A. The Sacramento Metropolitan Fire District provides fire protection and medical emergency services to residential units and non-residential buildings within its service area, including portions located within the City.

B. New development within SMFD's service area will generate a need to expand existing facilities, construct new fire facilities, and purchase fire and safety equipment to serve the increased population.

C. The purpose of this Article is to use the authority in Article XI, Section 7 of the California Constitution and in the Mitigation Fee Act

(Government Code Section 66000 et seq.) to impose development impact fees to fund the cost of certain facilities and equipment necessary for SMFD to serve new development.

Section 18.701. Definitions.

A. "Accessory Dwelling Unit" means an attached or a detached residential dwelling unit occupying the same parcel as the primary dwelling unit, which provides complete independent living facilities for one or more persons as further defined and subject to the requirements of the Municipal Code and applicable State Law. This includes efficiency units and junior accessory dwelling units.

B. "Additional Dwelling Units" mean the net increase in the number of dwelling units on a parcel of real property for residential development.

C. "Additional Floor Area of Buildings" means the net increase in the floor area of buildings as both terms are defined in the Uniform Building Code as adopted by the City (and as described in the building permit) on a parcel of real property for non-residential development.

D. "Administration Costs" mean amounts spent, or authorized to be spent, in connection with the collection, calculation, processing, program development and other management of development impact fees.

E. "Administrator" means the Community Development Director or designee.

F. "Building Permit" means the permit issued or required for the construction or improvement of additional square footage for any structure pursuant to and as defined by the Building Code.

G. "Development Impact Fee" means the fees levied pursuant to Section 18.703 of this Article.

G. "Developer" means the owner of land that is to be developed as part of a development project.

H. "Development Project" or "Project". A construction or reconstruction project that requires a zoning permit or building permit under this code.

I. "Development Unit" means (i) dwelling unit for residential development and (ii) square foot for non-residential development.

J. "Fire Chief" means the Fire Chief of the SMFD or designee.

K. "Fire Costs" mean amounts spent, or authorized to be spent, in connection with the planning, financing, acquisition and development of facilities consistent with the Impact Fee Study including, without limitation, the costs of fire protection and emergency response equipment, apparatus, vehicles, and facility site improvements, construction, engineering, design, consulting fees, permit fees, and administration.

L. "Facilities" mean those fire protection facilities and equipment specified in the Impact Fee Study.

M. "Impact Fee Study" means the analysis establishing the legal and policy basis for the imposition of fire protection impact fees for the Sacramento Metropolitan Fire District in compliance with the Mitigation Fee Act as most recently approved by the City Council.

N. "Community Development Director" means the Community Development Director or designee.

O. "Program Rate" means the Development Impact Fee per Development Unit.

P. "SMFD" means the Sacramento Metropolitan Fire District.

Q. "SMFD Capital Facilities Impact Fee City Administration Fund" means the fund of that name established pursuant to Section 18.704

R. "SMFD Capital Facilities Impact Fee Fund" means the fund of that name established pursuant to Section 18.704

S. "SMFD Capital Facilities Impact Fee Program" means the funding mechanism for Facilities identified in the Impact Fee Study.

Section 18.702. Adoption of Study and Annual Reporting

A. The City Council shall by resolution approve the Impact Fee Study.

B. The City Council shall annually receive a report pursuant to Government Code Section 66006 on the SMFD Capital Fire Facilities Impact Fee Program

C. The City Council may periodically amend the SMFD Capital Fire Facilities Impact Fee Program by resolution at its discretion.

Section 18.703. Imposition of Development Impact Fees.

Except as otherwise provided in this article, the following fees are hereby imposed upon the developer of each development project in the city as a condition of development: (i) SMFD Capital Fire Facilities Fee and (ii) SMFD Capital Fire Facilities Impact Fee City Administration Fee.

Section 18.704. Establishment of Administration Fund.

A. The SMFD Capital Facilities Impact Fee City Administration Fund is hereby established.

B. All SMFD Capital Fire Facilities Impact Fee City Administration Fees shall be deposited in such fund.

C. Moneys such fund, and the interest earned thereon, shall be used solely to pay the City's costs associated with administering the SMFD Capital Fire Facilities Impact Fee Program.

Section 18.705 Establishment of Impact Fee Fund.

A. The SMFD Capital Facilities Impact Fee Fund is hereby established.

B. All SMFD Capital Fire Facilities Fees shall be deposited in such fund.

C. Moneys such fund, and the interest earned thereon, shall be used solely to fund Fire Costs.

D. The City may enter into an agreement with SMFD pursuant to which the City pays money in the fund to SMFD and SMFD agrees to use such money only for authorized purposes and to account for such money to the City as required by law.

Section 18.706. Payment of Development Impact Fees.

A. The Development Impact Fees for a development project shall be paid to the City prior to the approval of any building permit for that project.

B. The fees for a development project shall be calculated at the time of payment based on the rate then in effect, unless the use of a lower rate has vested for the project under applicable law.

C. The fee shall be calculated separately for each building permit, so if a development project will require multiple building permits, only the fee associated with the development units associated with a building permit need be paid with that permit.

D. If applicable state law does not permit the city to require payment of the fees for a development project on the schedule set forth in Subdivision A of this section, then the fees for that development project shall be paid on the earliest possible schedule that the city is permitted to require such payment under state law. If payment is to be delayed pursuant to this subsection (c), the city shall not issue a building permit to the developer until: (1) the developer and the city enter into a contract for delayed payment as authorized by Section 66007(c) of the California Government Code; (2) such contract is recorded in the manner set forth in that section; and (3) unless the developer is specifically exempt from such requirement under state law, the developer posts a performance bond or a letter of credit from a federally insured, recognized depository institution to guarantee payment of the fees.

Section 18.707. Calculation of Development Impact Fees.

A. For Residential Development, the SMFD Capital Fire Facilities Fee and the SMFD Capital Fire Facilities Impact Fee City Administration Fee shall be calculated pursuant to the following formula:

$$F = D \times P$$

Where:

F = the amount to be paid by the developer; and

D = the number of Additional Dwelling Units to be constructed or relocated; and

P = the applicable Program Rate per dwelling unit most recently adopted by the Council, as annually subject to indexed adjustment pursuant to Section 12 for the residential use type as shown in the Impact Fee Study.

B. For Non-residential Development within the Program Boundaries, the SMFD Capital Fire Facilities Fee and the SMFD Capital Fire Facilities Impact

Fee City Administration Fee shall be calculated pursuant to the following formula:

$$F = S \times P$$

Where:

F = the amount to be paid by the developer; and

S = the floor area in additional square feet to be constructed, improved, or relocated; and

P = the applicable Program Rate per square foot most recently adopted by the Council, as annually subject to indexed adjustment pursuant to Section 12 for the non-residential use type as shown in the Impact Fee Study.

D. For the purpose of calculating Development Impact Fees pursuant to subsection B of this section for non-residential structures to be used for self-storage or mini-storage regardless of the underlying land use designation, the Development Impact Fees shall be calculated using the Program Fee for Commercial Structures for those areas used for customer sales and office purposes and the Program Fee for Multi-family Residential Structures for any residential unit for the manager/night watch staff.

E. For the purpose of calculating Development Impact Fees pursuant to subsection B of this section for fuel service stations, the floor area in additional square feet of the buildings proposed to be constructed, improved, or relocated from outside of the Program Boundaries, shall include the square footage underneath fueling station canopies or the typical canopy area for a service station if the service station has no canopy.

F. For the purpose of calculating Development Impact Fees pursuant to subsection A of this section a primary residence mobile homes not in a mobile home park shall be treated as single family dwelling unit (if the only dwelling unit on the parcel) or an accessory dwelling unit (if there is a primary dwelling unit on the parcel).

G. For mixed-use projects, the amount of the Development Impact Fees shall be separately calculated for each use.

Section 18.708. Exemption from Development Impact Fees.

A. Any replacement or reconstruction (no change in use) of any residential unit that is damaged or destroyed as a result of fire, flood, explosion, wind, earthquake, riot, or other calamity, or act of God shall be exempt from the Development Impact Fees.

B. Additions to Single-family Residential Structures provided no change in use occurs and a second full kitchen is not added shall be exempt from the Development Impact Fees.

C. Additions to Multi-family Residential Structures that do not create additional units shall be exempt from the Development Impact Fees.

D. Supporting use square footage in multi-family projects, such as the office and recreation areas required to directly serve the multi-family project shall be exempt from the Development Impact Fees.

E. Non-habitable residential structures such as decks, pools, pool cabanas, sheds, garages, etc., shall be exempt from the Development Impact Fees.

F. Mobile or manufactured homes with no permanent foundation shall be exempt from the Development Impact Fees.

G. The Development Impact Fee shall not be applied to Accessory Dwelling Units that are 749 square feet or less. For all other Accessory Dwelling Units, the Development Impact Fee shall be charged a rate of 50-percent in relation to the square footage of the primary dwelling unit based upon the SMFD Capital Fire Facilities Impact Fee that the primary dwelling unit would pay.

Section 18.709. Refunds.

In the event a Building Permit expires or is canceled for any reason, a claim for refund of the Development Impact Fees paid in connection with the expired or canceled Building Permit may be filed with the Administrator by the applicant or designee who paid the Development Impact Fees. Such refund shall be made from available funds in the applicable fee fund, until such refund is completed.

Section 18.710. Building Permit Expiration and Renewal.

In the event a Building Permit, whether issued before or after the effective date of the ordinance codified in this Article, expires, then before such work may be commenced or recommenced, a new Building Permit shall be obtained and such Building Permit may be issued only if any increase in the Development Impact Fees imposed pursuant to this Article and in effect on the date of issuance are paid. If refunds were granted pursuant to Section 10, such Building Permit may be issued only if all Development Impact Fees imposed pursuant to this Article in effect on the date of issuance are paid, including the administration fee.

Section 18.711. Annual Program Fee Adjustment.

Beginning January 1, 2023, and subsequently each year on January 1, or as soon as possible thereafter; the Administrator with notice to the Fire Chief, shall authorize the adjustment of the Program Fee for each type of development as follows:

A. A "mean" index will be computed by averaging the index for twenty (20) U.S. Cities with the index for San Francisco by resort to the January issue of the Engineering News Record magazine Construction Cost Index of the year in which the calculation is being made.

B. An adjustment factor shall be computed by dividing the "mean" index as calculated in subsection A of this section by the "mean" index for the previous January, and, if a new Program Fee has been adopted after January of the previous year, the adjustment factor shall use the "mean" index from the month that the fee was adopted.

C. The adjusted Program Fee per Development Unit shall be calculated by multiplying the adjustment factor, as calculated in subsection B of this section, by the Program Fee per Development Unit in place prior to the annual adjustment.

Section 18.712. Interaction with Other Fees, Requirements and Exactions.

Except as specifically provided in this code, payment of any fee pursuant to this article shall not be interpreted to exempt any developer or other person from any requirement otherwise imposed upon that person by or pursuant to this code or other applicable law.

Section 18.713. Regulations. The administrator may promulgate such interpretive regulations for the application of this article as he or she finds necessary or useful.

SECTION 2. Effective Date. This Ordinance shall take effect on the sixtieth day following its adoption. However, the actual rates of the fees imposed by this Ordinance will be set by separate resolution, which will make certain findings required by law. Therefore the effective date of the fees will be set by that resolution.

SECTION 3. Severability. If any section, subsection, sentence, clause, phrase, or portion of this Ordinance is for any reason held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance. The City Council of the City of Citrus Heights hereby declares that it would have adopted this Ordinance and each section, subsection, sentence, clause, phrase or portion thereof irrespective of the fact that any one or more sections, subsections, sentences, clauses, phrases, or portions be declared invalid or unconstitutional.

INTRODUCED BY THE CITY COUNCIL ON June 23, 2022 AND PASSED,
APPROVED AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF CITRUS
HEIGHTS this _____ day of _____ 2022 BY THE
FOLLOWING VOTE.

Ayes:
Nays:
Present

_____, Mayor

ATTEST:

_____, City Clerk



CITY OF CITRUS HEIGHTS

CITY COUNCIL STAFF REPORT

MEMORANDUM

DATE: June 23, 2022

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

FROM: Meghan Huber, Economic Development & Communications Manager

SUBJECT: Consideration of Economic Development Support Fund grant request by Royal Stage

Summary and Recommendation

The City's Economic Development Support Fund – Part I provides grants to businesses and economic development-related organizations for events, marketing and promotions, studies to further economic development, and other economic development-related activities that promote the program goals. Royal Stage, a performing arts nonprofit, has submitted an application request in the amount of \$25,000 to establish a performing arts venue inside Sunrise Mall.

Economic Development staff reviewed the application to confirm program eligibility and presented to the City Council Finance Committee for recommendation. The Finance Committee recommended full approval of the request.

Finance Committee recommends the City Council approve Resolution No. 2022____, A Resolution of the City Council of the City of Citrus Heights, approving a \$25,000 economic development grant for Royal Stage from the Economic Development Support Fund – Part I FY 2021/2022 budget.

Fiscal Impact

The City Council allocated \$154,500 for FY 2021-2022 to the Economic Development Support Fund (100-51-140-53450). A total of \$50,086 has been distributed with the remaining balance of \$104,414 remaining in the Fund for FY 2021-2022.

Background and Analysis

The City created the Economic Development Support Fund Part I and II to improve economic development in the City by providing funding for special events, marketing activities, sign and design assistance, and other related activities and investments that provide a public benefit to the

City. Part I of the program is available to business associations, individual businesses, and economic development-related organizations or efforts that promote program goals including event sponsorships, grants for marketing and promotions, studies to further economic development, and other economic development-related activities.

The City requires applicants to submit an application along with any supporting documentation as appropriate. Upon receipt, staff reviews the application per the following funding criteria:

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

Royal Stage performing arts theater submitted an Economic Development Support Grant Part I request for funds on May 17, 2022. Staff has determined the application adequately meets the program criteria. Please refer to Attachment 2 for a copy of the funding application. The grant meets the goals of the Economic Development Support Fund including:

- Attracting new shoppers (parents and caregivers dropping off participants)
- Promote/market a specific commercial area (Sunrise Mall & Sunrise MarketPlace)
- Create or enhance a sense of place (Infusing Arts & culture into a retail environment)
- Improve perception and/or proactive of City being business friendly (diversification of retail space)

The sponsorship also aligns with City Council's strategic goal of enhancing community vibrancy and engagement as well as the Sunrise Tomorrow project goals of diversifying uses at the Sunrise Mall site.

Per program guidelines, the proposed project scope would require grant disbursement on a reimbursement basis. If awarded, the grant would be used for construction related costs as well as marketing and programming for the new space.

The Finance Committee reviewed the funding request on June 15, 2022 and recommended the full amount for approval.

Attachments

- (1) Resolution No. 2022-__ : A Resolution of the City Council of the City of Citrus Heights, Approving a \$25,000 Grant to the Citrus Heights Chamber of Commerce from the Economic Development Support Fund – Part I (2) Royal Stage ED Support Fund Application

RESOLUTION NO. 2022- ____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CITRUS HEIGHTS,
CALIFORNIA, APPROVING A \$25,000 ECONOMIC DEVELOPMENT GRANT TO ROYAL
STAGE FROM THE ECONOMIC DEVELOPMENT SUPPORT
FUND – PART I**

WHEREAS, in March 2021, the City Council created new three-year Strategic Goals entitled “Diversify for a resilient economy” and “Enhance community vibrancy and engagement”;

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

WHEREAS, the City Council approved \$154,500 for the Economic Development Support Fund for Fiscal Year 2021-2022;

WHEREAS, Royal Stage performing arts group has submitted an application for \$25,000 to the Economic Development Support Fund – Part I; and

WHEREAS, the Finance Committee reviewed the application and recommended to the City Council that the application be approved in the amount of \$25,000;

NOW THEREFORE BE IT RESOLVED AND ORDERED that the City of Citrus Heights does hereby approve a grant in the amount of \$25,000 to Royal Stage performing arts group from the Economic Development Support Fund (100-51-140-53450).

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

PASSED AND ADOPTED by the City Council of the City of Citrus Heights, California, this 23rd day of June 2022 by the following vote, to wit:

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

Porsche Middleton, Mayor

ATTEST:

Amy Van, City Clerk



**City of Citrus Heights
ECONOMIC DEVELOPMENT
SUPPORT FUND PART I
Application**

Submit Application to: City Manager's Office

Attn: Meghan Huber, Economic Development Manager
6360 Fountain Square Drive
Citrus Heights, CA 95621

Phone: (916) 725-4745

Fax: (916) 725-5799

PROCESS

The City of Citrus Heights provides limited funding for business associations, organizations and other efforts that will improve economic development as described in the program goals and application criteria.

This application form is to be used for General Fund support for a specific economic development related project, program or event. Requests for Community Development Block Grant (CDBG) Funding, Community Support funding or non-General Funds use a separate application form. For information on the timeline and process for these programs, contact:

Community Support Program – City Manager's Office, (916) 725-2448
Community Development Block Grant – Housing & Grants, (916) 725-2448

The City of Citrus Heights accepts these applications on a rolling basis but may create defined funding cycles if needed.

Applications at \$5,000 or less are considered at the City Manager's discretion. Applications over \$5,000 will be considered by the City Council. The Council may refer the request to a Council Committee for a review and recommendation. The Council and/or any Council Committee will assess the application based on the responses to the questions listed in Part Two of this application. The Council requires that these funding decisions be made in a regular or special Council meeting. In the event an application is made for Economic Development Support Funds that is suited for other funding sources (e.g. federal CDBG funds, Community Support) the Council may defer action and refer the applicant to the alternative funding source.

Note: Submission of application is not guarantee of funding. Upon the submittal of application, applicant must provide supporting documentation as described in the application. The City reserves the right to ask for addition information as part of the review process. If funding is approved the applicant will be contacted by the City. Incomplete applications may be disqualified from consideration. City funding may not be used for the purpose of providing stipends to elected officials.

Please refer all questions regarding this application to Meghan Huber, Economic Development Manager at (916) 725-4745 or mhuber@citrusheights.net.

APPLICATION FOR ECONOMIC DEVELOPMENT SUPPORT FUND – PART I FUNDING

Part One – General Information

Organization Name: Royal Stage		Project Name: Community Theater at the Sunrise Mall
Address:	8161 Walnut Fair Circle Fair Oaks, CA 95628	Phone: 916 572 3022
		Website: royalstage.org
Contact Person (Name/Title):	Tamara M. Warta Director	Phone: 408.219.9509 Email: theroyalstage@gmail.com

Amount of Funding Requested: \$25,000

Part Two – Project Specifics

- 1) **PROJECT DESCRIPTION.** Provide a brief and clear description of your project, including but not limited to: dates, time period, etc. (no more than 2 pages, typed).

Royal Stage was established in 2010 as a safe and family-friendly creative & performing arts program for all ages. We currently offer approximately 18 weekly dance, theater, and art classes for preschool, school-aged, teen, and adult participants, and produce 8 dance & musical theater productions per year. We do not turn anyone away, regardless of their ability to pay for classes & participation fees, and 48% of our students are on full scholarship, including Citrus Heights residents.

After a decade of using churches, schools, and parking lots for our shows, we have recently signed a multi-year lease at the Sunrise Mall. We are in the process of converting an 8,025 sq ft space into a community performance space. Our grant request is to advance this goal of bringing Citrus Heights its first all-ages community theater, right in the heart of the Sunrise Marketplace.

Our request is for a grant, and we believe that our partnership with the City would be beneficial in the following ways:

- Royal Stage will be providing a positive new community for Citrus Heights kids, families, and teens to get involved with. Theater and dance teach not only artistic skills, but also confidence, personal responsibility, and teamwork.
- We will be bringing more people into the Sunrise Mall, as parents will peruse stores while waiting for their children during rehearsals, we will have an average of 1200 audience members

every few months coming through the Marketplace to eat dinner and shop before and after our performances.

- The City will have access to professionally-trained youth and adult performers that will be available for community events, official city functions, etc. if the need arises.
- Royal Stage has the potential to become a Citrus Heights destination - live stage shows, dance presentations, community open mic nights, and more.

By partnering with Royal Stage, we believe the city of Citrus Heights will be sending a strong message of support to our local young people - that together we believe in their potential and their worth, providing them an opportunity to shine both onstage and throughout their community.

Royal Stage has been the grateful recipient of the History & Arts Grant the past two years, receiving \$4000 in January of 2020 and \$5000 in January 2022. This funding was poured directly back into Citrus Heights residents, providing dance class scholarships, transportation for low-income students, and funding temporary performance space. We are hopeful that if we are selected as a recipient of this Economic Development Support Fund Grant, we can truly root ourselves in Citrus Heights and provide more permanency to our local kids and teens.

2) PROGRAM PURPOSE.

We believe that the development of our performance space meets a few different program goals. First, it will create and enhance a sense of place. Performing arts programming naturally develops a family feel - a true place of belonging. Kids and families that participate in the performing arts commit to multiple hours per week of involvement, and the theater becomes a familiar and welcome destination. We have seen multiple young people over the years find their voice through the arts, but also really recognize Royal Stage as a place they truly belong.

Our friend Amelia, a 13-year-old participant, was recently quoted as saying, "I was very excited after a few rehearsals. I clicked with everyone. No one can make you feel more welcome or special - everyone is like a second family and I love all of them so much. If it weren't for Royal Stage, I wouldn't be as confident as I am now. They made me feel like I belong and I am thankful for this journey."

We love that testimonies like this are coming out of our programming, and we strongly desire to have Citrus Heights be our long-term destination to create this sense of home for these kids.

Royal Stage will also attract new shoppers to the Sunrise Marketplace. As mentioned above, we are leased to a space in the Sunrise Mall, and we will regularly have parents (primarily mothers) killing time during rehearsals and classes, which will naturally bring them to surrounding mall stores. Many audience members will also go to dinner before or after our shows, bringing more businesses to surrounding restaurants. As for our participants, the largest portion of our population is ages 10-21, and they are excited to be located in the mall - allowance and paychecks will definitely be spent at surrounding retail locations!

Finally, Royal Stage will provide something that is currently lacking - a community theater. Roseville currently has 3 children's theater programs, and Sacramento has five. While there is a small adult theater company within our city limits, we believe that Citrus Heights deserves to have an all-ages theater that is right in the heart of the city - kids thrive in arts programming, and it is a worthy

investment in the next generation.

3) PROJECTED OUTCOME/BENEFIT.

The expected outcome of this program is to welcome approximately 600 young performers to Citrus Heights each year, along with an average of 5,000 audience members. Royal Stage has tracked its participants and patrons through Google Suite, Ticketleap, and the BAND app. We average 150 students at each recital (equaling 450 annually), and 600 audience members (equaling 2400 annually) per production. We believe that having a storefront location in Citrus Heights and working with the Sunrise Mall and the city to promote local, family-friendly entertainment will increase this number to the projected totals above.

There are many benefits to having Royal Stage establish a performance space in Citrus Heights. These include:

- The potential for increased retail revenue in the Sunrise Marketplace area
- Having a destination for kids, teens, and adults to explore the performing arts without having to travel outside of city limits in order to do so
- Teaching young people essential skills, including the importance of showing up, doing your best, and being a part of a team.
- Community spirit through regular open mic nights and other events open to anyone and everyone
- Royal Stage will serve as a resource for the city however we can - providing entertainment, available professional stage space, promoting other city happenings through our social media channels and mailing lists.

4) LEVERAGING OF FUNDS.

We are anticipating the opening of the theater to cost \$55,000. The City is being asked to fund economic-development related tasks like getting the mall space up to code (we are required to change the occupancy category in order to open and be fully operational), promote our new programming to the region, and fund arts programming for current and upcoming Citrus Heights students. We have a great need for this grant in order to get this performance space off the ground and start serving our local community safely and effectively.

While we very much need this funding, we understand we cannot rely on the City alone to fund this project. Royal Stage has a monthly base of private donors that give financially, and we also have revenue from our ticket sales and tuition from those who are able to pay for classes. We also operate three fireworks booths each year, have participated in Big Day of Giving each year since its inception, and have three major fundraising events each year. We are also thankful for our annual corporate sponsorships and local church financial partnerships.

5) SUSTAINABILITY.

Royal Stage intends to be financially self-sustaining after this project is complete. Converting a mall space into a community theater is extremely costly, and while we are in need to develop and get this off the ground, we are financially able to afford the rent, maintenance, insurance, and other associated costs of operation. The funds are needed solely for development and launch.

6) SCHEDULE.

Funds are needed as soon as possible, as we would like to continue forward with the theater development and start operating late summer or early fall of 2022. We anticipate the first phase of the performance space to be completed in August of 2022, which will make the space functional and open to the public. We predict a second phase - the completion of all construction and improvements, to be completed in January of 2023.

EDSF – Part I Application

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

Signature:

Tamara M. Warta

Date: 5/17/2022

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



CITY OF CITRUS HEIGHTS

CITY COUNCIL STAFF REPORT

MEMORANDUM

DATE: June 23, 2022

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

FROM: Meghan Huber, Economic Development and Communications Manager

SUBJECT: **Allocation of Fiscal Year 22/23 Community Support Funding**

Summary and Recommendation

The City of Citrus Heights offers limited one-time funding for non-profit organizations that provide services to residents of the Citrus Heights community through the Community Support program.

There is \$147,862 available in Community Support for Fiscal Year 22/23. The FY 22/23 application period opened June 6 – 13, 2022 and 5 applications were received. Finance Committee reviewed the Community Support requests on June 15, 2022 and recommended funding all applications in the total amount of \$134,950. Because the program is undersubscribed and has funding still available, the Finance Committee also recommended relaunching an application period in 90 days to the current applicants for the remaining funding.

Staff recommends the City Council approve Resolution No. 2022-____ a resolution approving Community Support funding allocations for FY 2022/2023

Fiscal Impact

Total annual funding for the program is \$147,862 and the Finance Committee has recommended dispersing \$134,950 to applicants, leaving \$9,912 in funding available for future use for Fiscal Year 22/23.

Background and Analysis

The City of Citrus Heights offers limited one-time funding for non-profit organizations that provide services to residents of the Citrus Heights community through the Community Support program. The program is administered on an annual basis through an application process. Program applications detail the proposed project description and schedule, number of residents

Subject: Allocation of Fiscal Year 22/23 Community Support Funding**Date: June 23, 2022****Page 2 of 3**

served by the project, cost, ability to be self-sustaining and the leveraging of other funding sources as well as performance indicators. Original applications are on file and available upon request. For a summary of the applications as well as an outline of prior year awards please refer to Attachment 1. Staff aggregates and reviews applications for completeness and presents to City Council Finance Committee. Finance Committee reviews the mix of applications and makes grant amount recommendations for City Council consideration.

There is \$147,862 available in Community Support for Fiscal Year 22/23. The FY 22/23 application period opened June 6 – 13, 2022 and 5 applications were received. Finance Committee reviewed the Community Support requests on June 15, 2022 and recommended funding all applications, summarized below:

NONPROFIT	REQUESTED AMOUNT	RECCOMENDED AMOUNT	PROJECT DESCRIPTION
Citrus Heights Marching Band	\$8,000	\$8,000	Rehearsal and performances
Campus Life (Sayonara Center)	\$15,000	\$15,000	Sayonara Center operations
Meals on Wheels	\$94,500	\$94,500	Meal provision to 305 Citrus Heights seniors
Single Mom Strong	\$15,000	\$15,000	Citrus Heights daycare expansion construction costs
Sunrise Christian Food Ministry**	\$2,450	\$2,450	Equipment replacement and enhancement
Grant funding requests total (\$147,862 available)	\$134,950	\$134,950	

**Per the community support application parameters, requests under \$2,500 are City Manager approval. This request has been pre-approved.

Because the program is undersubscribed and has funding still available, the Finance Committee also recommended relaunching an application period in 90 days to the existing applicants for the remaining funding.

It is also important to note that while this existing general fund program is limited in reach, the next few years hold exciting potential with the strategic utilization of American Rescue Plan Act funding to further advance Citrus Heights community engagement goals with specific objectives already outlined for community project and event grants.

Attachments

- (1) Summary of Community Support Applications

Subject: Allocation of Fiscal Year 22/23 Community Support Funding

Date: June 23, 2022

Page 3 of 3

- (2) Resolution 2022-____ approving the Community Support Funding Award allocations for Fiscal Year 22/23

RESOLUTION NO. 2022- ____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CITRUS HEIGHTS,
CALIFORNIA, CALIFORNIA APPROVING COMMUNITY SUPPORT FUNDING AWARD
ALLOCATIONS FOR FISCAL YEAR 2022/2023**

WHEREAS, it is a current City three year strategic goal to enhance community vibrancy and engagement;

WHEREAS, the City of Citrus Heights offers limited one-time funding for non-profit organizations that provide services to residents of the Citrus Heights community through the Community Support program;

WHEREAS, there is \$147,862 available in Community Support for Fiscal Year 22/23;

WHEREAS, The FY 22/23 application period opened June 6 – 13, 2022 and 5 applications were received;

WHEREAS, the City Council Finance Committee reviewed the Community Support requests on June 15, 2022 and recommended funding all applications in the total amount of \$134,950;

NOW THEREFORE BE IT RESOLVED AND ORDERED by the City of Citrus Heights that all applications be awarded in the total amount of \$134,950 as outlined in Exhibit A;

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 23rd day of June 2022 by the following vote, to wit:

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

Porsche Middleton, Mayor

ATTEST:

Amy Van, City Clerk

Exhibit

A. Summary of Community Support Applications (Original applications on file and available on request)

Community Support Funding Applications
FY 22/23 Available Funding: \$147,862

Applicant	Project Description	FY 20/21 CS Award (General Funds)	2021 CDBG Award	FY 21/22 CS Award (General Fund)	*FY 21/22 CS Award (CARES Act Supplemen t	**CDBG CARES Act Award TOTAL	2022 CDBG Award	FY 22/23 Request	FY 22/23 Finance Committee Recommendation (General Fund)	Difference Between Request & Recommendation
Applicants										
Campus Life	Sayonara Center operations	11,000	14,000	-	11,000	59,682	17,343	15,000		
Citrus Heights Marching Band	Operations, equipment and events	8,000	-	8,000	-		-	8,000		
Diversity Employment Outreach	Diversity hiring outreach program for Citrus Heights employers	2,150	-	2,499	-		-			
Meals on Wheels	Senior Nutrition Services	82,000	14,000	-	82,000	103,757	16,640	94,500		
River City Cat Rescue	Spay-Neuter Support for Citrus Heights	5,000	-	-	-		-			
Single Mom Strong	22/23 daycare expansion 21/22:EmpowerME School-Age Enrichment Program	-	8,698	-	9,100	9,100	-	15,000		
Sunrise Christian Food Ministry	22/23: Equipemnt replacement and enhancement 21/22: Food purchase	5,700	7,215	-	6,720	48,582	20,342	2,450		
Total		113,850	43,913	10,499	108,820	221,121	54,325	134,950	-	

*FY 21/22 CS Awards funded with CARES Act funds to relieve the General Fund (In 2020, City received a one-time CARES Act allocation)

**Includes total amount of CARES Act funding applicant has received.



CITY OF CITRUS HEIGHTS

CITY COUNCIL STAFF REPORT MEMORANDUM

DATE: June 23, 2022

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

FROM: Bill Zenoni, Interim Administrative Services Director
Tammy Nossardi, Finance Manager
Rajneil Prasad, Accounting Manager

SUBJECT: **Fiscal Years 2021-22 and 2022-23 Mid-Cycle Budget Review,
Financial Forecast Update and Appropriations Limit for Fiscal Year
2022-23**

Summary and Recommendation

Staff recommends that the City Council:

- 1) Review the year-to-date actual and year-end projected revenues and expenditures for the General Fund and American Rescue Plan Act (ARPA) Fund for Fiscal Year 2021-22; and
- 2) Review updated revenue and expenditure projections for the General Fund and other City funds for Fiscal Year 2022-23; and
- 3) Review the updated Ten Year Financial Forecast; and
- 4) Adopt Resolution No. 2022-__ approving amendments to the Fiscal Year 2022-23 Budget; and
- 5) Adopt Resolution No. 2022-__ establishing an appropriation limit for Fiscal Year 2022-23.

The March 24, 2022 City Council action that accelerated paying off the balance on the outstanding line of credit facility not only saved considerable interest expense and resulted in the City being in a debt free position, it also accelerated the opportunity to fund reserve deposits to enhance the fiscal health of the City. City staff projects for Fiscal Year 2021-22 a projected year end increase to General Fund reserves of approximately \$1,370,000. For Fiscal Year 2022-2023, City staff projects the ability to increase reserves by approximately \$6,780,000 in part because of the accelerated debt payoff. This will improve the fiscal health of the City by building the reserves balance well above the minimum reserve policy, providing opportunities to be nimble when it comes to grant matching opportunities for infrastructure and other potential future City needs.

Fiscal Impact

Updated projections for Fiscal Year 2021-22 reflect General Fund revenues of \$35,801,420 available to fund expenditures of \$34,427,668 with a projected year-end increase to General Fund reserves totaling \$1,373,752.

The proposed budget amendments for Fiscal Year 2022-23 will increase General Fund revenue appropriations by \$1,755,573 and will increase General Fund expenditure appropriations by \$611,392. The proposed Fiscal Year 2022-23 budget adjustments to the American Rescue Plan Act Fund will increase revenue and expenditure appropriations by \$2,925,000. For the City's other funds, the proposed Fiscal Year 2022-23 budget adjustments will increase budgeted revenue by \$479,879 and will increase expenditure appropriations by \$993,379.

The Fiscal Year 2022-23 General Fund budget, as adopted in April 2021, projected an operating surplus of \$3.7 million. The Fiscal Year 2022-23 budget, as amended to date, provides for an operating surplus of \$5.6 million. This increase is mainly due to the transfer of \$2.0 million which was originally budgeted in Fiscal Year 2022-23 for the line of credit payment to the Fiscal Year 2021-22 budget at the time the loan was paid.

The adjustments now proposed to the Fiscal Year 2022-23 General Fund budget will increase budgeted revenue by \$1.7 million and expenditure appropriations by \$611,382 for a projected Fiscal Year 2022-23 year-end positive operating position of \$6.8 million.

Background and Analysis

FISCAL YEAR 2021-22 BUDGET

The City's budget for Fiscal Years 2021-22 and 2022-23 was adopted by the City Council on April 22, 2021. The City Council received a mid-year budget update on February 24, 2022 and adopted a resolution amending the Fiscal Year 2021-22 General Fund budget to incorporate updated revenue and expenditure projections. A subsequent budget amendment was approved on March 24, 2022 when the City Council authorized prepayment of the outstanding revolving line of credit balance of \$3.5 million.

The Fiscal Year 2021-22 adopted budget for all City funds, as amended to date, anticipates revenue of \$73.0 million and expenditures of \$80.1 million with the difference of \$7.1 million budgeted from the accumulated fund balances in 30 of the City's 46 various funds. As of June 1, 2022, \$56.9 million (78 percent) of the total budgeted revenue had been received and \$58.5 million (73 percent) of the budgeted expenditures had been incurred. It should be noted that although the City's fiscal year ends on June 30th, revenues and expenditures for the current fiscal year will continue to be recorded during a sixty day accrual period – through the end of August.

The City's main operating fund is the General Fund. The General Fund budget for Fiscal Year 2021-22 identifies revenue of \$35.2 million to fund expenditures of \$37.3 million. As of June 1, 2022, General Fund revenues totaled \$29.6 million (84 percent of the budgeted amount) and General Fund expenditures totaled \$30.4 million (81 percent of the annual budgeted amount).

GENERAL FUND REVENUE

The Fiscal Year 2021-22 General Fund budget includes anticipated revenue of \$35.2 million. Based upon actual revenue received, it is projected that General Fund revenue will total \$35.8 million or \$0.6 million more than the budgeted amount by the end of the fiscal year.

Taxes and Franchises

The largest source of revenue to the General Fund is sales tax. Given the continued strong local economy, it is projected that sales tax revenue will total \$14.3 million, which is \$195,000 over the budgeted amount of \$14.1 million. The local real estate market continues to do well and has generated \$471,507 in revenue so far this fiscal year. It is projected that property transfer tax revenue will total \$500,000 (\$50,000 over the budgeted amount). Transient occupancy tax was budgeted at \$18,000 and is expected to exceed this amount by an additional \$5,000.

Licenses and Permits

Revenue from licenses and permits was budgeted at \$3.0 million. Updated projections indicate that revenues in this category will exceed the budget amount by \$242,900. This is due to continued strong building activity. Revenue from building permits, plan check and zone check fees is expected to exceed the budget amount by \$329,100. This increase will be partially offset by lower than anticipated revenue from engineering fees, transportation permits and animal licenses.

Fines and Forfeitures

Revenue from red light camera fines is projected to exceed the budgeted amount by \$20,000 (\$645,000 compared to budget of \$625,000).

Intergovernmental Revenue

Revenue from other governmental agencies is projected to total \$9,542,038, which is \$64,882 under the budgeted amount. This is the net result of slightly higher than budgeted revenue from motor vehicle-in-lieu fees (\$101,235) which was offset by lower than anticipated federal and state reimbursements.

Investment Revenue

Increasing interest rates and the invested American Rescue Plan Act funds will result in interest earnings exceeding the budgeted amount by an estimated \$10,000.

Charges for Service

Charges for Service revenue was budgeted at \$770,501. While various line items will end the year slightly over and under the budgeted amount, the total revenue from charges for service should match the approved budget.

Other Revenue

Total revenue in this category is projected to total \$2,601,904 which is \$133,890 over the budgeted amount. The additional revenue includes \$81,713 from the close-out balance of the

Special Events Fund which is now a budgeted activity in the General Fund and various one-time miscellaneous receipts.

A summary of General Fund revenues as of June 1, 2022 is provided on the following page.

Subject: Fiscal Years 2021-22 and 2022-23 Mid-Cycle Budget Review and Financial Forecast Update

Date: June 23, 2022

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	FY 2020-21	Fiscal Year 2021-22			
	Actual	Adopted Budget	YTD Actual (as of June 1, 2022)	Year-End Projection	Projected Over/(Under) Budget
TAXES AND FRANCHISES					
Sales and Use Tax	13,373,483	14,104,000	9,459,379	14,299,000	195,000
Property Tax	-	-	-	-	-
Utility Users Tax	2,717,945	2,780,000	2,485,394	2,780,000	-
Franchise Fees	619,090	700,000	134,086	700,000	-
Franchise Fees Solid Waste	522,754	515,000	432,871	515,000	-
Property Transfer Tax	383,773	450,000	471,507	500,000	50,000
Transient Occupancy Tax	23,237	18,000	19,390	23,000	5,000
Total Taxes and Franchises	\$ 17,640,282	\$ 18,567,000	\$ 13,002,627	\$ 18,817,000	\$ 250,000
LICENSES AND PERMITS					
Business License	246,621	250,000	252,021	250,000	-
Building Plan Check	592,703	614,200	645,161	650,000	35,800
Cardroom Table Tax	30,720	31,600	23,040	31,600	-
Engineering Fees Private Dev	(17,013)	32,800	27,606	32,800	-
Zone Check	26,456	6,700	18,193	20,000	13,300
Building Permits	1,789,146	1,870,000	1,913,985	2,150,000	280,000
Engineering Fees Utilities	63,212	132,600	54,365	60,000	(72,600)
Tree Permit	1,470	1,500	1,381	1,500	-
Transportation Permits	16,340	15,000	13,294	15,000	-
Strong Motion/ Records	12,799	8,100	6,226	6,500	(1,600)
Fireworks License	1,100	1,200	1,000	1,200	-
Animal License	43,547	47,000	33,385	35,000	(12,000)
Total Licenses and Permits	\$ 2,807,101	\$ 3,010,700	\$ 2,989,657	\$ 3,253,600	\$ 242,900
FINES AND FORFEITURES					
Non-Sufficient Funds Penalty	100	200	157	200	-
Vehicle Fines	213,760	130,000	97,632	130,000	-
Red Light Camera Fines	663,739	625,000	491,125	645,000	20,000
Total Fines and Forfeitures	\$ 877,598	\$ 755,200	\$ 588,914	\$ 775,200	\$ 20,000
INTERGOVERNMENTAL					
State Mandated Reimbursements	32,900	25,000	540	540	(24,460)
Federal Grants/ Reimbursements	2,926,414	-	(141,657)	(141,657)	(141,657)
State Grants/ Reimbursements	155,737	-	-	-	-
Motor Vehicle-In-Lieu	9,303,916	9,581,920	9,683,155	9,683,155	101,235
Total Intergovernmental	\$ 12,418,967	\$ 9,606,920	\$ 9,542,038	\$ 9,542,038	\$ (64,882)
USE OF MONEY					
Investment Revenue	5,109	30,000	31,436	40,000	10,000
Total Use of Money	\$ 5,109	\$ 30,000	\$ 31,436	\$ 40,000	\$ 10,000
CHARGES FOR SERVICES					
Copies	8,292	5,700	4,564	5,000	(700)
Product Sales	1,797	2,000	2,393	2,500	500
Lease Payments	173,356	214,451	214,451	214,451	-
Administrative Fees	63,946	41,950	41,215	47,000	5,050
Police - Reimbursement Contract Overtime	114,994	150,000	122,850	120,000	(30,000)
Livescan Fees	47	200	96	100	(100)
Alarm Permit Fees	9,283	15,000	5,858	7,500	(7,500)
Vehicle Release / Towing	75,116	55,200	50,282	55,200	-
Community Center Rentals	148	175,000	180,657	200,000	25,000
Planning Fees	140,368	104,000	110,760	110,000	6,000
Animal Non-Compliance/Boarding Fees	910	-	1,677	1,677	1,677
Animal Surrender Fees	7,231	7,000	5,457	7,000	-
Rabies, Spay/Neuter Fees	828	-	-	-	-
Total Charges for Services	\$ 596,316	\$ 770,501	\$ 740,258	\$ 770,428	\$ (73)
CONTRIBUTIONS					
Donations	150	1,000	1,250	1,250	250
Total Contributions	\$ 150	\$ 1,000	\$ 1,250	\$ 1,250	\$ 250
OTHER					
Miscellaneous Revenue	80,196	150,000	310,807	310,000	160,000
Reimbursement Revenue	292,326	350,000	356,069	360,000	10,000
Internal Service Fund Charges	1,415,720	1,458,192	1,440,305	1,458,192	-
Cash Over/Short	3	-	-	(1)	(1)
Recovery of Labor & Benefits	376,441	253,822	186,082	200,000	(53,822)
Temp Disability Recovery	265,456	200,000	146,895	150,000	(50,000)
Restitution/Public Property Damage Recovery	97,994	50,000	33,305	40,000	(10,000)
Police Department Sales	4,584	6,000	1,910	2,000	(4,000)
Suspense	-	-	98,962	-	-
Transfers In	48,600	-	81,713	81,713	81,713
Total Other	\$ 2,581,320	\$ 2,468,014	\$ 2,656,047	\$ 2,601,904	\$ 133,890
Total General Fund Revenue	\$ 36,926,844	\$ 35,209,335	\$ 29,552,227	\$ 35,801,420	\$ 592,085

GENERAL FUND EXPENDITURES

The Fiscal Year 2021-22 budget includes General Fund expenditure appropriations of \$37.3 million, with \$30.4 million (81.4 percent) expended as of June 1, 2022. Preliminary projections indicate that General Fund expenditures will total \$34.4 million by the end of the fiscal year, which represents savings of \$2.9 million. The major portion of this anticipated budget savings (\$2.3 million) is the result of labor savings from staff turnover and position vacancies. The remaining \$0.6 million is attributed to cost savings measures in all City departments. Projected General Fund expenditure information for each City department is provided below.

Fiscal Year 2021-22 General Fund Expenditures By Department

	FY 2021-22 Budget	YTD Actual (as of June 1, 2022)	Year-End Projection	Projected Over/(Under) Budget
<u>City Council</u>	\$ 135,436	\$ 113,186	\$ 131,853	\$ (3,583)
<u>City Manager's Office</u>				
City Manager	683,164	379,276	421,885	(261,279)
Economic Development	554,749	389,663	451,432	(103,317)
City Attorney	309,000	245,517	309,000	-
City Clerk	320,179	238,586	274,192	(45,987)
Elections	-	-	-	-
History & Arts Commission	20,000	-	-	(20,000)
Total City Manager's Office	\$ 1,887,092	\$ 1,253,041	\$ 1,456,509	\$ (430,583)
<u>Administrative Services Department</u>				
Human Resources	600,059	544,277	608,408	8,349
Information Services	1,009,777	916,788	955,656	(54,121)
Risk Management	2,253,642	1,555,188	2,165,475	(88,167)
Finance	1,026,810	836,133	918,695	(108,115)
Total Administrative Services Dept.	\$ 4,890,288	\$ 3,852,385	\$ 4,648,234	\$ (242,054)
<u>Non Departmental</u>	\$ 6,336,092	\$ 5,981,967	\$ 6,065,000	\$ (271,092)
<u>Police Department</u>	\$ 19,730,358	\$ 15,492,925	\$ 18,028,716	\$ (1,701,642)
<u>Community Development Department</u>				
Planning	631,820	470,368	529,381	(102,439)
Building Inspection	949,785	797,391	887,761	(62,024)
Housing	83,927	133,593	65,598	(18,329)
Planning Commission	16,686	7,908	10,000	(6,686)
Total Community Development Dept.	\$ 1,682,218	\$ 1,409,260	\$ 1,492,740	\$ (189,478)
<u>General Services Department</u>				
Engineering	476,899	492,312	573,277	96,378
Community Events	165,275	103,268	123,401	(41,874)
Community Center Operations	632,667	498,789	605,341	(27,327)
Sylvan Community Center	18,447	14,237	19,362	915
Sayonara Community Center	16,945	17,622	21,055	4,110
Facility Management - City Hall	455,551	354,102	408,352	(47,199)
Facility Management - Police Bldg.	263,437	194,992	226,546	(36,891)
Fleet Management	160,822	121,551	150,282	(10,540)
Total General Services Dept.	\$ 2,190,043	\$ 1,796,872	\$ 2,127,616	\$ (62,427)
Transfer Out	477,000	477,000	477,000	-
Total General Fund Expenditures	\$ 37,328,527	\$ 30,376,636	\$ 34,427,668	\$ (2,900,859)

The amended Fiscal Year 2021-22 General Fund budget provided for an operating shortfall of \$2.1 million. This budget shortfall was the result of City Council authorization received on March 24, 2022 to repay the line of credit financing balance in the amount of \$3.5 million. Based upon actual revenues and expenditures during the first eleven months of the fiscal year and updated projections for the remainder of the year, staff is now forecasting a budget surplus of \$1.4 million.

FY 2021-22 General Fund Summary

	Budget	YTD Actual (as of June 1, 2022)	Year-End Projection
Revenue	\$ 35,209,335	\$ 29,552,229	\$ 35,801,420
Expenditures	\$ 37,328,527	\$ 30,376,636	\$ 34,427,668
Reserve Deposit/(Withdrawal)	\$ (2,119,192)	\$ (824,408)	\$ 1,373,752

Unless other direction is specifically provided by the City Council, any operating surplus/(shortfall) at the end of a fiscal year is added/(deducted from) that fund's available fund balance. For Fiscal Year 2021-22, the projected operating surplus of \$1.4 million will increase the General Fund reserves from \$8.4 million to a projected ending balance of \$9.8 million, which is approximately 28 percent of Fiscal Year 2022-23 anticipated operating expenditures. This represents a significant move towards restoring reserves to a fiscally prudent level and in providing flexibility for Council action on future funding needs.

FISCAL YEAR 2022-23 BUDGET

GENERAL FUND REVENUE

The Fiscal Year 2022-23 budget includes anticipated revenue of \$40.4 million. This projection was based upon information available at the time the budget was prepared in early 2021. Included in the General Fund budgeted revenue is the City's first receipt of property tax revenue under the terms of the 1997 tax sharing agreement with Sacramento County. Based upon information currently available, staff is recommending adjustments to the Fiscal Year 2022-23 General Fund revenue budget which will increase budgeted revenue by \$1,755,573, or approximately 4.3 percent. The proposed adjustments to General Fund budgeted revenue include:

Taxes and Franchises

The Fiscal Year 2022-23 budget projected sales tax revenue of \$13.8 million. Based upon the level of sales tax revenue received this fiscal year, it is projected that sales tax revenue will total \$14.3 million in Fiscal Year 2022-23, an increase of \$523,000 over the budgeted amount. The City has been notified that due to the continued strong real estate market, property tax revenue will total \$6.9 million which is \$438,000 over the amount originally budgeted. Revenue from the

property transfer tax and transient occupancy tax are projected to total \$500,000 and \$23,000 respectively, which is consistent with Fiscal Year 2021-22 revenue and represents a total increase of \$135,000 over the amount budgeted.

Licenses and Permits

Total revenue from the City's various licenses and permits was budgeted at \$1.8 million. Updated projections reflect revenue in this category will total \$2.1 million, which is an increase of \$314,375 over the amount currently budgeted. This adjustment reflects the strong level of building activity which is now projected to continue into next fiscal year as well as slight reductions totaling \$18,000 to business license and animal license revenue.

Fines and Forfeitures

Revenue in this category is projected to be \$227,502 under the budgeted amount. This reduction is due to lower than anticipated revenue from red light camera fines (182,502) and vehicle fines (\$45,000). These revenue line items for Fiscal Year 2021-22 were adjusted downward during the mid-year budget review in February. The proposed adjustments for fiscal Year 2022-23 are in line with the revenue actually received this fiscal year.

Intergovernmental Revenue

The second largest source of General Fund revenue (behind sales tax) is motor vehicle-in-lieu fees. Motor vehicle-in-lieu fee revenue estimates are provided by the State and updated periodically. The City has been advised that it will receive \$10,319,000 in Fiscal Year 2022-23, which is \$695,123 over the amount budgeted.

Also included in the intergovernmental category is reimbursement for state mandated costs. Senate Bill 90 which was passed by the State legislature in 1972 provided that the state reimburse local governments for any new programs or increased levels of service mandated by the State of California. Examples of programs which fall under state mandated costs are domestic violence arrests and victim's assistance, rape victim counseling center notices, stolen vehicle notification and other activities mostly impacted the Police Department. The State is extremely slow in processing these payments, which can take years to receive. The City received \$32,900 in reimbursements in Fiscal Year 2020-21 and only \$540 in Fiscal Year 2021-22. The projection for Fiscal Year 2022-23 has been reduced from \$53,045 to \$500.

Charges for Services

Revenue from charges for services was budgeted at \$1,132,459. A review of the line items within this revenue category indicates several budget reductions totaling \$200,750 are justified. Community Center rental revenue was budgeted at \$450,950, which is consistent with the pre-pandemic revenue level. While we are seeing increased usage of the community centers, it is projected that revenue will slowly continue to increase next fiscal year but will only reach \$300,000. This is an increase of \$100,000 over the revenue projected for Fiscal year 2021-22 but a reduction of \$150,950 from next years budgeted amount. The other two recommended line item reductions are livescan fee revenue (\$19,800) and false alarm fees (30,000).

Contributions

Revenue from donations was originally budgeted at \$12,000. Based upon actual revenue received over the past two fiscal years, staff recommends that that the budget for donations be reduced to \$3,000.

Other Revenue

The proposed adjustment in this category is to increase the miscellaneous revenue line item by \$139,872 to a total of \$157,900. Typically, one-time revenue which does not fit within another category is coded as miscellaneous revenue. While the actual amount of miscellaneous revenue to be received is unknown, the proposed revision is a realistic estimate.

A summary of General Fund revenues for Fiscal Year 2022-23 is provided on the following page.

FY 2022-23 General Fund Revenue

	Adopted Budget	Mid-Cycle Projection	Proposed Budget Adjustment
TAXES AND FRANCHISES			
Sales and Use Tax	13,800,000	14,323,000	523,000
Property Tax	6,445,000	6,883,000	438,000
Utility Users Tax	2,850,000	2,850,000	-
Franchise Fees	725,000	725,000	-
Franchise Fees Solid Waste	520,000	520,000	-
Property Transfer Tax	370,000	500,000	130,000
Transient Occupancy Tax	18,000	23,000	5,000
Total Taxes and Franchises	24,728,000	25,824,000	1,096,000
LICENSES AND PERMITS			
Business License	300,950	287,950	(13,000)
Building Plan Check	262,650	348,000	85,350
Cardroom Table Tax	-	-	-
Engineering Fees Private Dev	33,700	33,700	-
Zone Check	10,000	10,000	-
Building Permits	1,019,700	1,340,700	321,000
Engineering Fees Utilities	136,600	60,000	(76,600)
Tree Permit	2,000	2,000	-
Transportation Permits	15,000	15,000	-
Strong Motion/ Records	8,300	10,925	2,625
Fireworks License	-	-	-
Animal License	45,000	40,000	(5,000)
Total Licenses and Permits	1,833,900	2,148,275	314,375
FINES AND FORFEITURES			
Non-Sufficient Funds Penalty	100	100	-
Vehicle Fines	175,000	130,000	(45,000)
Red Light Camera Fines	827,502	645,000	(182,502)
Total Fines and Forfeitures	1,002,602	775,100	(227,502)
INTERGOVERNMENTAL			
State Mandated Reimbursements	53,045	500	(52,545)
Federal Grants/ Reimbursements	-	-	-
State Grants/ Reimbursements	-	-	-
Motor Vehicle-In-Lieu Fees	9,623,877	10,319,000	695,123
Total Intergovernmental	9,676,922	10,319,500	642,578
USE OF MONEY			
Investment Revenue	50,000	50,000	-
Total Use of Money	50,000	50,000	-
CHARGES FOR SERVICES			
Copies	5,700	5,700	-
Product Sales	2,000	2,000	-
Lease Payments	256,609	256,609	-
Administrative Fees	43,000	43,000	-
Police - Reimbursement Contract Overtime	100,000	100,000	-
Livescan Fees	20,000	200	(19,800)
Alarm Permit Fees	55,000	55,000	-
False Alarm Fee	30,000	-	(30,000)
Vehicle Release / Towing	55,200	55,200	-
Community Center Rentals	450,950	300,000	(150,950)
Planning Fees	107,000	107,000	-
Animal Non-Compliance/Boarding Fees	-	-	-
Animal Surrender Fees	7,000	7,000	-
Rabies, Spay/Neuter Fees	-	-	-
Total Charges for Services	1,132,459	931,709	(200,750)
CONTRIBUTIONS			
Donations	12,000	3,000	(9,000)
Total Contributions	12,000	3,000	(9,000)
OTHER			
Miscellaneous Revenue	18,028	157,900	139,872
Reimbursement Revenue	8,400	8,400	-
Internal Service Fund Charges	1,501,937	1,501,937	-
Cash Over/Short	-	-	-
Recovery of Labor & Benefits	259,301	259,301	-
Temp Disability Recovery	100,000	100,000	-
Restitution/Public Property Damage Recovery	50,000	50,000	-
Police Department Sales	6,000	6,000	-
Line of Credit Draw	-	-	-
Suspense	-	-	-
Transfers In	-	-	-
Total Other	1,943,666	2,083,538	139,872
Total General Fund Revenue	\$ 40,379,549	\$ 42,135,122	\$ 1,755,573

GENERAL FUND EXPENDITURES

The Fiscal Year 2022-23 budget includes General Fund expenditure appropriations of \$34.7 million. Based upon a review of each departmental budget, several adjustments are proposed to align the budget with current projected cost estimates. The net impact of these adjustments would be to increase the General Fund budget by \$611,392. The proposed budget adjustments include:

Administrative Services Department

An increase of \$50,000 to the Information Technology budget is requested to fund increased software licensing costs. The City is required to pay annual licensing fees for the various software utilized for daily business and citizen support activities. The annual license costs have increased with additional increases anticipated next fiscal year.

As Council may recall, the Fiscal Year 2021-22 Risk Management budget was adjusted at Mid-Year to reflect increased liability insurance and workers compensation costs. A similar adjustment is required for Fiscal Year 2022-23. An increase to the Risk Management budget of \$765,788 is requested to fund increased general liability insurance costs (\$512,103) and increased workers compensation claims costs (\$253,685). Municipal general liability insurance costs have increased industry-wide due to increased liability exposure. The adjustment for workers compensation claims payments reflects anticipated costs during the next fiscal year.

Non-Departmental

The revolving line of credit was paid in full on April 1, 2022. At the time the two-year budget was prepared, \$342,830 was budgeted in Fiscal Year 2022-23 for interest on this debt. This amount can now be removed from the budget.

Police Department

Two adjustments with a net impact of \$16,320 are proposed for the Police Department. Due to a significant increase in fuel costs, it is requested that the Police Department fuel budget be increased by \$108,000 to \$362,616. This increase will be mostly offset by a reduction to the Red Light Camera contract services account.

General Services Department

Adjustments totaling \$122,114 to the General Services Department budget are requested. These adjustments include an increase to the Engineering Division fuel budget of \$8,400, an increase of \$67,364 to the Community Events budget to fund costs associated with the Sunday Funday, Marching Band parade and Patriot Parade events, and an additional \$46,350 for operating costs at the Community Center, Sylvan Center and Sayonara Center.

A summary of General Fund budgeted expenditures by department is provided on the following page.

Fiscal Year 2022-23 General Fund Expenditures By Department

	FY 2022-23 Budget	Mid Cycle Projection	Projected Over/(Under) Budget
<u>City Council</u>	144,118	144,118	-
<u>City Manager's Office</u>			
City Manager	708,008	708,008	-
Economic Development	570,551	570,551	-
City Attorney	318,270	318,270	-
City Clerk	293,564	293,564	-
Elections	51,000	51,000	-
History & Arts Commission	20,000	20,000	-
Total City Manager's Office	\$ 1,961,393	\$ 1,961,393	\$ -
<u>Administrative Services Department</u>			
Human Resources	621,987	621,987	-
Information Technology	1,047,371	1,097,371	50,000
Risk Management	1,695,162	2,460,950	765,788
Finance	1,067,922	1,067,922	-
Total Administrative Services Dept.	\$ 4,432,442	\$ 5,248,230	\$ 815,788
<u>Non Departmental</u>	\$ 2,898,650	\$ 2,555,820	\$ (342,830)
<u>Police</u>	\$ 20,125,266	\$ 20,141,586	\$ 16,320
<u>Community Development Department</u>			
Planning	651,869	651,869	-
Building Inspection	979,664	979,664	-
Housing	86,420	86,420	-
Planning Commission	17,186	17,186	-
Total Community Development Dept.	\$ 1,735,139	\$ 1,735,139	\$ -
<u>General Services Department</u>			
Engineering	488,913	497,313	8,400
Community Events	171,667	239,031	67,364
Community Center Operations	645,427	685,427	40,000
Sylvan Community Center	19,002	23,152	4,150
Sayonara Community Center	17,456	19,656	2,200
Facility Management - City Hall	469,808	469,808	-
Facility Management - Police Bldg.	271,341	271,341	-
Fleet Management	166,058	166,058	-
Total General Services Dept.	\$ 2,249,672	\$ 2,371,786	\$ 122,114
Transfer Out	1,197,000	1,197,000	-
Total General Fund Expenditures	\$ 34,743,680	\$ 35,355,072	\$ 611,392

The Fiscal Year 2022-23 General Fund budget, as adopted in April 2021, projected an operating surplus of \$3.7 million. The Fiscal Year 2022-23 budget, as amended to date, provides for an operating surplus of \$5.6 million. This increase is mainly due to the transfer of \$2.0 million which was originally budgeted in Fiscal Year 2022-23 for the line of credit payment to the Fiscal Year 2021-22 budget at the time the loan was paid.

The adjustments now proposed to the Fiscal Year 2022-23 General Fund budget will increase budgeted revenue by \$1.7 million and expenditure appropriations by \$611,382 for a projected Fiscal Year 2022-23 year-end positive operating position of \$6.8 million.

FY 2022-23 General Fund Summary

	Budget	Revised Projection	Proposed Budget Adjustment
Revenue	\$ 40,379,549	\$ 42,135,122	\$ 1,755,573
Expenditures	\$ 34,743,680	\$ 35,355,072	\$ 611,392
Reserve Deposit/(Withdrawal)	\$ 5,635,869	\$ 6,780,050	

AMERICAN RESCUE PLAN ACT FUND

The City of Citrus Heights was allocated \$15,676,972 in American Rescue Plan Act (ARPA) funding. The City received the first ARPA payment of \$7,838,486 from the U.S. Treasury in May 2021. The final ARPA payment of \$7,838,486 was received on June 6, 2022. To date, the City Council has appropriated \$5,353,209 of ARPA funding to restore Police Department staffing levels (\$2,541,434 in Fiscal Year 2021-22 and \$2,811,775 in Fiscal Year 2022-23) and an additional \$320,000 for the Small Business COVID Recovery Grant Program, of which \$281,111 was expended.

There is currently \$10,042,652 of ARPA funding available for the City Council's consideration plus an additional \$1.0 million of projected unexpended ARPA funds allocated for Police Department staffing in Fiscal Year 2021-22.

The City Council, on May 26, 2022 discussed a staff recommendation for allocation of the remaining ARPA funds. The staff recommendation was to move forward with an incremental approach that is based on delivering on the City Council's Six-Month Strategic Objectives and Focus Area Work Plan which were developed at the May 10, 2022 City Council Strategic Planning Retreat. The initial four programs discussed on May 26th were:

- | | |
|---|--------------------|
| 1. Beautification Crew | \$ 875,000 |
| 2. Citrus Heights Block Party Trailer | \$ 50,000 |
| 3. Police Department Scheduled Replacement Vehicles | \$1,400,000 |
| 4. Public Safety Communications Center Critical Needs | <u>\$ 600,000</u> |
| Total ARPA Funding Allocation | \$2,925,000 |

Staff is recommending that the City Council appropriate \$2,925,000 of ARPA funds at this time for the above four programs. Once the funding has been appropriated, separate agenda items authorizing the required purchases will be presented for City Council consideration.

OTHER CITY FUNDS

In addition to the General Fund and American Rescue Plan Act Fund, the City has other funds with budgeted revenue and expenditure activity for Fiscal Year 2022-23. Based upon information currently available, adjustments to revenue and/or expenditure appropriations are requested for the following funds:

Fund		Revenue			Expenditures		
		Adopted Budget	Mid-Cycle Projection	Proposed Budget Adjustment	Adopted Budget	Mid-Cycle Projection	Proposed Budget Adjustment
Community Development Department							
230-52-537	Housing - (Permanent Local Housing Allocation)	\$ -	\$ 313,000	\$ 313,000	\$ -	\$ 313,000	\$ 313,000
251-61-137	Regional Early Action Planning Grant	\$ -	\$ 60,000	\$ 60,000	\$ -	\$ 60,000	\$ 60,000
251-61-138	Regional Early Action Planning - PTS	\$ -	\$ 17,100	\$ 17,100	\$ -	\$ 17,100	\$ 17,100
251-61-144	Local Early Action Planning Grant <i>Information was not available for these four grants at the time the Budget was developed.</i>	\$ -	\$ 41,629	\$ 41,629	\$ -	\$ 41,629	\$ 41,629
General Services Department							
210-31-210	Measure A Road Maintenance Fund <i>This adjustment will correct an error in the expenditure appropriation to reflect anticipated costs.</i>	\$ 2,361,064	\$ 2,361,064	\$ -	\$ 1,793,968	\$ 2,108,968	\$ 315,000
211-31-211	Transit Fund <i>Adjustment to expenditure appropriation to reflect anticipated costs.</i>	\$ 287,092	\$ 287,092	\$ -	\$ 303,673	\$ 327,673	\$ 24,000
510-71-145	Solid Waste Fund <i>Adjustment to expenditure appropriation to reflect anticipated costs.</i>	\$ 853,881	\$ 853,881	\$ -	\$ 1,033,271	\$ 1,224,271	\$ 191,000
262-74-671	Roadway Development Fund <i>Adjustment to expenditure appropriation to reflect anticipated costs.</i>	\$ 146,820	\$ 146,820	\$ -	\$ 150,000	\$ 200,000	\$ 50,000
296-75-289	Mitchell Village Assessment District <i>This is a new fund for the Mitchell Village Project. Information was not available at the time the Budget was developed.</i>	\$ -	\$ 35,000	\$ 35,000	\$ -	\$ 35,000	\$ 35,000
Police Department							
222-21-406	Office of Traffic Safety STEP Grant Fund <i>Information for this grant fund was not available at the time the Budget was developed.</i>	\$ -	\$ 13,150	\$ 13,150	\$ -	\$ 13,150	\$ 13,150
223-231-463	SLES Fund - COPS Grant <i>This grant fund will be fully expended in Fiscal Year 2021-22.</i>	\$ -	\$ -	\$ -	\$ 66,500	\$ -	\$ (66,500)

TEN YEAR FINANCIAL FORECAST

As a strategic fiscal planning tool, the City maintains a long-term financial forecast. Because this forecast is based upon data currently available, it is updated periodically to reflect new information regarding anticipated future revenues and expenditures. The financial forecast covers a ten year period for the City's General Fund. The City Council last reviewed the Ten Year Financial Forecast on February 24, 2022. The Ten-Year Financial Forecast has been updated and includes the following changes:

- Fiscal Year 2021-22 – year-end projections added.
- Fiscal Year 2022-23 – Mid-Cycle Budget projections updated.
- An additional column has been added to project Fiscal Year 2031-32.
- Line item for street repairs has been adjusted based upon additional projected tax revenue with funding limited to amount which will not deplete General Fund reserves below City Council approved minimum level of 17 percent of operating expenditures.
- Revenue projections (property tax, sales tax and vehicle in-lieu fees, and transient occupancy tax) and updated labor cost estimates updated for Fiscal Year 2023-24 thru Fiscal Year 2031-32.
- An additional row was added to reflect a reserve level of 25 percent of operating expenditures (for information only).

A summary of the Ten Year Financial Forecast is provided below. A more detailed version is attached to this report.

	FY 2020-21	FY 2021-22 Budget	FY 2021-22 Year-End Projection	FY 2022-23 Budget	FY 2022-23 Mid-Cycle Budget	FY 2023-24 Projected	FY 2024-25 Projected	FY 2025-26 Projected	FY 2026-27 Projected	FY 2027-28 Projected	FY 2028-29 Projected	FY 2029-30 Projected	FY 2030-31 Projected	FY 2031-32 Projected
	Actual	(Feb Forecast)		(Feb Forecast)										
TOTAL REVENUE	36,926,844	35,209,335	35,801,420	40,379,549	42,135,122	42,823,572	44,165,000	45,550,581	46,985,360	48,111,659	49,266,856	50,399,988	51,438,136	52,616,021
TOTAL OPERATING EXPENDITURES	33,316,148	37,328,527	34,427,668	34,743,680	35,355,072	40,357,212	40,704,417	40,993,156	42,573,174	43,790,133	45,043,470	46,334,293	47,663,706	49,033,896
STREET REPAIRS						2,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000
Auburn Blvd - Phase 2 Match						4,000,000								
Net Operating Position	3,610,696	(2,119,192)	1,373,752	5,635,869	6,780,050	(3,533,639)	(539,417)	557,426	412,186	321,525	223,386	65,695	(225,570)	(417,875)
Ending Reserve Balance	\$ 8,419,923	\$ 6,300,731	\$ 9,793,675	\$ 11,936,600	\$ 16,573,724	\$ 13,040,085	\$ 12,500,669	\$ 13,058,094	\$ 13,470,280	\$ 13,791,805	\$ 14,015,191	\$ 14,080,886	\$ 13,855,316	\$ 13,437,441
Minimum Reserve per City Council Policy (17%)	\$ 5,663,745	\$ 6,345,850	\$ 5,852,704	\$ 5,906,426	\$ 6,010,362	\$ 7,880,726	\$ 7,599,751	\$ 7,648,836	\$ 7,917,440	\$ 8,124,323	\$ 8,337,390	\$ 8,556,830	\$ 8,782,830	\$ 9,015,762
Minimum Reserve @25%	8,329,037	9,332,132	8,606,917	8,685,920	8,838,768	11,589,303	11,176,104	11,248,289	11,643,294	11,947,533	12,260,868	12,583,573	12,915,927	13,258,474

APPROPRIATIONS LIMIT FOR FISCAL YEAR 2022-23

Article XIII B of the California State Constitution was established by the passing of Proposition 4 by California voters in 1979. This legislation, which was later amended by the passage of Proposition 111 in 1990, placed limits on the amount of proceeds of taxes that State and local agencies can appropriate and spend. The appropriations limit, which is different for every agency, is calculated each year just prior to the beginning of the fiscal year. The appropriations limit is calculated using the annual change in California per capita income and the percentage change in population for the County of Sacramento.

The appropriations limit for the City of Citrus Heights for Fiscal Year 2022-23 is calculated to be \$64,957,529. The appropriations subject to the limit are \$36,474,733. The City's appropriations subject to the limit are well under the appropriations limit. The actual calculation is provided below.

Appropriations Subject to the Limit

Fiscal Year 2022-23 General Fund Revenues	42,135,122
Less: Nonproceeds of Taxes	5,660,389
Plus: User Fees in excess of costs	-

Total Appropriations Subject to the Limit	36,474,733
--	-------------------

Fiscal Year 2021-22 Appropriation Limit

61,013,755

A. Cost of Living Adjustment - CPI*	1.0755
B. Population Adjustment **	0.9899
Change Factor (A x B)	1.0646375

Increase in the appropriation limit	3,943,774
-------------------------------------	-----------

Fiscal Year 2022-23 Appropriation Limit	64,957,529
--	-------------------

Remaining appropriation capacity	28,482,795
---	-------------------

Available capacity as a percent of the appropriation limit	43.85%
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* Based on percentage change in California per capita personal income.

** Based on annual population change for the County of Sacramento.

The information presented in this report was reviewed with the Finance and Administration Committee on June 15, 2022.

Attachments

1. Resolution Amending Fiscal Year 2022-23 Budget
2. Resolution Establishing an Appropriations Limit for Fiscal Year 2022-23
3. Ten Year Financial Forecast

RESOLUTION NO. 2022 - ____

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CITRUS
HEIGHTS APPROVING AMENDMENTS TO THE FISCAL YEAR
2022-23 BUDGET**

WHEREAS, on April 22, 2021, the City Council adopted the budget for the City of Citrus Heights for Fiscal Year 2021-22; and

WHEREAS, based upon a review of revenues and expenditures, staff has recommended amendments to the Fiscal Year 2022-23 Budget; and

WHEREAS, the Finance and Administration Committee reviewed the proposed budget amendments on June 15, 2022; and

WHEREAS, the City Council has reviewed information on the status of revenues and expenditures for the 2022-23 Fiscal Year which is the basis for the recommended budget amendments .

NOW, THEREFORE, BE IT RESOLVED, that the City Council of the City of Citrus Heights approves amendments to the Fiscal Year 2022-23 Budget as provided for in the attached Exhibit A.

PASSED AND ADOPTED by the City Council of the City of Citrus Heights, California, this 23rd day of June 2022, by the following vote, to wit:

AYES:

NOES:

ABSTAIN:

ABSENT:

Porsche Middleton, Mayor

ATTEST:

Amy Van, City Clerk

Exhibit A

Fiscal Year 2022-23 Mid-Cycle Budget Adjustments

General Fund Revenue Appropriation Adjustments

	Adopted Budget	Mid-Cycle Projection	Proposed Budget Adjustment
TAXES AND FRANCHISES			
Sales and Use Tax	13,800,000	14,323,000	523,000
Property Tax	6,445,000	6,883,000	438,000
Utility Users Tax	2,850,000	2,850,000	-
Franchise Fees	725,000	725,000	-
Franchise Fees Solid Waste	520,000	520,000	-
Property Transfer Tax	370,000	500,000	130,000
Transient Occupancy Tax	18,000	23,000	5,000
Total Taxes and Franchises	24,728,000	25,824,000	1,096,000
LICENSES AND PERMITS			
Business License	300,950	287,950	(13,000)
Building Plan Check	262,650	348,000	85,350
Cardroom Table Tax	-	-	-
Engineering Fees Private Dev	33,700	33,700	-
Zone Check	10,000	10,000	-
Building Permits	1,019,700	1,340,700	321,000
Engineering Fees Utilities	136,600	60,000	(76,600)
Tree Permit	2,000	2,000	-
Transportation Permits	15,000	15,000	-
Strong Motion/ Records	8,300	10,925	2,625
Fireworks License	-	-	-
Animal License	45,000	40,000	(5,000)
Total Licenses and Permits	1,833,900	2,148,275	314,375
FINES AND FORFEITURES			
Non-Sufficient Funds Penalty	100	100	-
Vehicle Fines	175,000	130,000	(45,000)
Red Light Camera Fines	827,502	645,000	(182,502)
Total Fines and Forfeitures	1,002,602	775,100	(227,502)
INTERGOVERNMENTAL			
State Mandated Reimbursements	53,045	500	(52,545)
Federal Grants/ Reimbursements	-	-	-
State Grants/ Reimbursements	-	-	-
Motor Vehicle-In-Lieu Fees	9,623,877	10,319,000	695,123
Total Intergovernmental	9,676,922	10,319,500	642,578
USE OF MONEY			
Investment Revenue	50,000	50,000	-
Total Use of Money	50,000	50,000	-
CHARGES FOR SERVICES			
Copies	5,700	5,700	-
Product Sales	2,000	2,000	-
Lease Payments	256,609	256,609	-
Administrative Fees	43,000	43,000	-
Police - Reimbursement Contract Overtime	100,000	100,000	-
Livescan Fees	20,000	200	(19,800)
Alarm Permit Fees	55,000	55,000	-
False Alarm Fee	30,000	-	(30,000)
Vehicle Release / Towing	55,200	55,200	-
Community Center Rentals	450,950	300,000	(150,950)
Planning Fees	107,000	107,000	-
Animal Non-Compliance/Boarding Fees	-	-	-
Animal Surrender Fees	7,000	7,000	-
Rabies, Spay/Neuter Fees	-	-	-
Total Charges for Services	1,132,459	931,709	(200,750)
CONTRIBUTIONS			
Donations	12,000	3,000	(9,000)
Total Contributions	12,000	3,000	(9,000)
OTHER			
Miscellaneous Revenue	18,028	157,900	139,872
Reimbursement Revenue	8,400	8,400	-
Internal Service Fund Charges	1,501,937	1,501,937	-
Cash Over/Short	-	-	-
Recovery of Labor & Benefits	259,301	259,301	-
Temp Disability Recovery	100,000	100,000	-
Restitution/Public Property Damage Recovery	50,000	50,000	-
Police Department Sales	6,000	6,000	-
Line of Credit Draw	-	-	-
Suspense	-	-	-
Transfers In	-	-	-
Total Other	1,943,666	2,083,538	139,872
Total General Fund Revenue	\$ 40,379,549	\$ 42,135,122	\$ 1,755,573

Exhibit A

General Fund Expenditure Appropriation Adjustments

	FY 2022-23 Budget	Mid-Cycle Projection	Proposed Budget Adjustment
City Council	144,118	144,118	-
<u>City Manager's Office</u>			
City Manager	708,008	708,008	-
Economic Development	570,551	570,551	-
City Attorney	318,270	318,270	-
City Clerk	293,564	293,564	-
Elections	51,000	51,000	-
History & Arts Commission	20,000	20,000	-
Total City Manager's Office	\$ 1,961,393	\$ 1,961,393	\$ -
<u>Administrative Services Department</u>			
Human Resources	621,987	621,987	-
Information Technology	1,047,371	1,097,371	50,000
Risk Management	1,695,162	2,460,950	765,788
Finance	1,067,922	1,067,922	-
Total Administrative Services Dept.	\$ 4,432,442	\$ 5,248,230	\$ 815,788
Non Departmental	\$ 2,898,650	\$ 2,555,820	\$ (342,830)
Police	\$ 20,125,266	\$ 20,141,586	\$ 16,320
<u>Community Development Department</u>			
Planning	651,869	651,869	-
Building Inspection	979,664	979,664	-
Housing	86,420	86,420	-
Planning Commission	17,186	17,186	-
Total Community Development Dept.	\$ 1,735,139	\$ 1,735,139	\$ -
<u>General Services Department</u>			
Engineering	488,913	497,313	8,400
Community Events	171,667	239,031	67,364
Community Center Operations	645,427	685,427	40,000
Sylvan Community Center	19,002	23,152	4,150
Sayonara Community Center	17,456	19,656	2,200
Facility Management - City Hall	469,808	469,808	-
Facility Management - Police Bldg.	271,341	271,341	-
Fleet Management	166,058	166,058	-
Total General Services Dept.	\$ 2,249,672	\$ 2,371,786	\$ 122,114
Transfer Out	1,197,000	1,197,000	-
Total General Fund Expenditures	\$ 34,743,680	\$ 35,355,072	\$ 611,392

Exhibit A

American Rescue Plan Act Fund Budget Adjustments

	Revenue			Expenditures		
	Adopted Budget	Mid-Cycle Projection	Proposed Budget Adjustment	Adopted Budget	Mid-Cycle Projection	Proposed Budget Adjustment
American Rescue Plan Act Funds	\$ 2,811,775	\$ 5,736,775	\$ 2,925,000			
Police Department Staffing				\$ 2,811,775	\$ 2,811,775	\$ -
Beautification Crew				-	875,000	875,000
Beautification Crew				-	50,000	50,000
Police Department Replacement Vehicles				-	1,400,000	1,400,000
Public Safety Communication Center Critical Needs				-	600,000	600,000
TOTAL AMERICAN RESCUE PLAN ACT FUND	\$ 2,811,775	\$ 5,736,775	\$ 2,925,000	\$ 2,811,775	\$ 5,736,775	\$ 2,925,000

Budget Adjustments to Other City Funds

Fund		Revenue			Expenditures		
		Adopted Budget	Mid-Cycle Projection	Proposed Budget Adjustment	Adopted Budget	Mid-Cycle Projection	Proposed Budget Adjustment
Community Development Department							
230-52-537	Housing - (Permanent Local Housing Allocation)	\$ -	\$ 313,000	\$ 313,000	\$ -	\$ 313,000	\$ 313,000
251-61-137	Regional Early Action Planning Grant	\$ -	\$ 60,000	\$ 60,000	\$ -	\$ 60,000	\$ 60,000
251-61-138	Regional Early Action Planning - PTS	\$ -	\$ 17,100	\$ 17,100	\$ -	\$ 17,100	\$ 17,100
251-61-144	Local Early Action Planning Grant <i>Information was not available for these four grants at the time the Budget was developed.</i>	\$ -	\$ 41,629	\$ 41,629	\$ -	\$ 41,629	\$ 41,629
General Services Department							
210-31-210	Measure A Road Maintenance Fund <i>This adjustment will correct an error in the expenditure appropriation to reflect anticipated costs.</i>	\$ 2,361,064	\$ 2,361,064	\$ -	\$ 1,793,968	\$ 2,108,968	\$ 315,000
211-31-211	Transit Fund <i>Adjustment to expenditure appropriation to reflect anticipated costs.</i>	\$ 287,092	\$ 287,092	\$ -	\$ 303,673	\$ 327,673	\$ 24,000
510-71-145	Solid Waste Fund <i>Adjustment to expenditure appropriation to reflect anticipated costs.</i>	\$ 853,881	\$ 853,881	\$ -	\$ 1,033,271	\$ 1,224,271	\$ 191,000
262-74-671	Roadway Development Fund <i>Adjustment to expenditure appropriation to reflect anticipated costs.</i>	\$ 146,820	\$ 146,820	\$ -	\$ 150,000	\$ 200,000	\$ 50,000
296-75-289	Mitchell Village Assessment District <i>This is a new fund for the Mitchell Village Project. Information was not available at the time the Budget was developed.</i>	\$ -	\$ 35,000	\$ 35,000	\$ -	\$ 35,000	\$ 35,000
Police Department							
222-21-406	Office of Traffic Safety STEP Grant Fund <i>Information for this grant fund was not available at the time the Budget was developed.</i>	\$ -	\$ 13,150	\$ 13,150	\$ -	\$ 13,150	\$ 13,150
223-231-463	SLES Fund - COPS Grant <i>This grant fund will be fully expended in Fiscal Year 2021-22.</i>	\$ -	\$ -	\$ -	\$ 66,500	\$ -	\$ (66,500)

RESOLUTION NO. 2022 - ____

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CITRUS
HEIGHTS, CALIFORNIA, ESTABLISHING AN APPROPRIATION
LIMIT FOR FISCAL YEAR 2022-23**

WHEREAS, Article XIII B of the California Constitution provides that the total annual appropriations subject to limitation of each governmental entity, including this City, shall not exceed the appropriation limit of such entity of government for the prior year adjusted for changes in population and inflation mandated by Proposition 4 passed in November 1979 and Proposition 111 passed in June 1990 except as otherwise provided for in said Article XIII B and implementing State statutes;

WHEREAS, pursuant to said Article XIII B of said California Constitution, and Section 7900 et seq. of the California Government Code, the City is required to set its appropriation limit for each fiscal year. In setting said limit, the City is required to select the following factors: 1) California Per Capita Income, multiplied by 2) the greater of city or county population growth;

WHEREAS, the City of Citrus Heights reserves the right to change or revise any growth factors associated with the calculation of the Proposition 111 limit, if such changes or revisions would result in a more advantageous appropriation limit; and

WHEREAS, pursuant to Section 7910 of said California Government Code, the City Manager has made available to the public the documentation used in the determination of said appropriation limit.

NOW THEREFORE BE IT RESOLVED by the City Council of the City of Citrus Heights that the factors used in determining the 2022-23 appropriation limit will be the California Per Capita Income change and the percentage change in population for the County of Sacramento. The appropriation limit for Fiscal Year 2022-23 is \$64,957,529 as provided for in the attached Exhibit A.

PASSED AND ADOPTED by the City Council of the City of Citrus Heights, California, this 23rd day of June, 2022, by the following vote, to wit:

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

Porsche Middleton, Mayor

ATTEST:

Amy Van, City Clerk

Exhibit A

City of Citrus Heights Appropriation Limit Calculation Fiscal Year 2022-23

The Appropriation Limit Calculation is required by Article XIII B of the California State Constitution. It consists of the classification of appropriated revenues into proceeds and non-proceeds of taxes for the 2021-22 fiscal-year. The most favorable population and cost-of-living factors are then applied to the appropriation limit calculation from the previous fiscal year.

Appropriations Subject to the Limit

Fiscal Year 2022-23 General Fund Revenues	42,135,122
Less: Nonproceeds of Taxes	5,660,389
Plus: User Fees in excess of costs	-

Total Appropriations Subject to the Limit	36,474,733
--	-------------------

Fiscal Year 2021-22 Appropriation Limit	61,013,755
--	-------------------

A. Cost of Living Adjustment - CPI*	1.0755
B. Population Adjustment **	0.9899
Change Factor (A x B)	1.0646375

Increase in the appropriation limit	3,943,774
-------------------------------------	-----------

Fiscal Year 2022-23 Appropriation Limit	64,957,529
--	-------------------

Remaining appropriation capacity	28,482,795
---	-------------------

Available capacity as a percent of the appropriation limit	43.85%
--	--------

* Based on percentage change in California per capita personal income.

** Based on annual population change for the County of Sacramento.

General Fund Ten Year Financial Forecast
With Partial Steet Funding
June 2022

6/14/2022

	FY 2020-21 Actual	FY 2021-22 Budget (Feb Forecast)	FY 2021-22 Year-End Projection	FY 2022-23 Budget (Feb Forecast)	FY 2022-23 Mid-Cycle Budget	FY 2023-24 Projected	FY 2024-25 Projected	FY 2025-26 Projected	FY 2026-27 Projected	FY 2027-28 Projected	FY 2028-29 Projected	FY 2029-30 Projected	FY 2030-31 Projected	FY 2031-32 Projected
REVENUE														
Taxes and Franchises														
Property Tax	-	-	-	6,445,000	6,883,000	7,183,497	7,495,213	7,825,438	8,170,146	8,333,549	8,500,220	8,670,224	8,843,629	9,020,501
Sales & Use Tax	13,373,483	14,104,000	14,299,000	13,800,000	14,323,000	14,613,965	14,906,244	15,204,369	15,508,457	15,818,626	16,134,998	16,457,698	16,786,852	17,122,589
Utility Users Tax	2,717,945	2,780,000	2,780,000	2,850,000	2,850,000	2,850,000	2,850,000	2,850,000	2,850,000	2,850,000	2,850,000	2,850,000	2,850,000	2,850,000
Franchise Fees	619,090	700,000	700,000	725,000	725,000	743,125	761,703	780,746	800,264	820,271	840,778	861,797	883,342	905,426
Solid Waste Franchise Fees	522,754	515,000	515,000	520,000	520,000	533,000	546,325	559,983	573,983	588,332	603,041	618,117	633,570	649,409
Real Property Transfer Tax	383,773	450,000	500,000	370,000	500,000	379,250	388,731	398,450	408,411	418,621	429,087	439,814	450,809	462,079
Transient Occupancy Tax	23,237	18,000	23,000	18,000	23,000	36,000	36,900	37,823	38,768	39,737	40,731	41,749	42,793	43,863
Total Taxes and Franchises	17,640,282	18,567,000	18,817,000	24,728,000	25,824,000	26,338,837	26,985,117	27,656,808	28,350,028	28,869,136	29,398,854	29,939,399	30,490,994	31,053,867
Licenses and Permits														
Business License Tax	291,240	290,900	289,300	309,250	298,875	316,981	324,906	333,028	341,354	349,888	358,635	367,601	376,791	386,211
Building Plan Check	592,703	614,200	650,000	262,650	348,000	269,216	275,947	282,845	289,916	297,164	304,593	312,208	320,014	328,014
Engineering Plan Check	(17,013)	32,800	32,800	33,700	33,700	34,543	35,406	36,291	37,198	38,128	39,082	40,059	41,060	42,087
Zone Check	26,456	6,700	20,000	10,000	10,000	10,250	10,506	10,769	11,038	11,314	11,597	11,887	12,184	12,489
Building Permit Fees	1,789,146	1,870,000	2,150,000	1,019,700	1,340,700	1,045,193	1,071,322	1,098,105	1,125,558	1,153,697	1,182,539	1,212,103	1,242,405	1,273,466
Engineering Fees Utilities	63,212	132,600	60,000	136,600	60,000	140,015	143,515	147,103	150,781	154,550	158,414	162,374	166,434	170,595
Tree Permit	1,470	1,500	1,500	2,000	2,000	2,050	2,101	2,154	2,208	2,263	2,319	2,377	2,437	2,498
Transportation Permits	16,340	15,000	15,000	15,000	15,000	15,375	15,759	16,153	16,557	16,971	17,395	17,830	18,276	18,733
Animal License	43,547	47,000	35,000	45,000	40,000	55,000	55,000	55,000	55,000	55,000	55,000	55,000	55,000	55,000
Total Licenses and Permits	2,807,101	3,010,700	3,253,600	1,833,900	2,148,275	1,888,623	1,934,463	1,981,450	2,029,611	2,078,976	2,129,576	2,181,440	2,234,601	2,289,091
Fines and Forfeitures	877,599	755,200	775,200	1,002,602	775,100	1,027,667	1,053,359	1,079,693	1,106,685	1,134,352	1,162,711	1,191,779	1,191,779	1,221,573
Intergovernmental (inc. Motor Vehicle In-Lieu Fees)	12,418,967	9,606,920	9,542,038	9,676,922	10,319,500	10,229,981	10,673,963	11,144,684	11,635,050	11,984,101	12,343,624	12,713,933	13,095,351	13,488,212
Use of Money	5,109	30,000	40,000	50,000	50,000	97,937	119,366	125,007	130,581	134,703	137,918	140,152	140,809	138,553
Charges for Services	422,960	556,050	555,977	875,850	675,100	897,746	920,190	943,195	966,775	990,944	1,015,717	1,041,110	1,041,110	1,067,138
Dignity Lease	173,356	214,451	214,451	256,609	256,609	299,737	343,987	389,343	435,834	483,487	532,331	582,397	633,714	682,565
Cost Allocations	1,415,720	1,458,192	1,458,192	1,501,937	1,501,937	1,577,973	1,657,857	1,741,786	1,829,964	1,922,606	2,019,938	2,070,437	2,070,437	2,122,198
CARES Act	-	-	-	-	-	-	-	-	-	-	-	-	-	-
FEMA/Cal OES - Great Plates Reimbursement	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Revenues	1,165,750	1,010,822	1,144,962	453,729	584,601	465,072	476,699	488,617	500,832	513,353	526,187	539,341	539,341	552,825
TOTAL REVENUE	\$ 36,926,844	\$ 35,209,335	\$ 35,801,420	\$ 40,379,549	\$ 42,135,122	\$ 42,823,572	\$ 44,165,000	\$ 45,550,581	\$ 46,985,360	\$ 48,111,659	\$ 49,266,856	\$ 50,399,988	\$ 51,438,136	\$ 52,616,021
EXPENDITURES														
Labor														
Salaries (incl OT, standby)	16,683,636	16,733,981		17,265,280	17,375,867	20,458,928	21,072,696	21,704,877	22,356,023	23,026,704	23,717,505	24,429,030	25,161,901	25,916,758
Retirement	2,196,810	2,206,795		2,276,434	2,265,107	2,561,640	2,638,489	2,717,644	2,799,173	2,883,148	2,969,643	3,058,732	3,150,494	3,245,009
Retirement - UAL	1,102,196	1,353,703		1,423,429	1,613,206	1,771,228	1,933,817	2,037,624	2,133,476	2,182,244	2,232,344	2,283,834	2,336,733	2,392,114
Compensated Absences		360,000		350,000	350,000	350,000	350,000	-	350,000	350,000	350,000	350,000	350,000	350,000
Benefits (excluding Retirement)	4,180,628	3,933,341		4,140,999	4,096,963	4,867,064	5,013,076	5,163,469	5,318,373	5,477,924	5,642,262	5,811,529	5,985,875	6,165,451
Total Labor	24,163,270	24,587,820	22,584,072	25,456,142	25,701,142	30,008,860	31,008,078	31,623,612	32,957,045	33,920,020	34,911,753	35,933,125	36,985,003	38,069,332
Operating Costs	6,698,864	8,400,861	7,588,675	7,747,708	8,380,730	8,632,152	8,470,139	8,219,543	8,466,130	8,720,114	8,981,717	9,251,169	9,528,704	9,814,565
Great Plates Delivery Program	2,016,702	-		-		-	-	-	-	-	-	-	-	-
Interest Expense		332,845	247,920	342,830	76,200	76,200	76,200	-	-	-	-	-	-	-
Line of Credit Principal Repayment		3,520,001	3,520,001	-	-	-	-	-	-	-	-	-	-	-
Transfers-Out	437,312	487,000	487,000	1,197,000	1,197,000	1,640,000	1,150,000	1,150,000	1,150,000	1,150,000	1,150,000	1,150,000	1,150,000	1,150,000
Auburn Blvd - Phase 2 City Match						4,000,000								
STREET REPAIRS	-	-	-	-	-	2,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000
TOTAL EXPENDITURES	\$ 33,316,148	\$ 37,328,527	\$ 34,427,668	\$ 34,743,680	\$ 35,355,072	\$ 46,357,212	\$ 44,704,417	\$ 44,993,156	\$ 46,573,174	\$ 47,790,133	\$ 49,043,470	\$ 50,334,293	\$ 51,663,706	\$ 53,033,896
NET OPERATING POSITION	\$ 3,610,696	\$ (2,119,192)	\$ 1,373,752	\$ 5,635,869	\$ 6,780,050	\$ (3,533,639)	\$ (539,417)	\$ 557,426	\$ 412,186	\$ 321,525	\$ 223,386	\$ 65,695	\$ (225,570)	\$ (417,875)
Line of Credit Draw for Operating Expenses	-													
Net Position After Line of Credit Draw														
Beginning Reserve Balance (Unassigned/Committed)		8,419,923	8,419,923	6,300,731	9,793,675	16,573,724	13,040,085	12,500,669	13,058,094	13,470,280	13,791,805	14,015,191	14,080,886	13,855,316
Ending Reserve Balance	\$ 8,419,923	\$ 6,300,731	\$ 9,793,675	\$ 11,936,600	\$ 16,573,724	\$ 13,040,085	\$ 12,500,669	\$ 13,058,094	\$ 13,470,280	\$ 13,791,805	\$ 14,015,191	\$ 14,080,886	\$ 13,855,316	\$ 13,437,441

February 2022 Forecast	\$ 8,447,432	\$ 8,370,128	\$ 8,370,128	\$ 12,055,042		\$ 7,781,792	\$ 7,339,725	\$ 7,725,674	\$ 8,001,369	\$ 8,145,375	\$ 8,382,461	\$ 8,583,899	\$ 8,382,461	
Minimum Reserve per Council Policy (17%)	\$ 5,663,745	\$ 6,345,850	\$ 5,852,704	\$ 5,906,426	\$ 6,010,362	\$ 7,200,726	\$ 7,599,751	\$ 7,648,836	\$ 7,917,440	\$ 8,124,323	\$ 8,337,390	\$ 8,556,830	\$ 8,782,830	\$ 9,015,762
Minimum Reserve @25%	\$ 8,329,037	\$ 9,332,132	\$ 8,606,917	\$ 8,685,920	\$ 8,838,768	\$ 11,589,303	\$ 11,176,104	\$ 11,248,289	\$ 11,643,294	\$ 11,947,533	\$ 12,260,868	\$ 12,583,573	\$ 12,915,927	\$ 13,258,474

PROJECTION EXCLUDES ARPA FUNDING IN FISCAL YEARS 2021-22 AND 2022-23

	FY 2021-22 Budget	FY 2022-23 Budget	FY 2023-24 Projected	FY 2024-25 Projected	FY 2025-26 Projected	FY 2026-27 Projected	FY 2027-28 Projected	FY 2028-29 Projected	FY 2029-30 Projected	FY 2030-31 Projected	FY 2031-32 Projected
Funding Requirements Included in Forecast											
General Plan Update	-	-	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000
OPEB Trust	248,000	245,000	253,000	260,000	268,000	276,000	285,000	293,000	300,000	300,000	300,000
Building Maintenance	190,000	210,000	210,000	210,000	210,000	210,000	210,000	210,000	210,000	210,000	210,000
Capital Building Replacement	-	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000
Compensated Absences	300,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000
Equipment & Software Replacement	50,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000
Vehicle Replacement	150,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000
Financial Reporting System/Permit Software Upgrade	-	-	490,000	-	-	-	-	-	-	-	-
Total	938,000	1,705,000	2,243,000	1,760,000	1,768,000	1,776,000	1,785,000	1,793,000	1,800,000	1,800,000	1,800,000



CITY OF CITRUS HEIGHTS

CITY COUNCIL STAFF REPORT

MEMORANDUM

DATE: June 23, 2022

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

FROM: Alexander A. Turcotte, Chief of Police
Kristopher Frey, Police Commander
Cassandra Burnett, Senior Management Analyst

SUBJECT: Replacement of Police Department Equipment Critical Needs and Utilization of American Rescue Plan Act Funds

Summary and Recommendation

At the May 26, 2022 Citrus Heights City Council meeting, staff recommended moving forward with an incremental funding approach based upon delivering on the Six-Month Strategic Objectives and the Focus Area Work Plan over the course of the American Rescue Plan Act (ARPA) allocation period which runs through December 31, 2024. This item was presented, discussed and supported as part of the ARPA allocation discussion that occurred at the May 26, 2022 City Council meeting. Approval of this resolution formally authorizes the implementation and funding allocation for these requests.

The specific Six-Month Strategic Planning Objective associated with action is:

Present to City Council for consideration, a plan to replace and/or upgrade the deferred portion of the Police Department fleet and the critical Communication Center technology.

This staff report requests the approval of moving forward on two of those recommended programs: Police Department Scheduled Replacement Vehicles and Public Safety Communications Center Critical Needs.

Staff recommends the City Council adopt the following:

- a. Resolution No. 2022-___ A Resolution of the City Council of the City of Citrus Heights, California, Authorizing the Acquisition of 22 Police Fleet Vehicles; and

- b. Resolution No. 2022-____ A Resolution of the City Council of the City of Citrus Heights, California, Authorizing the Acquisition of Public Safety Communications Center Critical Needs.

Fiscal Impact

The fiscal impact will be approximately \$2,000,000 from American Rescue Plan Funds in Fiscal Year 2022-23.

This expenditure includes the acquisition of the vehicles as well as installation of all police specific equipment and shall not exceed \$1,400,000. Additionally, \$600,000 will be utilized for the acquisition of public safety communications center equipment and installation of all specific components.

Background and Analysis

Fleet Acquisition and Equipment

Prior to Fiscal Year (FY) 2018-19, City Council would adopt a vehicle replacement budget of \$275,000 annually. Due to anticipated revenue shortfalls, the replacement reserve schedule fund was cut from the budget and was not funded. Since that time, the normal reserve fund for replacing fleet vehicles has become an unfunded liability of approximately \$1,000,000. In FY 2021-22, the vehicle replacement fund was budgeted for \$100,000 and in FY 2022-23 this amount increases to \$400,000. While restoring replacement reserve schedule funding is fiscally prudent and will preserve police fleet vehicle replacement going forward, it does not address the significant backlog that was created by not funding the replacement reserve fund in prior years.

Given the limited fleet resources and lack of a replacement reserve funding, the department has only replaced those vehicles that were either non-operable, a significant safety concern, or were in constant need of repair. Police emergency response vehicles must be maintained to operate safely and reliably under emergency driving conditions such as vehicle pursuits or response to life threatening calls for service. This requires vehicles to be "pursuit rated" from the manufacturer and maintained to a high standard of safety performance. Non-emergency response vehicles such as code enforcement or community services vehicles do not require special certification and are maintained to standard safety and performance levels. Fleet vehicles are ascribed a replacement schedule based on the specific role of that vehicle. These schedules are based on industry best practices and manufacturer recommendations.

A police patrol vehicle should be replaced within 6 years or 100,000 miles whereas a Community Service pickup truck should be replaced after 10 years or 100,000 miles. Significant mechanical failure or other vehicle damage may require a vehicle be replaced sooner than the prescribed schedule. The police department routinely conducts an analysis of the police fleet and projected replacement needs for a ten year period. A recent analysis determined that 22 vehicles are in need of replacement by FY 2022-23; 13 pursuit rated marked vehicles, 4 pursuit rated

unmarked vehicles, 2 pickup trucks, 2 motorcycles, and 1 specialized equipment vehicle to transport specialty equipment to scenes and training. As the replacement vehicle schedule backlog grows, reliability challenges, downtime and repair costs continue to grow. Using one-time ARPA funding provides an opportunity to make an investment into police vehicles that are overdue for replacement, addressing a growing unfunded liability associated with the vehicles currently in need of replacement.

The new vehicles will have full factory bumper to bumper warranty coverage. The replacement of these vehicles will also have a positive impact on projected repair costs for at least two to three years.

This item is consistent with City Council Three-Year Goal: Preserve & Enhance Public Safety, and the current adopted Six-Month Strategic Objective: Present to City Council for consideration, a plan to replace and/or upgrade the deferred portion of the Police Department fleet and the critical Communication Center technology.

Public Safety Communications Center Critical Needs

The Communications Center provides for critical first responder dispatch and ongoing incident real-time communications needs. Equipment replacement schedules have lagged beyond normal cycles and the communications center is in need of updating to meet the demands of present day first responder needs and support.

Console Replacement and Communications Center Update

To meet the current industry and community needs, moving the hardware located in the communications center to the server room would allow for a reconfiguration of the workspace to accommodate additional consoles expanding operability. Operability to include having six dispatchers working during special events such as DUI checkpoints, 4th of July, and to create availability for a Real Time Information Center type role when required during major policing events or incidents providing critical information to officers in the field.

This proposed purchase would include workstation replacement (\$50,000), space reconfiguration costs associated with flooring, acoustical tiles and retrofitting (\$40,000), curved monitors (\$10,000), KVM Office/CAD Computers (\$50,000), KVM VESTA Workstations (\$50,000), and two additional Motorola Gold Elite Radio Systems (\$240,000), and equipment/retrofit contingency (\$50,000).

Audio Logging System

Emergency communications such as 9-1-1 calls for service and emergency radio transmissions are recorded and archived consistent with the City's records and retention schedule. These recordings capture critical information during quickly evolving events which significantly impact the safe response to a call by ensuring critical information is not missed. These recordings also provide an objective record which is beneficial for evidentiary purposes, quality assurance checks, and to provide transparent information for public release within public records request guidelines. This recording function is accomplished by use of an audio logger system and is

consistent with guidelines from the California Office of Emergency Services (CalOES) and the National Emergency Number Association (NENA).

The current logging system is outdated and is not able to record all available police radio channels or any channel that is encrypted. The current audio logger contract expires in December of 2022 and the police department will need to move to a more robust solution to properly capture and store information on all available emergency communications platforms including those that are encrypted.

This purchase would include the logging system (\$65,000) and six encrypted radios (\$45,000).

This item is consistent with City Council Three-Year Goal: Preserve & Enhance Public Safety, and the current adopted Six-Month Strategic Objective: Present to City Council for consideration, a plan to replace and/or upgrade the deferred portion of the Police Department fleet and the critical Communication Center technology.

Attachments

1. Resolution No. 2022-____ A Resolution of the City Council of the City of Citrus Heights, California, Authorizing the Acquisition of 22 Police Fleet Vehicles.
2. Resolution No. 2022-____ A Resolution of the City Council of the City of Citrus Heights, California, Authorizing the Acquisition of Public Safety Communications Center Critical Needs.

RESOLUTION NO. 2022- ____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CITRUS HEIGHTS,
CALIFORNIA, AUTHORIZING THE ACQUISITION OF POLICE FLEET VEHICLES AND
FLEET EQUIPMENT**

WHEREAS, due to the high frequency of use and the constant demanding conditions for which police vehicles are used, they typically have a four to five year life cycle;

WHEREAS, the funding for replacement vehicles was not budgeted from FY 2018-19 to 2020-21 and partially budgeted in FY 2021-22 causing an unfunded liability of approximately \$1,000,000;

WHEREAS, the police department has conducted an analysis of the police fleet and equipment, and has determined that 22 vehicles are in need of replacement by FY 2022-23;

WHEREAS, the city is able to purchase these 22 vehicles utilizing the available State of California contracts;

WHEREAS, the city will follow the City's Purchasing Policy to purchase the fleet equipment;
and

WHEREAS, the police department will utilize American Rescue Plan Act funds to purchase the vehicles and fleet equipment.

NOW THEREFORE BE IT RESOLVED AND ORDERED that the City of Citrus Heights does hereby authorize the City Manager to acquire 22 police vehicles and purchase and install the necessary police equipment in the amount not to exceed \$1,400,000.

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 23rd day of June 2022, by the following vote, to wit:

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

Porsche Middleton, Mayor

ATTEST:

Amy Van, City Clerk

RESOLUTION NO. 2022- ____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CITRUS HEIGHTS, CALIFORNIA,
AUTHORIZING THE ACQUISITION OF PUBLIC SAFETY COMMUNICATIONS CENTER
CRITICAL NEEDS**

WHEREAS, the Communications Center provides for critical first responder dispatch and ongoing incident real-time communications needs;

WHEREAS, equipment replacement schedules have lagged beyond normal cycles and the communications center is in need of updating to meet the demands of present day first responder needs and support;

WHEREAS, the police department is still utilizing equipment purchased at inception nearly sixteen (16) years ago;

WHEREAS, due to the technological advancements of emergency communications equipment, there is an immediate need to bring us up to today's standard and adopt a model to forecast future needs;

WHEREAS, the police department will utilize the funds to replace and reconfigure the communications consoles and replace the audio logging system;

WHEREAS, the city will follow the City's Purchasing Policy to purchase the communications center equipment; and

WHEREAS, the police department will utilize American Rescue Plan Act funds to purchase the equipment.

NOW THEREFORE BE IT RESOLVED AND ORDERED that the City of Citrus Heights does hereby authorize the City Manager to acquire and install the necessary communications center equipment in the amount not to exceed \$600,000.

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 23rd day of June 2022, by the following vote, to wit:

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

Porsche Middleton, Mayor

ATTEST:

Amy Van, City Clerk



CITY OF CITRUS HEIGHTS

CITY COUNCIL STAFF REPORT

MEMORANDUM

DATE: June 23, 2022

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

FROM: Regina Cave, General Services Director
Armando Velasquez, Construction/Maintenance Inspector Supervisor

SUBJECT: Proposal for Beautification Crew Pilot Program

Summary and Recommendation

In recent years through means of various community surveys including communications with city stakeholder groups, it is apparent that blight has become an increasing concern throughout the city. Safe and clean public rights of way are key indicators of community pride, therefore it is a priority of the City to find ways to increase responsiveness and effectiveness of beautification and cleanliness initiatives to increase quality of life

Staff recommends the City Council adopt Resolution No. 2022-_____, a Resolution of the City Council of the City of Citrus Heights, California, Authorizing the Implementation of a Beautification Crew Pilot Program to be funded by American Rescue Plan Act (ARPA) Funds through Fiscal Year 2025/2026. This action is in alignment with Council's recent adoption of the Focus Area Strategic Planning Objectives as presented by the City Manager on May 26, 2022 and implementation of as a strategic objective from the May 10, 2022 City Council Strategic Retreat. The specific Strategic Planning Objective associated with action is:

Present to the City Council, a proposal for a City of Citrus Heights Beautification Crew, to actively maintain the public right-of-way and keep it free and clear of debris and obstructions, both for public safety and aesthetic benefit.

This item was presented, discussed and supported as part of the ARPA allocation discussion that occurred at the May 26, 2022 City Council meeting. Approval of this resolution formally authorizes the implementation and funding allocation for this program.

Fiscal Impact

This requested action proposes utilizing \$875,000.00 in ARPA Funds, which would sustain two new limited term full-time Maintenance Worker positions, assigned to the General Services Department (GSD) Operations & Maintenance Division, through Fiscal Year 2025/2026. The funding would also support all ancillary tools, equipment, training, and a full-outfitted utility truck to support the program. Because this a proposed Pilot Program utilizing one-time American Rescue Plan Act funds, future City Council action would be required to incorporate the positions

as permanent, and to determine a permanent funding source; however, staff is not suggesting that this program be considered for permanent funding at this time. There are a number of measures associated with the City Council adopted Focus Area Work Plan that are intended to address community image. Over the course of the authorized expenditure timeframe, staff will be able to evaluate the success of the Beautification Crew program, make necessary adjustments and determine if there is still a need for continuing the program or some modified version of it towards the end of the funding period.

Background and Analysis

Like other communities, Citrus Heights has experienced increased levels of visible blight largely attributed to illegal dumping, negligent littering, inattentive property owners, and transient activity. These challenges are neither unique to Citrus Heights, nor are they short term that may self-resolve as we come out of the COVID-19 pandemic. Additionally, these challenges adversely affect Citrus Heights businesses and threaten the economic vitality of our community and the quality of life for our residents. This current, complex situation is the result of many factors outside the City's control, which include but are not limited to relevant case law related to unlawful camping activity, lack of affordable housing, and a historical lack of local resources to proactively address blight. The one-time American Rescue Plan Act funding provides Citrus Heights a unique opportunity to increase local control and advance community image goals by deploying resources directly into the community that will proactively address blight.

In collaboration with the Citrus Heights Police Department, GSD presently commits limited resources through existing maintenance contracts and City staff to help address undesirable materials and obstructions in the public right of way. However, while these efforts have become routine, they are reactive to what the public often sees as recurring eyesores. With enhanced funding committed to support additional resources, the City can expand our services to provide a scheduled proactive abatement program, allowing for more rapid response in an effort to deter illicit activity as well as focus on preventative maintenance.

This program would continue and expand upon GSD's partnership with Code Enforcement to help educate as well as mitigate concerns of blight, with a focus on our commercial corridors. The proposed program would be a function of GSD, and in collaboration with the Citrus Heights Police Department for support in various clean up efforts to ensure safety and wellbeing of the public and staff. Services to be provided may include, but not be limited to, litter and weed abatement; illegal sign removal; removal of unauthorized materials in the public right of way; minor graffiti removal, augmenting existing contracted services; support for encampment material removal; minor pressure washing; and clearing of debris along sidewalks and trails.

As part of the proposed pilot program, GSD staff will retain detailed activity logs and program metrics to report back to the City Council and community at large on the effectiveness of the program, and to help identify trends and areas needing improvement. Program performance and associated metrics would be reported on a central ARPA dashboard to provide transparent and accessible information to community members on this investment and program results.

This item is consistent with City Council's three-year strategic goal to "preserve and enhance public safety".

Subject: Proposal for Beautification Crew Pilot Program

Date: June 23, 2022

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Attachments

- 1) Resolution 2022-____, a Resolution of the City Council of the City of Citrus Heights, California, authorizing the implementation of a Beautification Crew Pilot Program to be Funded by American Rescue Plan Act Funds through Fiscal Year 2025/2026.

RESOLUTION NO. 2022- ____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
CITRUS HEIGHTS, CALIFORNIA, AUTHORIZING THE IMPLEMENTATION OF A
BEAUTIFICATION CREW PILOT PROGRAM TO BE FUNDED BY AMERICAN RESCUE PLAN ACT
FUNDS THROUGH FISCAL YEAR 2025/2026**

WHEREAS, the City of Citrus Heights has a current three year strategic goal to preserve and enhance public safety;

WHEREAS, at the Strategic Planning Workshop on May 10, 2022 a strategic objective was defined to present to City Council a proposal for a City of Citrus Heights Beautification Crew, to actively maintain the public right-of-way and keep it free and clear of debris and obstructions, both for public safety and aesthetic benefit;

WHEREAS, the residents and businesses of Citrus Heights deserve a safe community clear of blight, debris and undesirable obstructions within and around public spaces, effecting quality of life and the ability to enjoy common areas;

WHEREAS, to help retain and attract businesses and families to Citrus Heights, the city must commit to effective maintenance programs which seek to improve the quality and safety of our public infrastructure to accurately reflect Citrus Heights as a thriving community;

WHEREAS, the Citrus Heights City Council has expressed a desire to increase efforts for addressing blight and undesirable activity that visibly plagues common areas, corridors and opens spaces around the community;

WHEREAS, through leveraging of \$875,000 in American Rescue Plan Act funds, the city is able to implement a Beautification Crew pilot program within the General Services Department that would work in concert with the Citrus Heights Police Department to proactively help improve the general safety and aesthetics of our public rights of way through rapid response efforts; and

WHEREAS, said pilot program would be committed through Fiscal Year 2025/2026.

NOW, THEREFORE, BE IT RESOLVED AND ORDERED by the City Council of the City of Citrus Heights, that the proposed Beautification Crew Pilot Program to be funded by American Rescue Plan Act Funds through FY 2025/2026 is hereby approved.

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 23rd day of June, 2022 by the following vote, to wit:

AYES: Council Members:

NOES: Council Members:

ABSTAIN: Council Members:

ABSENT: Council Members:

Porsche Middleton, Mayor

ATTEST:

Amy Van, City Clerk



CITY OF CITRUS HEIGHTS

CITY COUNCIL STAFF REPORT MEMORANDUM

DATE: June 23, 2022

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

FROM: Bill Zenoni, Interim Administrative Services Director
Macy Dippert, Interim Human Resources Manager
Meagan Bushey, Management Analyst I

SUBJECT: Resolution Adopting Amended Salary Table

Summary and Recommendation

Amended Salary Table

Staff recommends the City Council adopt Resolution No. 2022-____, A Resolution of the City Council of the City of Citrus Heights, California, adopting the amended Salary Table, Exhibit A, which includes changes effective since the last salary table update. The salary table was most recently updated January 2, 2022. The updated salary table also includes a new executive position – Economic Development and Community Engagement Director.

Economic Development and Community Engagement Director

The City Manager has been assessing the organizational needs to execute on the City Council adopted Focus Area Work Plan, forecasted strategic objectives and to deliver on the community needs over the foreseeable future. In order to accomplish these critical objectives, additional organizational capacity and leadership is needed. The Economic Development and Community Engagement Director will serve a key role in the city leadership team responsible for management and execution of:

- Pivotal Economic Development initiatives
- Growing communications
- Government affairs (strategic objective)
- Comprehensive grants strategy (strategic objective)
- Neighborhood and community engagement (focus area work plan)

Related to this organizational adjustment, the vacant Assistant to the City Manager position that previously reported to the City Manager will be reclassified to a lower-level classification of Management Analyst I/II. This reclassified position, along with the Communications Officer

will combine in a newly created Economic Development and Community Engagement Department.

The Economic Development and Community Engagement Director will join the executive leadership team to create innovative progress in these areas and ensure goals are integrated across the organization to maximize efficiency and effectiveness. In assessing the needs of the organization at the leadership level, the City Manager has determined that this position is necessary to put a focused effort on items that are of key concern to the community and the City Council.

Pursuant to subsection (3) to Government Code Section 54953(c), prior to the City Council taking action, staff will provide an oral report summarizing salaries, salary schedules, and fringe benefits for Executive Managers; this action item includes a recommendation to approve the salary range for the Executive Management classification of Economic Development and Community Engagement Director. The salary range listed in the salary table for the position is \$142,858.65 to \$188,933.27. This classification will provide oversight to a department as determined by the City Manager, and will participate in the same fringe benefits as other Executive Managers.

While this new executive position duties and responsibilities are tailored to the needs of Citrus Heights, other jurisdictions in the region have similar executive positions. In comparing the scope of duties and anticipated level of effort for the position with cities of similar size and resources in the region, while the duties are more expansive and the compensation range is less than some other jurisdictions in the area, it is competitive, and consistent with other executive level compensation.

Fiscal Impact

Funding for the classification revisions is included in the Fiscal Year 2022-23 Budget. No budget adjustment is required. There is no increase in authorized employee head count as part of this action. The reclassification of the Assistant to the City Manager position to the Management Analyst I/II position results in a savings of \$37,400 to \$46,400 per year. The Economic and Communications Manager position would remain frozen once this position is filled. These actions and other budgetary savings measures result in no budget adjustments to achieve this organizational advancement.

The City Manager is working with the executive leadership team to continually assess organizational needs as the staff team collectively works to implement City Council goals, policies and objectives. As vacancies are created within the organization, the City Manager is working with the team to assess where the greatest needs are within the organization prior to filling or recruiting for certain positions. Or, as in the case of the Assistant to the City Manager position, not filling that position was in the City's best interest from a global organizational standpoint.

Background and Analysis

Amended Salary Table

California Code of Regulations, Title 2, Section 570.5 and requirements of the California Public Employees' Retirement System (CalPERS) requires that the payrate shall be listed on a schedule which:

1. Has been duly approved and adopted by the employer's governing body in accordance with requirements of applicable public meeting laws;
2. Identifies the position title for every employee position;
3. Shows the payrate for each identified position, which may be stated as a single amount or as multiple amounts within a range;
4. Indicates the time base, including but not limited to, whether the time base is hourly, daily, bi-weekly, monthly, bi-monthly, or annually;
5. Is posted at the office of the employer or immediately accessible and available for public review from the employer during normal business hours or posted on the employer's internet website;
6. Indicates an effective date and date of any revisions;
7. Is retained by the employer and available for public inspection for not less than five years; and
8. Does not reference another document in lieu of disclosing the payrate.

The amended Salary Table (Exhibit A) reflects additions, revisions, and deletions, which have occurred since adoption of the prior Salary Table:

Added

1. City Manager (effective January 13, 2022)
2. Plans Examiner (new position effective April 10, 2022)
3. Economic Development and Community Engagement Director (new position effective July 3, 2022)
4. Senior Civil Engineer (new position effective July 3, 2022)

Revised

1. Housing Planner (internal relationship –equivalent to Associate Planner)
2. Junior Engineering Aide- Extra Help (should not be included with Full-Time Unrepresented- moving to Extra Help)
3. Management Aide- Extra Help (should not be included with Full-Time Unrepresented- moving to Extra Help)
4. Police Dispatch Assistant (should not be included with CHPEA- moving to Extra Help)
5. Associate Engineer- Extra Help (internal relationship – set to hourly Associate Engineer)
6. City Engineer- Extra Help (internal relationship – set to hourly City Engineer)
7. Office Assistant- Extra Help (internal relationship- set to hourly Office Assistant)
8. Police Fleet Manager- Extra Help (internal relationship – set to hourly Police Fleet Manager)
9. Program Analyst- Extra Help (internal relationship – set to hourly Program Analyst)
10. Senior Account-Auditor- Extra Help (internal relationship – set to hourly Senior Account-Auditor)

Subject: Resolution Adopting the Amended Salary Table

Date: June 23, 2022

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Attachment

1. Resolution adopting Amended Salary Table
 - a. Amended Salary Table, Exhibit A

RESOLUTION NO. 2022 - ____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CITRUS HEIGHTS,
CALIFORNIA ADOPTING THE AMENDED SALARY TABLE, EXHIBIT A**

WHEREAS, the City of Citrus Heights engages in sound economic planning practices;

WHEREAS, California Code of Regulations, Title 2, Section 570.5 requires governing bodies of local agencies contracting with the California Public Employees' Retirement System to approve and adopt a payrate schedule in accordance with public meeting laws; and

WHEREAS, the payrate schedule must identify each position by title, the individual payrate amount or ranges for that position, the time base upon which the amounts are based, and track all revisions.

NOW, THEREFORE, BE IT RESOLVED, the City Council of the City of Citrus Heights hereby finds and determines the above recitals are true and correct and have served as the basis, in part, for the findings and actions of the City Council as set forth below.

The City Council hereby adopts the amended Salary Table, Exhibit A, attached to this resolution as follows:

Classification	Effective Date	Added to Salary Table	Hourly Low	Hourly High
Plans Examiner	4/10/2022	New Classification	36.5000	45.5835
Junior Engineering Aide- Extra Help	07/03/2022	Moving to Extra Help	16.3084	20.3669
Management Aide- Extra Help	07/03/2022	Moving to Extra Help	17.4969	21.8512
Police Dispatch Assistant – Extra Help	07/03/2022	Moving to Extra Help	20.5792	25.7006
Associate Engineer- Extra Help	07/03/2022	Updated hourly rate	37.6180	46.9797
City Engineer- Extra Help	07/03/2022	Updated hourly rate	62.6319	78.2186
Office Assistant – Extra Help	07/03/2022	Updated hourly rate	18.5090	23.1152
Police Fleet Manager- Extra Help	07/03/2022	Updated hourly rate	52.3622	65.3932
Program Analyst- Extra Help	07/03/2022	Updated hourly rate	33.5835	41.9412
Senior Account-Auditor- Extra Help	07/03/2022	Updated hourly rate	45.9940	57.4403

Classification	Effective Date	Added to Salary Table	Salary Step 1	Salary Step 10
City Manager	01/13/2022	Missing from Salary Table	240,000.00	240,000.00
Economic Development and Community Engagement Director	07/03/2022	New Classification	142,858.65	188,933.27
Housing Planner	07/03/2022	Updated salary range	71,677.65	89,515.56
Senior Civil Engineer	07/03/2022	New Classification	98,980.35	123,612.90

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

23rd day of June 2022 by the following vote, to wit:

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

Porsche Middleton, Mayor

ATTEST:

Amy Van, City Clerk

EXHIBIT A – Amended Salary Table (Presented to the City Council June 23, 2022)

CITY OF CITRUS HEIGHTS SALARY TABLE

Adopted: June 23, 2022

Effective: July 3, 2022

Approved by Resolution 2022-___

Full-Time Unrepresented Position Titles	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8	Step 9	Step 10	Hourly	Annual
ACCOUNTANT	\$ 34.6276	\$ 35.4933	\$ 36.3806	\$ 37.2901	\$ 38.2224	\$ 39.1779	\$ 40.1574	\$ 41.1613	\$ 42.1903	\$ 43.2451	x	
ACCOUNTING MANAGER	\$ 108,913.43	\$ 111,636.27	\$ 114,427.17	\$ 117,287.85	\$ 120,220.05	\$ 123,225.55	\$ 126,306.19	\$ 129,463.84	\$ 132,700.44	\$ 136,017.95		x
ACCOUNTING TECHNICIAN	\$ 25.5769	\$ 26.2163	\$ 26.8717	\$ 27.5435	\$ 28.2321	\$ 28.9379	\$ 29.6613	\$ 30.4029	\$ 31.1629	\$ 31.9420	x	
ADMINISTRATIVE ASSISTANT	\$ 25.5769	\$ 26.2163	\$ 26.8717	\$ 27.5435	\$ 28.2321	\$ 28.9379	\$ 29.6613	\$ 30.4029	\$ 31.1629	\$ 31.9420	x	
ADMINSTRATIVE TECHNICIAN	\$ 28.1345	\$ 28.8378	\$ 29.5588	\$ 30.2977	\$ 31.0552	\$ 31.8316	\$ 32.6274	\$ 33.4430	\$ 34.2791	\$ 35.1361	x	
ASSISTANT CHIEF OF POLICE	\$ 151,956.86	\$ 155,755.79	\$ 159,649.68	\$ 163,640.92	\$ 167,731.94	\$ 171,925.24	\$ 176,223.37	\$ 180,628.96	\$ 185,144.68	\$ 189,773.30		x
ASSISTANT CITY CLERK	\$ 77,362.69	\$ 79,296.76	\$ 81,279.18	\$ 83,311.16	\$ 85,393.94	\$ 87,528.78	\$ 89,717.00	\$ 91,959.93	\$ 94,258.93	\$ 96,615.40		x
ASSISTANT ENGINEER	\$ 34.1983	\$ 35.0533	\$ 35.9296	\$ 36.8278	\$ 37.7485	\$ 38.6922	\$ 39.6596	\$ 40.6510	\$ 41.6673	\$ 42.7090	x	
ASSISTANT PLANNER	\$ 30.7738	\$ 31.5431	\$ 32.3317	\$ 33.1400	\$ 33.9685	\$ 34.8177	\$ 35.6881	\$ 36.5803	\$ 37.4948	\$ 38.4322	x	
ASSISTANT TO THE CITY MANAGER	\$ 100,223.18	\$ 102,728.76	\$ 105,296.98	\$ 107,929.40	\$ 110,627.64	\$ 113,393.33	\$ 116,228.16	\$ 119,133.87	\$ 122,112.21	\$ 125,165.02		x
ASSOCIATE CIVIL ENGINEER	\$ 86,070.02	\$ 88,221.77	\$ 90,427.31	\$ 92,688.00	\$ 95,005.20	\$ 97,380.33	\$ 99,814.83	\$ 102,310.21	\$ 104,867.96	\$ 107,489.66		x
ASSOCIATE ENGINEER	\$ 37.6180	\$ 38.5584	\$ 39.5224	\$ 40.5104	\$ 41.5232	\$ 42.5613	\$ 43.6253	\$ 44.7160	\$ 45.8339	\$ 46.9797	x	
ASSOCIATE PLANNER	\$ 71,677.65	\$ 73,469.59	\$ 75,306.33	\$ 77,188.99	\$ 79,118.71	\$ 81,096.68	\$ 83,124.10	\$ 85,202.20	\$ 87,332.25	\$ 89,515.56		x
BUILDING INSPECTOR I	\$ 28.8538	\$ 29.5752	\$ 30.3146	\$ 31.0724	\$ 31.8492	\$ 32.6455	\$ 33.4616	\$ 34.2982	\$ 35.1556	\$ 36.0345	x	
BUILDING INSPECTOR II	\$ 31.7391	\$ 32.5326	\$ 33.3459	\$ 34.1796	\$ 35.0340	\$ 35.9099	\$ 36.8076	\$ 37.7278	\$ 38.6710	\$ 39.6378	x	
CHIEF BUILDING OFFICIAL	\$ 108,913.43	\$ 111,636.27	\$ 114,427.17	\$ 117,287.85	\$ 120,220.05	\$ 123,225.55	\$ 126,306.19	\$ 129,463.84	\$ 132,700.44	\$ 136,017.95		x
CITY CLERK	\$ 95,667.60	\$ 98,059.29	\$ 100,510.77	\$ 103,023.54	\$ 105,599.13	\$ 108,239.11	\$ 110,945.08	\$ 113,718.71	\$ 116,561.68	\$ 119,475.72		x
CITY ENGINEER	\$ 130,274.31	\$ 133,531.17	\$ 136,869.45	\$ 140,291.18	\$ 143,798.46	\$ 147,393.42	\$ 151,078.26	\$ 154,855.21	\$ 158,726.60	\$ 162,694.76		x
CITY MANAGER'S EXECUTIVE ASSISTANT	\$ 72,025.30	\$ 73,825.93	\$ 75,671.58	\$ 77,563.37	\$ 79,502.45	\$ 81,490.02	\$ 83,527.27	\$ 85,615.45	\$ 87,755.83	\$ 89,949.73		x
COMMUNICATIONS OFFICER	\$ 79,227.83	\$ 81,208.52	\$ 83,238.74	\$ 85,319.70	\$ 87,452.70	\$ 89,639.01	\$ 91,879.99	\$ 94,176.99	\$ 96,531.41	\$ 98,944.70		x
CONSTRUCTION/MAINTENANCE INSPECTOR I	\$ 27.1244	\$ 27.8025	\$ 28.4976	\$ 29.2100	\$ 29.9403	\$ 30.6888	\$ 31.4560	\$ 32.2424	\$ 33.0485	\$ 33.8747	x	
CONSTRUCTION / MAINTENANCE INSPECTOR II	\$ 29.8368	\$ 30.5827	\$ 31.3473	\$ 32.1310	\$ 32.9343	\$ 33.7576	\$ 34.6016	\$ 35.4666	\$ 36.3533	\$ 37.2621	x	
CONSTRUCTION/MAINTENANCE INSPECTOR SUPERVISOR	\$ 91,112.04	\$ 93,389.84	\$ 95,724.58	\$ 98,117.70	\$ 100,570.64	\$ 103,084.91	\$ 105,662.03	\$ 108,303.58	\$ 111,011.17	\$ 113,786.45		x
CUSTODIAN	\$ 16.7841	\$ 17.2037	\$ 17.6338	\$ 18.0746	\$ 18.5265	\$ 18.9896	\$ 19.4644	\$ 19.9510	\$ 20.4498	\$ 20.9610	x	
DATABASE & APPLICATIONS ANALYST	\$ 42.4831	\$ 43.5452	\$ 44.6338	\$ 45.7497	\$ 46.8934	\$ 48.0658	\$ 49.2674	\$ 50.4991	\$ 51.7616	\$ 53.0556	x	
DEVELOPMENT SERVICES TECHNICIAN I	\$ 24.4955	\$ 25.1079	\$ 25.7356	\$ 26.3790	\$ 27.0384	\$ 27.7144	\$ 28.4072	\$ 29.1174	\$ 29.8454	\$ 30.5915	x	
DEVELOPMENT SERVICES TECHNICIAN II	\$ 26.9451	\$ 27.6188	\$ 28.3092	\$ 29.0170	\$ 29.7424	\$ 30.4860	\$ 31.2481	\$ 32.0293	\$ 32.8300	\$ 33.6508	x	
DEVELOPMENT SPECIALIST I	\$ 72,025.30	\$ 73,825.93	\$ 75,671.58	\$ 77,563.37	\$ 79,502.45	\$ 81,490.02	\$ 83,527.27	\$ 85,615.45	\$ 87,755.83	\$ 89,949.73		x

Full-Time Unrepresented Position Titles	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8	Step 9	Step 10	Hourly	Annual
DEVELOPMENT SPECIALIST II	\$ 79,227.83	\$ 81,208.52	\$ 83,238.74	\$ 85,319.70	\$ 87,452.70	\$ 89,639.01	\$ 91,879.99	\$ 94,176.99	\$ 96,531.41	\$ 98,944.70		x
ECONOMIC DEVELOPMENT & COMMUNICATIONS MANAGER	\$ 102,624.41	\$ 105,190.02	\$ 107,819.77	\$ 110,515.26	\$ 113,278.14	\$ 116,110.10	\$ 119,012.85	\$ 121,988.17	\$ 125,037.87	\$ 128,163.82		x
ENGINEERING AIDE	\$ 22.8316	\$ 23.4024	\$ 23.9875	\$ 24.5872	\$ 25.2019	\$ 25.8319	\$ 26.4777	\$ 27.1397	\$ 27.8181	\$ 28.5136	x	
ENGINEERING TECHNICIAN I	\$ 25.1148	\$ 25.7427	\$ 26.3863	\$ 27.0459	\$ 27.7221	\$ 28.4151	\$ 29.1255	\$ 29.8537	\$ 30.6000	\$ 31.3650	x	
ENGINEERING TECHNICIAN II	\$ 27.6263	\$ 28.3170	\$ 29.0249	\$ 29.7505	\$ 30.4943	\$ 31.2567	\$ 32.0381	\$ 32.8390	\$ 33.6600	\$ 34.5015	x	
EVENT & COMMUNITY CENTER TECHNICIAN	\$ 23.1751	\$ 23.7545	\$ 24.3483	\$ 24.9570	\$ 25.5810	\$ 26.2205	\$ 26.8760	\$ 27.5479	\$ 28.2366	\$ 28.9425	x	
EXECUTIVE ASSISTANT	\$ 30.9478	\$ 31.7214	\$ 32.5145	\$ 33.3273	\$ 34.1605	\$ 35.0145	\$ 35.8899	\$ 36.7872	\$ 37.7068	\$ 38.6495	x	
FACILITY AND GROUNDS MANAGER	\$ 108,913.43	\$ 111,636.27	\$ 114,427.17	\$ 117,287.85	\$ 120,220.05	\$ 123,225.55	\$ 126,306.19	\$ 129,463.84	\$ 132,700.44	\$ 136,017.95		x
FACILITY AND GROUNDS SUPERVISOR	\$ 91,112.04	\$ 93,389.84	\$ 95,724.58	\$ 98,117.70	\$ 100,570.64	\$ 103,084.91	\$ 105,662.03	\$ 108,303.58	\$ 111,011.17	\$ 113,786.45		x
FINANCE MANAGER	\$ 108,913.43	\$ 111,636.27	\$ 114,427.17	\$ 117,287.85	\$ 120,220.05	\$ 123,225.55	\$ 126,306.19	\$ 129,463.84	\$ 132,700.44	\$ 136,017.95		x
FINANCIAL ASSISTANT II	\$ 19.9738	\$ 20.4732	\$ 20.9850	\$ 21.5097	\$ 22.0474	\$ 22.5986	\$ 23.1635	\$ 23.7426	\$ 24.3362	\$ 24.9446	x	
FLEET TECHNICIAN	\$ 25.3660	\$ 26.0002	\$ 26.6502	\$ 27.3164	\$ 27.9994	\$ 28.6993	\$ 29.4168	\$ 30.1522	\$ 30.9060	\$ 31.6787	x	
GRANTS & HOUSING PROGRAM TECHNICIAN I	\$ 24.4955	\$ 25.1079	\$ 25.7356	\$ 26.3790	\$ 27.0384	\$ 27.7144	\$ 28.4072	\$ 29.1174	\$ 29.8454	\$ 30.5915	x	
GRANTS & HOUSING PROGRAM TECHNICIAN II	\$ 26.9451	\$ 27.6188	\$ 28.3092	\$ 29.0170	\$ 29.7424	\$ 30.4860	\$ 31.2481	\$ 32.0293	\$ 32.8300	\$ 33.6508	x	
HOUSING & HUMAN SERVICES PROGRAM COORDINATOR	\$ 91,112.04	\$ 93,389.84	\$ 95,724.58	\$ 98,117.70	\$ 100,570.64	\$ 103,084.91	\$ 105,662.03	\$ 108,303.58	\$ 111,011.17	\$ 113,786.45		x
HOUSING PLANNER	\$ 71,677.65	\$ 73,469.59	\$ 75,306.33	\$ 77,188.99	\$ 79,118.71	\$ 81,096.68	\$ 83,124.10	\$ 85,202.20	\$ 87,332.25	\$ 89,515.56		x
HUMAN RESOURCES TECHNICIAN	\$ 30.9478	\$ 31.7214	\$ 32.5145	\$ 33.3273	\$ 34.1605	\$ 35.0145	\$ 35.8899	\$ 36.7872	\$ 37.7068	\$ 38.6495	x	
HUMAN RESOURCES ANALYST I	\$ 72,025.30	\$ 73,825.93	\$ 75,671.58	\$ 77,563.37	\$ 79,502.45	\$ 81,490.02	\$ 83,527.27	\$ 85,615.45	\$ 87,755.83	\$ 89,949.73		x
HUMAN RESOURCES ANALYST II	\$ 79,227.83	\$ 81,208.52	\$ 83,238.74	\$ 85,319.70	\$ 87,452.70	\$ 89,639.01	\$ 91,879.99	\$ 94,176.99	\$ 96,531.41	\$ 98,944.70		x
HUMAN RESOURCES ASSOCIATE	\$ 25.5769	\$ 26.2163	\$ 26.8717	\$ 27.5435	\$ 28.2321	\$ 28.9379	\$ 29.6613	\$ 30.4029	\$ 31.1629	\$ 31.9420	x	
HUMAN RESOURCES MANAGER	\$ 114,451.63	\$ 117,312.92	\$ 120,245.74	\$ 123,251.89	\$ 126,333.18	\$ 129,491.51	\$ 132,728.80	\$ 136,047.02	\$ 139,448.20	\$ 142,934.40		x
INFORMATION TECHNOLOGY SUPPORT SPECIALIST	\$ 35.2863	\$ 36.1685	\$ 37.0727	\$ 37.9995	\$ 38.9495	\$ 39.9233	\$ 40.9213	\$ 41.9444	\$ 42.9930	\$ 44.0678	x	
INFORMATION TECHNOLOGY ANALYST I	\$ 33.5835	\$ 34.4231	\$ 35.2837	\$ 36.1658	\$ 37.0699	\$ 37.9967	\$ 38.9466	\$ 39.9202	\$ 40.9182	\$ 41.9412	x	
INFORMATION TECHNOLOGY ANALYST II	\$ 36.9418	\$ 37.8654	\$ 38.8120	\$ 39.7823	\$ 40.7769	\$ 41.7963	\$ 42.8412	\$ 43.9122	\$ 45.0100	\$ 46.1353	x	
INFORMATION TECHNOLOGY MANAGER	\$ 114,451.63	\$ 117,312.92	\$ 120,245.74	\$ 123,251.89	\$ 126,333.18	\$ 129,491.51	\$ 132,728.80	\$ 136,047.02	\$ 139,448.20	\$ 142,934.40		x
INFORMATION TECHNOLOGY TECHNICIAN	\$ 29.2228	\$ 29.9534	\$ 30.7022	\$ 31.4698	\$ 32.2565	\$ 33.0629	\$ 33.8895	\$ 34.7368	\$ 35.6052	\$ 36.4953	x	
JUNIOR PLANNER	\$ 29.3084	\$ 30.0411	\$ 30.7922	\$ 31.5620	\$ 32.3510	\$ 33.1598	\$ 33.9888	\$ 34.8385	\$ 35.7095	\$ 36.6022	x	
MAINTENANCE WORKER I	\$ 20.0521	\$ 20.5534	\$ 21.0672	\$ 21.5939	\$ 22.1337	\$ 22.6871	\$ 23.2543	\$ 23.8356	\$ 24.4315	\$ 25.0423	x	
MAINTENANCE WORKER II	\$ 22.0573	\$ 22.6087	\$ 23.1739	\$ 23.7533	\$ 24.3471	\$ 24.9558	\$ 25.5797	\$ 26.2192	\$ 26.8746	\$ 27.5465	x	
MANAGEMENT ANALYST I	\$ 72,025.30	\$ 73,825.93	\$ 75,671.58	\$ 77,563.37	\$ 79,502.45	\$ 81,490.02	\$ 83,527.27	\$ 85,615.45	\$ 87,755.83	\$ 89,949.73		x
MANAGEMENT ANALYST II	\$ 79,227.83	\$ 81,208.52	\$ 83,238.74	\$ 85,319.70	\$ 87,452.70	\$ 89,639.01	\$ 91,879.99	\$ 94,176.99	\$ 96,531.41	\$ 98,944.70		x
OFFICE ASSISTANT	\$ 18.5090	\$ 18.9717	\$ 19.4460	\$ 19.9322	\$ 20.4305	\$ 20.9412	\$ 21.4648	\$ 22.0014	\$ 22.5514	\$ 23.1152	x	

Full-Time Unrepresented Position Titles	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8	Step 9	Step 10	Hourly	Annual
OPERATIONS MANAGER	\$ 108,913.43	\$ 111,636.27	\$ 114,427.17	\$ 117,287.85	\$ 120,220.05	\$ 123,225.55	\$ 126,306.19	\$ 129,463.84	\$ 132,700.44	\$ 136,017.95		x
PAYROLL SPECIALIST	\$ 34.6276	\$ 35.4933	\$ 36.3806	\$ 37.2901	\$ 38.2224	\$ 39.1779	\$ 40.1574	\$ 41.1613	\$ 42.1903	\$ 43.2451	x	
PAYROLL TECHNICIAN	\$ 28.1345	\$ 28.8378	\$ 29.5588	\$ 30.2977	\$ 31.0552	\$ 31.8316	\$ 32.6274	\$ 33.4430	\$ 34.2791	\$ 35.1361	x	
PLANNING MANAGER	\$ 108,913.43	\$ 111,636.27	\$ 114,427.17	\$ 117,287.85	\$ 120,220.05	\$ 123,225.55	\$ 126,306.19	\$ 129,463.84	\$ 132,700.44	\$ 136,017.95		x
PLANNING TECHNICIAN	\$ 25.1558	\$ 25.7847	\$ 26.4294	\$ 27.0901	\$ 27.7673	\$ 28.4615	\$ 29.1731	\$ 29.9024	\$ 30.6500	\$ 31.4162	x	
PLANS EXAMINER <i>eff. April 10, 2022</i>	\$ 36.5000	\$ 37.4125	\$ 38.3478	\$ 39.3065	\$ 40.2892	\$ 41.2964	\$ 42.3288	\$ 43.3870	\$ 44.4717	\$ 45.5835	x	
POLICE COMMANDER	\$ 138,142.59	\$ 141,596.16	\$ 145,136.06	\$ 148,764.46	\$ 152,483.58	\$ 156,295.67	\$ 160,203.06	\$ 164,208.13	\$ 168,313.34	\$ 172,521.17		x
POLICE COMMUNICATIONS SUPERVISOR	\$ 81,005.80	\$ 83,030.94	\$ 85,106.72	\$ 87,234.38	\$ 89,415.24	\$ 91,650.62	\$ 93,941.89	\$ 96,290.44	\$ 98,697.70	\$ 101,165.14		x
POLICE LIEUTENANT	\$ 118,316.39	\$ 121,274.30	\$ 124,306.16	\$ 127,413.81	\$ 130,599.16	\$ 133,864.14	\$ 137,210.74	\$ 140,641.01	\$ 144,157.03	\$ 147,760.96		x
POLICE OFFICER RECRUIT	\$ 34.5926	\$ 34.5926	\$ 34.5926	\$ 34.5926	\$ 34.5926	\$ 34.5926	\$ 34.5926	\$ 34.5926	\$ 34.5926	\$ 34.5926	x	
POLICE SERGEANT	\$ 43.0866	\$ 44.1637	\$ 45.2678	\$ 46.3995	\$ 47.5595	\$ 48.7485	\$ 49.9672	\$ 51.2164	\$ 52.4968	\$ 53.8092	x	
POLICE SERVICES MANAGER	\$ 96,593.58	\$ 99,008.42	\$ 101,483.63	\$ 104,020.72	\$ 106,621.23	\$ 109,286.77	\$ 112,018.93	\$ 114,819.41	\$ 117,689.89	\$ 120,632.14		x
POLICE SERVICES SUPERVISOR	\$ 81,005.80	\$ 83,030.94	\$ 85,106.72	\$ 87,234.38	\$ 89,415.24	\$ 91,650.62	\$ 93,941.89	\$ 96,290.44	\$ 98,697.70	\$ 101,165.14		x
PRINCIPAL ACCOUNTANT-AUDITOR	\$ 104,046.99	\$ 106,648.16	\$ 109,314.37	\$ 112,047.23	\$ 114,848.41	\$ 117,719.62	\$ 120,662.61	\$ 123,679.17	\$ 126,771.15	\$ 129,940.43		x
PRINCIPAL CIVIL ENGINEER	\$ 108,878.46	\$ 111,600.42	\$ 114,390.43	\$ 117,250.20	\$ 120,181.45	\$ 123,185.99	\$ 126,265.64	\$ 129,422.28	\$ 132,657.83	\$ 135,974.28		x
PRINCIPAL INFORMATION TECHNOLOGY ANALYST	\$ 104,046.99	\$ 106,648.16	\$ 109,314.37	\$ 112,047.23	\$ 114,848.41	\$ 117,719.62	\$ 120,662.61	\$ 123,679.17	\$ 126,771.15	\$ 129,940.43		x
PROGRAM ANALYST	\$ 33.5835	\$ 34.4231	\$ 35.2837	\$ 36.1658	\$ 37.0699	\$ 37.9967	\$ 38.9466	\$ 39.9202	\$ 40.9182	\$ 41.9412	x	
PROGRAM ASSISTANT	\$ 20.3599	\$ 20.8689	\$ 21.3906	\$ 21.9254	\$ 22.4735	\$ 23.0353	\$ 23.6112	\$ 24.2015	\$ 24.8065	\$ 25.4267	x	
RECEPTIONIST	\$ 15.4242	\$ 15.8098	\$ 16.2050	\$ 16.6102	\$ 17.0254	\$ 17.4511	\$ 17.8873	\$ 18.3345	\$ 18.7929	\$ 19.2627	x	
SENIOR ACCOUNTANT-AUDITOR	\$ 95,667.60	\$ 98,059.29	\$ 100,510.77	\$ 103,023.54	\$ 105,599.13	\$ 108,239.11	\$ 110,945.08	\$ 113,718.71	\$ 116,561.68	\$ 119,475.72		x
SENIOR BUILDING INSPECTOR	\$ 36.5000	\$ 37.4125	\$ 38.3478	\$ 39.3065	\$ 40.2892	\$ 41.2964	\$ 42.3288	\$ 43.3870	\$ 44.4717	\$ 45.5835	x	
SENIOR CIVIL ENGINEER <i>eff. July 3, 2022</i>	\$ 98,980.35	\$ 101,454.86	\$ 103,991.24	\$ 106,591.02	\$ 109,255.79	\$ 111,987.19	\$ 114,786.87	\$ 117,656.54	\$ 120,597.95	\$ 123,612.90		x
SENIOR CIVIL/TRAFFIC ENGINEER	\$ 98,980.35	\$ 101,454.86	\$ 103,991.24	\$ 106,591.02	\$ 109,255.79	\$ 111,987.19	\$ 114,786.87	\$ 117,656.54	\$ 120,597.95	\$ 123,612.90		x
SENIOR INFORMATION TECHNOLOGY TECHNICIAN	\$ 33.6060	\$ 34.4462	\$ 35.3073	\$ 36.1900	\$ 37.0947	\$ 38.0221	\$ 38.9727	\$ 39.9470	\$ 40.9457	\$ 41.9693	x	
SENIOR MAINTENANCE WORKER	\$ 25.3660	\$ 26.0002	\$ 26.6502	\$ 27.3164	\$ 27.9994	\$ 28.6993	\$ 29.4168	\$ 30.1522	\$ 30.9060	\$ 31.6787	x	
SENIOR MANAGEMENT ANALYST	\$ 91,112.04	\$ 93,389.84	\$ 95,724.58	\$ 98,117.70	\$ 100,570.64	\$ 103,084.91	\$ 105,662.03	\$ 108,303.58	\$ 111,011.17	\$ 113,786.45		x
SENIOR OFFICE ASSISTANT	\$ 20.3599	\$ 20.8689	\$ 21.3906	\$ 21.9254	\$ 22.4735	\$ 23.0353	\$ 23.6112	\$ 24.2015	\$ 24.8065	\$ 25.4267	x	
SENIOR PLANNER	\$ 82,429.29	\$ 84,490.02	\$ 86,602.27	\$ 88,767.33	\$ 90,986.51	\$ 93,261.18	\$ 95,592.71	\$ 97,982.52	\$ 100,432.09	\$ 102,942.89		x
SENIOR PLANNING TECHNICIAN	\$ 27.6714	\$ 28.3632	\$ 29.0723	\$ 29.7991	\$ 30.5441	\$ 31.3077	\$ 32.0904	\$ 32.8926	\$ 33.7149	\$ 34.5578	x	
SENIOR TRAFFIC TECHNICIAN	\$ 29.8368	\$ 30.5827	\$ 31.3473	\$ 32.1310	\$ 32.9343	\$ 33.7576	\$ 34.6016	\$ 35.4666	\$ 36.3533	\$ 37.2621	x	
SENIOR DATABASE AND APPLICATIONS ANALYST	\$ 46.7314	\$ 47.8997	\$ 49.0972	\$ 50.3246	\$ 51.5827	\$ 52.8723	\$ 54.1941	\$ 55.5489	\$ 56.9377	\$ 58.3611	x	
STREETS & UTILITIES MAINTENANCE SUPERVISOR	\$ 91,112.04	\$ 93,389.84	\$ 95,724.58	\$ 98,117.70	\$ 100,570.64	\$ 103,084.91	\$ 105,662.03	\$ 108,303.58	\$ 111,011.17	\$ 113,786.45		x
TRAFFIC & SIGNAL OPERATIONS SUPERVISOR	\$ 91,112.04	\$ 93,389.84	\$ 95,724.58	\$ 98,117.70	\$ 100,570.64	\$ 103,084.91	\$ 105,662.03	\$ 108,303.58	\$ 111,011.17	\$ 113,786.45		x
Citrus Heights Police Officers Association	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8	Step 9	Step 10	Hourly	Annual
POLICE OFFICER	\$ 36.3222	\$ 37.2303	\$ 38.1611	\$ 39.1151	\$ 40.0930	\$ 41.0953	\$ 42.1227	\$ 43.1757	\$ 44.2551	\$ 45.3615	x	

Citrus Heights Police Employees Association	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8	Step 9	Step 10	Hourly	Annual
ANIMAL SERVICES OFFICER I	\$ 26.2424	\$ 26.8985	\$ 27.5710	\$ 28.2602	\$ 28.9667	\$ 29.6909	\$ 30.4332	\$ 31.1940	\$ 31.9739	\$ 32.7732	x	
ANIMAL SERVICES OFFICER II	\$ 28.8666	\$ 29.5882	\$ 30.3279	\$ 31.0861	\$ 31.8633	\$ 32.6599	\$ 33.4764	\$ 34.3133	\$ 35.1711	\$ 36.0504	x	
CODE ENFORCEMENT OFFICER I	\$ 26.2424	\$ 26.8985	\$ 27.5710	\$ 28.2602	\$ 28.9667	\$ 29.6909	\$ 30.4332	\$ 31.1940	\$ 31.9739	\$ 32.7732	x	
CODE ENFORCEMENT OFFICER II	\$ 28.8666	\$ 29.5882	\$ 30.3279	\$ 31.0861	\$ 31.8633	\$ 32.6599	\$ 33.4764	\$ 34.3133	\$ 35.1711	\$ 36.0504	x	
CODE ENFORCEMENT TECHNICIAN	\$ 23.8567	\$ 24.4532	\$ 25.0645	\$ 25.6911	\$ 26.3334	\$ 26.9917	\$ 27.6665	\$ 28.3582	\$ 29.0671	\$ 29.7938	x	
COMMUNITY SERVICES OFFICER I	\$ 21.8494	\$ 22.3956	\$ 22.9555	\$ 23.5294	\$ 24.1176	\$ 24.7206	\$ 25.3386	\$ 25.9721	\$ 26.6214	\$ 27.2869	x	
COMMUNITY SERVICES OFFICER II	\$ 24.0344	\$ 24.6353	\$ 25.2512	\$ 25.8824	\$ 26.5295	\$ 27.1927	\$ 27.8726	\$ 28.5694	\$ 29.2836	\$ 30.0157	x	
CRIME SCENE / PROPERTY EVIDENCE SPECIALIST I	\$ 26.3832	\$ 27.0428	\$ 27.7188	\$ 28.4118	\$ 29.1221	\$ 29.8502	\$ 30.5964	\$ 31.3613	\$ 32.1454	\$ 32.9490	x	
CRIME SCENE / PROPERTY EVIDENCE SPECIALIST II	\$ 29.0214	\$ 29.7470	\$ 30.4906	\$ 31.2529	\$ 32.0342	\$ 32.8351	\$ 33.6560	\$ 34.4974	\$ 35.3598	\$ 36.2438	x	
POLICE CRIME ANALYST	\$ 31.9237	\$ 32.7218	\$ 33.5398	\$ 34.3783	\$ 35.2378	\$ 36.1187	\$ 37.0217	\$ 37.9472	\$ 38.8959	\$ 39.8683	x	
POLICE DISPATCHER I *	\$ 28.8109	\$ 29.5312	\$ 30.2695	\$ 31.0262	\$ 31.8019	\$ 32.5969	\$ 33.4118	\$ 34.2471	\$ 35.1033	\$ 35.9809	x	
POLICE DISPATCHER II *	\$ 31.6921	\$ 32.4844	\$ 33.2965	\$ 34.1289	\$ 34.9822	\$ 35.8567	\$ 36.7531	\$ 37.6720	\$ 38.6138	\$ 39.5791	x	
POLICE RECORDS ASSISTANT I *	\$ 21.6275	\$ 22.1682	\$ 22.7224	\$ 23.2905	\$ 23.8727	\$ 24.4695	\$ 25.0813	\$ 25.7083	\$ 26.3510	\$ 27.0098	x	
POLICE RECORDS ASSISTANT II *	\$ 23.7903	\$ 24.3850	\$ 24.9947	\$ 25.6195	\$ 26.2600	\$ 26.9165	\$ 27.5894	\$ 28.2792	\$ 28.9861	\$ 29.7108	x	
SENIOR COMMUNITY SERVICES OFFICER	\$ 27.6395	\$ 28.3305	\$ 29.0388	\$ 29.7648	\$ 30.5089	\$ 31.2716	\$ 32.0534	\$ 32.8547	\$ 33.6761	\$ 34.5180	x	
SENIOR ANIMAL SERVICES OFFICER	\$ 33.1994	\$ 34.0294	\$ 34.8801	\$ 35.7521	\$ 36.6459	\$ 37.5621	\$ 38.5011	\$ 39.4637	\$ 40.4502	\$ 41.4615	x	
SENIOR CRIME SCENE / PROPERTY EVIDENCE SPECIALIST	\$ 31.9237	\$ 32.7218	\$ 33.5398	\$ 34.3783	\$ 35.2378	\$ 36.1187	\$ 37.0217	\$ 37.9472	\$ 38.8959	\$ 39.8683	x	
SENIOR POLICE DISPATCHER *	\$ 34.8613	\$ 35.7328	\$ 36.6262	\$ 37.5418	\$ 38.4804	\$ 39.4424	\$ 40.4284	\$ 41.4391	\$ 42.4751	\$ 43.5370	x	
SENIOR POLICE RECORDS ASSISTANT *	\$ 26.1693	\$ 26.8236	\$ 27.4941	\$ 28.1815	\$ 28.8860	\$ 29.6082	\$ 30.3484	\$ 31.1071	\$ 31.8848	\$ 32.6819	x	
SENIOR CODE ENFORCEMENT OFFICER	\$ 31.7533	\$ 32.5471	\$ 33.3608	\$ 34.1948	\$ 35.0497	\$ 35.9259	\$ 36.8241	\$ 37.7447	\$ 38.6883	\$ 39.6555	x	

*Hourly rate based on 1872 annual hours
CITY COUNCIL \$600 per month (as outlined in Government Code § 36516)

Extra Help	Hourly Range Low	Hourly Range High
ASSOCIATE ENGINEER - EXTRA HELP	\$ 37.6180	\$ 46.9797
CITY ENGINEER - EXTRA HELP	\$ 62.6319	\$ 78.2186
COMMUNITY SERVICES OFFICER - EXTRA HELP	\$ 21.8494	\$ 27.2869
DATA ENTRY ASSISTANT - EXTRA HELP	\$ 16.6365	\$ 20.7768
FACILITY ATTENDANT	\$ 16.7841	\$ 16.7841
FACILITY ATTENDANT TRAINEE	\$ 15.0000	\$ 15.0000
INTERN - EXTRA HELP	\$ 15.0000	\$ 15.0000
JUNIOR ENGINEERING AIDE- EXTRA HELP	\$ 16.3084	\$ 20.3669
MANAGEMENT AIDE - EXTRA HELP	\$ 17.4969	\$ 21.8512
MANAGEMENT INTERN - EXTRA HELP	\$ 15.2146	\$ 19.0010
OFFICE ASSISTANT - EXTRA HELP	\$ 18.5090	\$ 23.1152
POLICE DISPATCH ASSISTANT - EXTRA HELP	\$ 20.5792	\$ 25.7006
POLICE DISPATCHER-PER DIEM A	\$ 30.5396	\$ 30.5396
POLICE DISPATCHER-PER DIEM B	\$ 35.9809	\$ 35.9809
POLICE DISPATCHER-PER DIEM C	\$ 39.5791	\$ 39.5791
POLICE FLEET MANAGER- EXTRA HELP	\$ 52.3622	\$ 65.3932
POLICE OFFICER - RESERVE II-EXTRA HELP	\$ 15.0000	\$ 19.2600
POLICE OFFICER - RESERVE I-EXTRA HELP	\$ 36.3222	\$ 45.3615
POLICE OFFICER - R1 TRAINEE-EXTRA HELP	\$ 19.5000	\$ 20.8650
POLICE RECORDS ASSISTANT I - EXTRA HELP	\$ 21.6275	\$ 27.0098
POLICE RECORDS ASSISTANT II - EXTRA HELP	\$ 23.7903	\$ 29.7108
PROGRAM ANALYST - EXTRA HELP	\$ 33.5835	\$ 41.9412
PROPERTY CLERK - EXTRA HELP	\$ 20.7296	\$ 25.8884
SENIOR ACCOUNT-AUDITOR - EXTRA HELP	\$ 45.9940	\$ 57.4403
SENIOR POLICE RECORDS ASSISTANT -EXTRA HELP	\$ 26.1693	\$ 32.6819
VOLUNTEER COORDINATOR - EXTRA HELP	\$ 24.0344	\$ 30.0157

Executive Management	Annual Range Low	Annual Range High
ADMINISTRATIVE SERVICES DIRECTOR	142,858.65	188,933.27
ASSISTANT CITY MANAGER	157,146.77	207,826.60
CHIEF OF POLICE	174,506.21	230,787.26
CITY MANAGER <i>eff. January 13, 2022</i>	240,000.00	240,000.00
COMMUNITY DEVELOPMENT DIRECTOR	142,858.65	188,933.27
COMMUNITY SERVICES DIRECTOR	150,003.73	198,379.93
ECONOMIC DEVELOPMENT AND COMMUNITY ENGAGEMENT DIRECTOR	142,858.65	188,933.27
FINANCE DIRECTOR	142,858.65	188,933.27
GENERAL SERVICES DIRECTOR	147,146.52	194,601.27



CITY OF CITRUS HEIGHTS

CITY COUNCIL STAFF REPORT

MEMORANDUM

DATE: June 23, 2022

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

FROM: Amy Van, City Clerk

SUBJECT: **Provide Direction on School Safety Committee Discussion**

Summary and Recommendation

The recent tragedy in Uvalde, Texas weighs heavily on the minds of people in this nation and our community. Public safety is a core pillar of the community and is of great importance to the City Council. With that in mind, at the May 26, 2022 City Council Meeting, during the Items Requested by Council Members and Future Agenda Items portion of the meeting, Council discussed forming a committee to work with San Juan Unified School District (SJUSD) to examine the security and safety of Citrus Heights area schools and make recommendations for such enhancements.

The City Council discussed the mechanism for addressing this topic, and whether the best means is through forming an ad hoc committee to address this specific safety topic or charging the existing City Council Education 2x2 Ad Hoc Subcommittee, which is comprised of two Council Members, City staff, and San Juan Unified School District members and staff, with the task of reviewing the security and safety measures of Citrus Heights area schools. Considering this item was addressed as a future agenda item and was not an item on the agenda scheduled for action, staff is bringing this item back to City Council with an update on SJUSD activities and discussions, and for a clarification of the committee direction. Moreover, the type of committee created is relevant to the determination as to whether the Brown Act would apply to its meetings.

Subsequent to the May 26, 2022 City Council meeting, the San Juan Unified School District Board of Education held a meeting on June 14, 2022, and one of their agenda items for discussion was a Resolution Affirming Safe Learning Environments. The SJUSD resolution allocated \$10,000,000 from approved facilities improvement funds to be utilized for the dedicated purpose of implementing high-priority safety improvements to school campuses within the District. The resolution further directs the Board of Education to continue to work with local community members, local law enforcement, mental health professionals, parents, students, teachers and staff to take any threats of violence seriously and to develop, implement and monitor policies and programs that foster and support a positive school climate, free from harassment and violence.

The City Manager has been in contact with the SJUSD Superintendent to inform them of the City Council's desire to engage on this topic. The Superintendent is contacting the SJUSD appointed 2x2 members to schedule a meeting accordingly.

Fiscal Impact

The fiscal impact of an ad hoc committee would be staff time assisting to coordinate scheduling for meetings.

Actions for Consideration

Staff recommends the City Council discuss and provide direction on the formation of a temporary ad hoc committee with the goal of examining security and safety of schools in the Citrus Heights area and make recommendations for enhancements.

The following alternatives are provided for Council's consideration:

- a. Consider establishing a temporary ad hoc committee composed of two Council members to coordinate with staff and report back to the City Council;
- b. Consider the topic as a function of the existing City Council Education 2x2 Ad Hoc Subcommittee;
- c. Provide alternate direction to staff.