CITY OF CITRUS HEIGHTS
CITY COUNCIL
Special and Regular Meeting of Wednesday, January 28, 2026
City Hall Council Chambers 6360 Fountain Square Drive, Citrus Heights, CA
5:30 PM SPECIAL MEETING
6:00 PM REGULAR MEETING

HOW TO PARTICIPATE:

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

LEVINE ACT:

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

January 28, 2026 City Council Agenda Packet

Documents:

01-28-26 SPECIAL AND REGULAR COUNCIL AGENDA PACKET.PDF

CALL SPECIAL MEETING TO ORDER

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

PUBLIC COMMENT

2. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION

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

CLOSED SESSION

REPORT OUT OF CLOSED SESSION

ADJOURNMENT

CALL REGULAR MEETING TO ORDER

1. Flag Salute

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

3. Video Statement

APPROVAL OF AGENDA

PRESENTATIONS

4. Presentation By Republic Services – Poster Contest Winners

5. Proclamation Of The City Of Citrus Heights Proclaiming January 2026 As "Neighborhood Area Awareness Month"

PUBLIC COMMENT

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

COMMENTS BY COUNCIL MEMBERS AND REGIONAL BOARD UPDATES

CONSENT CALENDAR

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

6. SUBJECT: Approval Of Minutes

RECOMMENDATION: Approve the Minutes of the Special and Regular Meetings of January 14, 2026

7. SUBJECT: Authorization To Submit The Permanent Local Housing Allocation Application And Amendment No. 2 Of The Five-Year Spending Plan

STAFF REPORT: C. Kempenaar / N. Piva
RECOMMENDATION: Adopt Resolution No. 2026-___ A Resolution of the City Council of the City of Citrus Heights, California, Authorizing the Application and Amending the PLHA Plan for the Permanent Local Housing Allocation Program

PUBLIC HEARINGS

8. SUBJECT: Commercial Property Reoccupancy Program Ordinance And Establishment Of Fees

STAFF REPORT: M. Huber / C. Kempenaar / A. Turcotte / S. Lui / A. Aguirre
RECOMMENDATION: Staff recommends the City Council:
a. Introduce for a First Reading, read by title only, and waive the first full reading of Ordinance No. 2026-_____ An Ordinance of the City Council of the City of Citrus Heights, California, Adding Chapter 52 to the Citrus Heights Municipal Code to Establish a Commercial Property Reoccupancy Program; and
b. Adopt Resolution 2026-____ A Resolution of the City Council of the City of Citrus Heights, California, Adopting a Fee Schedule for the Commercial Property Reoccupancy Program.

REGULAR CALENDAR

9. SUBJECT: Homeless And Housing Partnership Model And Senate Bill 802 Discussion

STAFF REPORT: C. Kempenaar / N. Piva

DEPARTMENT REPORTS

10. SUBJECT: Annual Communications Update

DEPARTMENT: Economic Development & Community Engagement

CITY MANAGER ITEMS

ITEMS REQUESTED BY COUNCIL MEMBERS / FUTURE AGENDA ITEMS

ADJOURNMENT

CITRUS HEIGHTS
CALIFORNIA
Solid roots. New growth.

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

CITY OF CITRUS HEIGHTS
CITY COUNCIL
Special and Regular Meetings of Wednesday, January 28, 2026
City Hall Council Chambers, 6360 Fountain Square Dr., Citrus Heights, CA
Special Meeting 5:30 p.m.
Regular Meeting 6:00 p.m.

HOW TO PARTICIPATE:

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

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

LEVINE ACT:

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January 23, 2026

Amy Van, City Clerk

SPECIAL CITY COUNCIL MEETING
5:30 PM

CALL SPECIAL MEETING TO ORDER

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

PUBLIC COMMENT

CLOSED SESSION

2. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION
   Initiation of litigation pursuant to Government Code Section 54956.9(d)(4)
   Number of potential cases: 1

REPORT OUT OF CLOSED SESSION

ADJOURNMENT

REGULAR CITY COUNCIL MEETING
6:00 PM

CALL REGULAR MEETING TO ORDER

1. Flag Salute

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

3. Video Statement

APPROVAL OF AGENDA

PRESENTATIONS

4. Presentation by Republic Services – Poster Contest Winners

5. Proclamation of the City of Citrus Heights Proclaiming January 2026 as “Neighborhood Area Awareness Month”

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

COMMENTS BY COUNCIL MEMBERS AND REGIONAL BOARD UPDATES

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

6. **SUBJECT:** Approval of Minutes
RECOMMENDATION: Approve the Minutes of the Special and Regular Meetings of January 14, 2026

7. **SUBJECT:** Authorization to Submit the Permanent Local Housing Allocation Application and Amendment No. 2 of the Five-Year Spending Plan
STAFF REPORT: C. Kempenaar / N. Piva
RECOMMENDATION: Adopt Resolution No. 2026-___ A Resolution of the City Council of the City of Citrus Heights, California, Authorizing the Application and Amending the PLHA Plan for the Permanent Local Housing Allocation Program

PUBLIC HEARINGS (Estimated Start Time 6:50 p.m.)

8. **SUBJECT:** Commercial Property Reoccupancy Program Ordinance and Establishment of Fees
STAFF REPORT: M. Huber / C. Kempenaar / A. Turcotte / S. Lui / A. Aguirre
RECOMMENDATION: Staff recommends the City Council:

   a. Introduce for a First Reading, read by title only, and waive the first full reading of Ordinance No. 2026-_____ An Ordinance of the City Council of the City of Citrus Heights, California, Adding Chapter 52 to the Citrus Heights Municipal Code to Establish a Commercial Property Reoccupancy Program; and

   b. Adopt Resolution 2026-____ A Resolution of the City Council of the City of Citrus Heights, California, Adopting a Fee Schedule for the Commercial Property Reoccupancy Program.

REGULAR CALENDAR (Estimated Start Time 7:30 p.m.)

9. **SUBJECT:** Homeless and Housing Partnership Model and Senate Bill 802 Discussion
STAFF REPORT: C. Kempenaar / N. Piva

DEPARTMENT REPORTS

10. **SUBJECT:** Annual Communications Update
DEPARTMENT: Economic Development & Community Engagement

CITY MANAGER ITEMS

ITEMS REQUESTED BY COUNCIL MEMBERS / FUTURE AGENDA ITEMS

ADJOURNMENT

AMERICANS WITH DISABILITIES ACT:

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

WRITINGS RECEIVED AFTER AGENDA POSTING:

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

CITY OF CITRUS HEIGHTS
CITY COUNCIL
MINUTES
Special and Regular Meetings of Wednesday, January 14, 2026
City Hall Council Chambers
6360 Fountain Square Dr., Citrus Heights, CA 95621

CALL SPECIAL MEETING TO ORDER

The special meeting was called to order at 5:31 p.m. by Mayor Lopez-Taff.

1. Roll Call: Council Members present: Karpinski-Costa, Nelson, Schaefer, Middleton, Lopez-Taff
   Council Member absent: None
   Staff Members present: Feeney, Jones, Van

PUBLIC COMMENT

None

CLOSED SESSION

2. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION
   Initiation of litigation pursuant to Government Code Section 54956.9(d)(4)
   Number of potential cases: 1

The City Council, City Manager and City Attorney participated in the closed session.

REPORT OUT OF CLOSED SESSION

There was no reportable action from closed session.

ADJOURNMENT

Mayor Lopez-Taff adjourned the special meeting at 5:59 p.m.

CALL REGULAR MEETING TO ORDER

The regular meeting was called to order at 6:02 p.m. by Mayor Lopez-Taff.

1. The Flag Salute was led by Council Member Nelson.

2. Roll Call: Council Members present: Karpinski-Costa, Nelson, Schaefer, Middleton, Lopez-Taff
   Council Member absent: None
   Staff Members present: Bermudez, Feeney, Huber, Jones, Van and department directors.

3. The video statement was read by City Clerk Van.

APPROVAL OF AGENDA

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

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

PRESENTATIONS

4. Recognition of Outgoing Mayor

The City Council presented Council Member Karpinski-Costa with a plaque, flowers and a plant in recognition of her term as Mayor from September 2024 – December 2025.

Council Members and City Manager Feeney expressed appreciation for Dr. Karpinski-Costa's leadership and collaboration.

Council Member Karpinski-Costa thanked the Council, City Manager Feeney and staff and reflected on what she felt was the best part of her term: Mondays with the Mayor and being able to solve issues for residents.

PUBLIC COMMENT

None

COMMENTS BY COUNCIL MEMBERS AND REGIONAL BOARD UPDATES

Council Member Karpinski-Costa delivered food to households in her neighborhood, Neighborhood Area 10 – Sylvan Old Auburn Road (SOAR), for the holidays. She attended a Sacramento-Yolo Mosquito & Vector Control District Board meeting. She went to the Chip Chip Hooray! pet licensing and free microchipping event. She attended a Sacramento Area Sewer District meeting and reported that the meeting schedule will be reduced to one per month.

Council Member Schaefer attended a Sacramento Regional Transit District (SacRT) Board meeting and a Sacramento Area Council of Governments (SACOG) meeting. He will be speaking to several neighborhoods to promote the new SacRT Flex program. He participated alongside City Manager Feeney in ABC10's coverage of the opening of Must Be Cow.

Council Member Nelson attended the Citrus Heights Police Officers' Association "Shop with a Cop" annual holiday event benefitting underprivileged students and their families.

Vice Mayor Middleton attended Shop with a Cop and participated in Operation Holiday Cheer, an annual family gifting event providing Citrus Heights families with food, household essentials, toys and clothing.

Mayor Lopez-Taff went to Shop with a Cop and Operation Holiday Cheer. She attended the Mitchell Village project acceptance ceremony. She spoke at a Residents' Empowerment Association of Citrus

Heights (REACH) board meeting. She was invited to be a Citrus Heights project coordinator for the Big Day of Service, scheduled for May 16, 2026. She is now on the League of CA Cities' Sacramento Valley Division board, and Citrus Heights will be the host city for the June meeting on Economic Development. She attended a meeting of the Sacramento Public Library Authority Board. She listened in on an online meeting of the Sacramento Steps Forward Continuum of Care board, where projected funding delays from the U.S. Department of Housing and Urban Development (HUD) were discussed.

CONSENT CALENDAR

5. **SUBJECT:** Approval of Minutes
RECOMMENDATION: Approve the Minutes of the Meeting of December 10, 2025

6. Pulled for a separate vote.

7. **SUBJECT:** Declaration of Exempt Surplus Property – 7859 Casa Bella Way
STAFF REPORT: C. Kempenaar/S. Lui
RECOMMENDATION: Adopt Resolution No. 2026-002 A Resolution of the City Council of the City of Citrus Heights, California, Declaring One Vacant Single-Family Home at 7859 Casa Bella Way as Exempt Surplus Property

Prior to action being taken, Council Member Karpinski-Costa pulled Item 6 for a separate vote.

ACTION: On a motion by Council Member Karpinski-Costa, seconded by Council Member Schaefer, the City Council adopted Consent Calendar Items 5 and 7.

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

CONSENT CALENDAR ITEMS PULLED FOR SEPARATE VOTE

6. **SUBJECT:** Appointments to Regional Boards and Committees
STAFF REPORT: A. Van
RECOMMENDATION: Adopt Resolution No. 2026-001 A Resolution of the City Council of the City of Citrus Heights, California, Confirming Appointments of City Councilmembers to Serve on Council Standing Committees and Various Regional Authorities, Agencies, Commissions, and Committees for Calendar Year 2026

Council Member Karpinski-Costa stated that Council Member Nelson has agreed to be the Alternate for the Sacramento Transportation Authority instead of her.

ACTION: On a motion by Council Member Karpinski-Costa, seconded by Council Member Nelson, the City Council adopted Consent Calendar Item 6, as amended.

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

DEPARTMENT REPORTS

8. **SUBJECT:** Sayonara Drive Habitat for Humanity Update
DEPARTMENT: Community Development

Senior Planner Bermudez introduced the item. She stated that staff believes this is an appropriate time to give the City Council an update, as the project has seen a lot of progress over the last few months.

Leah Miller, CEO of Habitat for Humanity of Greater Sacramento, provided a presentation with an overview of the development – a 26-unit Affordable Homeownership Community for first-time home buyers. She stated that the approximate cost for infrastructure and construction is $8.5 Million and the development's completion is scheduled for October 2027. She thanked community partners, including the City of Citrus Heights, state and federal funding sources, Habitat local sponsorships and support from individuals. She provided an update on the three phases of the project and announced that the dedication ceremony for Phase 1 is planned for June 6, 2026. She reviewed a summary of the community outreach done for Phases 1 and 2. Applications for Phase 3 homes will be accepted February 1 – March 30 and required orientation sessions will be offered in-person and virtually. City Council questions followed.

9. **SUBJECT:** Blight Flash Vote Results
DEPARTMENT: Economic Development & Community Engagement

Director Huber provided a presentation with an overview of blight abatement priorities and FlashVote results. She explained that FlashVote is a survey tool that gathers statistically valid community sentiment data. In the Blight Abatement category, the City has set a standard for itself to benchmark progress each year. At the City Council's 2022 Strategic Planning session, the Council identified "community image" as a priority area where progress was desired. This is inclusive of blight abatement, community beautification and homeless response and prevention. Director Huber reviewed the 2022-2025 Blight Abatement initiatives and the progress made. She displayed the FlashVote results from 2022 and 2024, which showed that community sentiment on blight abatement moved from unfavorable to favorable. She reviewed the live 2025 results, which show a continued rate of progress with blight management and homeless response and prevention.

City Council questions followed. Council Member Karpinski-Costa requested printed copies of the comments from the survey respondents.

CITY MANAGER ITEMS

City Manager Feeney discussed the growth in Accessory Dwelling Unit (ADU) permits issued in Citrus Heights in 2025. He announced that the Interest Meeting for the Big Day of Service is scheduled for January 29, 2026. The Business of Distinction nomination period is now open and closes on February 6. City Hall will be closed on January 19 in observance of Martin Luther King Jr. Day.

ITEMS REQUESTED BY COUNCIL MEMBERS / FUTURE AGENDA ITEMS

Mayor Lopez-Taff shared information about the Sacramento Steps Forward Point-in-Time (PIT) Count, an estimate of the number of people experiencing unsheltered homelessness in Sacramento County. Volunteers are actively being sought to participate in this count.

Council Member Schaefer requested a discussion about having a scavenger hunt for residents to explore City amenities, seconded by Council Member Karpinski-Costa.

ADJOURNMENT

Mayor Lopez-Taff adjourned the regular meeting at 7:09 p.m.

Respectfully submitted,

_____

Amy Van, City Clerk

CITY OF CITRUS HEIGHTS

CITY COUNCIL STAFF REPORT MEMORANDUM

DATE: January 28, 2026

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

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

SUBJECT: **Authorization to Submit the Permanent Local Housing Allocation Application and Amendment No. 2 of the Five-Year Spending Plan**

Recommendation

Senate Bill 2 (SB 2) (Chapter 364, Statues of 2017) established a permanent source of funding to increase California's affordable housing stock. Because SB 2 revenue is generated from real estate transaction fees, the amount collected varies annually based on market activity.

Beginning in calendar year 2019, the legislation requires the California Department of Housing and Community Development (HCD) to allocate 70 percent of this revenue to local governments for eligible housing-related projects and programs addressing unmet housing needs. This funding framework is known as the Permanent Local Housing Allocation (PLHA) Program.

Staff recommends the following:

1. Adopt Resolution No. 2026-____A Resolution of the City Council of the City of Citrus Heights, California, Authorizing the Application and Amending the PLHA Plan for the Permanent Local Housing Allocation Program.

Strategic Plan Alignment

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

Goal: Maintain and Enhance Fiscal Stability While Supporting Operational Excellence

Goal: Enhance Community Vibrancy and Engagement

Fiscal Impact

There is no impact on the City's General Fund. The total PLHA allocation for 2019-2023 is $1,807,485, which fully supports eligible housing-related activities. The program also allows the City to recover up to 5% of each year grant for administrative costs. The Five-Year Spending Plan **(Attachment 1)** provides detailed allocations by year and activity.

Background and Analysis

On February 26, 2020, the California Department of Housing and Community Development (HCD) released a Notice of Funding Availability (NOFA) pursuant to Senate Bill (SB) 2 (Chapter 364, Statutes of 2017). SB 2 established the Building Homes and Jobs Trust Fund, which dedicates 70% of annual revenues beginning in 2019—to local governments for eligible housing and homelessness-related activities. The intent of SB 2 is to create a permanent, ongoing source of funding to help communities address their housing needs.

Eligible activities under the PLHA Final Guidelines October 2019; Section 301(a):

1. Predevelopment, development, acquisition, rehabilitation, and preservation of multifamily, residential live-work, rental housing that is Affordable to Extremely low-, Very low-, Low-, or Moderate-income households, including necessary Operating subsidies.
2. Predevelopment, development, acquisition, rehabilitation, and preservation of Affordable rental and ownership housing, including Accessory dwelling units (ADUs), that meet the needs of a growing workforce earning up to 120 percent of AMI, or 150 percent of AMI in high-cost areas. ADUs shall be available for occupancy for a term of no less than 30 days.
3. Matching portions of funds placed into Local or Regional Housing Trust Funds.
4. Matching portions of funds available through the Low- and Moderate-Income Housing Asset Fund pursuant to subdivision (d) of HSC Section 34176.
5. Capitalized Reserves for Services connected to the preservation and creation of new Permanent supportive housing.
6. Assisting persons who are experiencing or at risk of homelessness, including, but not limited to, providing rapid rehousing, rental assistance, supportive/case management services that allow people to obtain and retain housing, operating and capital costs for navigation centers and emergency shelters, and the new construction, rehabilitation, and preservation of permanent and transitional housing.
7. Accessibility modifications in Lower-income Owner-occupied housing.
8. Efforts to acquire and rehabilitate foreclosed or vacant homes and apartments.
9. Homeownership opportunities, including, but not limited to, down payment assistance.
10. Fiscal incentives made by a county to a city within the county to incentivize approval of one or more Affordable Housing Projects, or matching funds invested by a county in an Affordable housing development Project in a city within the county, provided that the city has made an equal or greater investment in the Project.

July 9, 2020, City Council Meeting

To inform the development of the City's PLHA spending plan, the City Council's Quality-of-Life Committee met on June 17, 2020, to discuss potential eligible activities. Based on an assessment of community needs and feedback from the Quality-of-Life Committee and the public, the City Council approved the following activities on July 9, 2020:

1. Affordable Housing Development – PLHA Activity 301(a)(2)
   Predevelopment, development, acquisition, rehabilitation, and preservation of Affordable rental and ownership housing, including Accessory dwelling units (ADUs), that meet the needs of a growing workforce earning up to 120 percent of AMI, or 150 percent of AMI in high-cost areas. ADUs shall be available for occupancy for a term of no less than 30 days.

2. Homeless Assistance – PLHA Activity 301(a)(6)
   Assisting individuals who are experiencing or at-risk of homelessness.

3. Homeownership Assistance – PLHA Activity 301(a)(9)
   Homeownership opportunities, including, but not limited to, down payment assistance.

January 26, 2023, City Council Meeting

At the January 26, 2023, meeting, the City Council approved the following actions:

1. Submission of a PLHA Funding Application
   The Council authorized submitting a PLHA application in response to HCD's August 17, 2022, Notice of Funding Availability for the 2020 and 2021 allocation years.

2. Amendment No. 1 to the Five-Year PLHA Spending Plan
   Since the Council's original approval of the PLHA plan for July 9, 2020, two developments required adjustments to the planned activities:

   - Activities related to Accessory Dwelling Units (ADUs) were funded through the Regional Early Action Planning (REAP) Grant.

   - Market conditions no longer support a viable downpayment assistance program.

As a result, the Council amended the five-year spending plan to remove these activities and to focus funds on the following:

1. Affordable Housing Development – PLHA Activity 301(a)(1)
   Funding allocated to the predevelopment and development costs of the Sayonara Drive Redevelopment Project, which will produce 26 ownership housing units.

2. Homeless Assistance – PLHA Activity 301(a)(6)
   Funding to support the Citrus Heights Navigator Program and provide case management, housing-related assistance, and essential services to individuals experiencing or at risk of homelessness.

January 28, 2026, City Council Meeting

1. Authorize Submission of the PLHA Funding Application (2022-2023) – **Attachment 2**
   The City is eligible to receive $268,126 for Calander Year 2022 and $205,590 for Calendar Year 2023 through the PLHA Program. Staff recommends allocating these funds to the Sayonara Drive Redevelopment Ownership Project, consistent with the Memorandum of Understanding (MOU) with Habitat for Humanity of Greater Sacramento.

   On October 15, 2024, HCD released the Calendar Year Allocations PLHA Program's Local Government Formula Notice of Funding Availability (NOFA). This NOFA includes the City's allocations for calendar years 2022 and 2023, making the City eligible to apply for these funds.[1]

2. Approve Amendment No. 2 to the Five-Year Spending Plan – **Attachment 3**
   The proposed reallocation is recommended because homeless outreach services are now provided through a MOU with the County of Sacramento and Community Health Works, effective November 17, 2023, through June 30, 2026. As a result, PLHA funding previously allocated to Homeless Services is no longer required for that purpose.

   Staff recommends approving Amendment No. 2 to the Five-Year Spending Plan to reallocate $349,609.13 from Homeless Services to Owner-Occupied Housing Rehabilitation. This amendment allows the City to direct additional resources towards health and safety repairs for low-income homeowners, consistent with City Council priorities.

   The City currently has a waitlist of 45 low-income, owner-occupied households in need of health and safety repairs. The additional funding is anticipated to assist five to six households. The City's Home Repair Program is currently administered by Michael Baker International, who will manage application processing, loan and contract preparation, and construction oversight.

   HCD requires that reallocated PLHA funds support an ownership activity. The Home Repair Program is the most appropriate option, as it is an existing, compliant program that directly serves low-income owner-occupied households.

[1] Please note, the lag you're seeing in the PLHA allocations (e.g., a 2024 NOFA releasing funding for 2022 and 2023) is a common feature of how SB 2/PLHA funding flows through the State. SB 2 funding comes from real estate transaction fees, and these transactions occur throughout the year, HCD cannot calculate the total annual revenue until after the calendar year closes.

Proposed Eligible Activity

Activity	Purpose	Loan Terms/Deed Restrictions	Loan Amount
Owner-Occupied Housing Rehabilitation 301(a)(2)	Health and safety repairs for single-family, owner-occupied households	Loan, 0-2% interest, 30-year deferred deed restriction	$5,000 - $60,000

Opportunity for Citizen Participation for the PLHA Program

In accordance with public noticing requirements, the amendment and PLHA funding application were published in the *Citrus Heights Messenger* and circulated for a 10-day public comment period from January 19 to January 28, 2026.

Environmental Review

The allocation of funding and subsequent construction is categorically exempt from the California Environmental Quality Act (CEQA) as defined in Section 15301 of the CEQA Guidelines related to minor improvements to existing facilities.

Next Steps

1. Submit the 2022-2023 PLHA funding application and Five-Year Spending Plan Amendment to HCD per Council direction.
2. Incorporate this PLHA funding into the City's Housing Rehabilitation Program Guidelines, to be presented for Council approval on February 11, 2026, under Consent.

Attachments

1. 2019-2023 PLHA Five-Year Spending Plan
2. Streamline Application for PLHA Allocation 2022-2023
3. PLHA Amendment No. 2 to the Five-Year Spending Plan
4. Resolution No. 2026-____Resolution of the City Council of the City of Citrus Heights, California Authorizing the Application and Amending the PLHA Plan for the Permanent Local Housing Allocation Program.

Resources

1. City Council Meeting Agenda Packet July 9, 2020 – Item #10
2. City Council Meeting Agenda Packet January 26, 2023 – Item #5

Permanent Local Housing Allocation, 5-Year Spending Plan
AMENDMENT NO. 2

1/23/2026

Funding Allocation Year 2019 **$ 312,759.00**

2019 Allocation for 2020 NOFA

Eligible PLHA Activity	Funding Percentage	Funding Amount	Use of Funds
301 (a)(1) Predevelopment, development, acquisition, rehabilitation, and preservation of mulitfamily, residential live-work, rental housing that is affordable to extremely low-, very low-, low-, or moderate-income households.	70%	$ 218,931.30	**1. Sayonara Drive Redevlopment Project** includes the pre-development of a low-income housing project consisting of 26 homeowership housing units on Sayonara Drive. *(Spent $72,250.00)* **2. Auburn Oaks Project** to provide funding to help acquire real property at 7501 Sunrise Blvd for conversion into 88-unit senior supportive housing project. The City contributed $500,000 towards acquisition. *(Spent $146,681.30)*
301 (a)(6) Asissting persons who are experiencing or at risk of homelessness, including but not limited to providing supportive case management services that allow people to obtain and retain housing.	25%	$ 78,189.75	**1. Naviatgor Services Contract with Sacramento Self-Help** Sacramento Self-Help Housing Navigator(s) provided housing counseling services and resources for individuals who are at risk of or currently experiencing homelessness. *(Spent $78,789.75)*
Administration	5%	$ 15,637.95	**Staff time to administer the program.** *(Spent $15,637.95)*
TOTAL	**100%**	**$ 312,759.00**	***All funds has been spent.***

Funding Allocation Year 2020 **$ 486,125.00**

2020 Allocation for 2021 NOFA

Activity	Funding Percentage	Funding Amount	Use of Funds
301 (a)(1) Predevelopment, development, acquisition, rehabilitation, and preservation of mulitfamily, residential live-work, rental housing that is affordable to extremely low-, very low-, low-, or moderate-income households.	60%	$ 291,675.00	**1. Auburn Oaks Project** to provide funding to help acquire real property at 7501 Sunrise Blvd for conversion into 88-unit senior supportive housing project. The City contributed $500,000 towards acquisition. *(Spent $291,675.00)*
301 (a)(6) Asissting persons who are experiencing or at risk of homelessness, including but not limited to providing supportive case management services that allow people to obtain and retain housing. **PROPOSED AMENDMENT**: **301 (a)(2)**. Predevelopment, development, acquisition, rehabilitation, and preservation of Affordable rental and ownership housing, including Accessory dwelling units (ADUs), that meet the needs of a growing workforce earning up to 120 percent of AMI, or 150 percent of AMI in high-cost areas. ADUs shall be available for occupancy for a term of no less than 30 days.	35%	$ 170,143.75	**1. Naviatgor Services Contract with Sacramento Self-Help** Sacramento Self-Help Housing Navigator(s) provided housing counseling services and resources for individuals who are at risk of or currently experiencing homelessness. (Spent $7,772.72) **PROPOSED AMENDMENT:** **Owner-Occupied Housing Rehabilitation 301(a)(2)** Health and safety repairs for single family homeowners.
Administration	5%	$ 24,306.25	**Staff time to administer the program.**
TOTAL	**100%**	**$ 486,125.00**	

Funding Allocation Year 2021 **$ 534,966.00**

2021 Allocation for 2022 NOFA

Activity	Funding Percentage	Funding Amount	Use fo Funds
301 (a)(1) Predevelopment, development, acquisition, rehabilitation, and preservation of mulitfamily, residential live-work, rental housing that is affordable to extremely low-, very low-, low-, or moderate-income households.	60%	$ 320,979.60	**1. Sayonara Drive Redevlopment Project** includes the pre-development of a low-income housing project consisting of 26 homeowership housing units on Sayonara Drive. *(Spent $259,335.90)* **2. Auburn Oaks Project** to provide funding to help acquire real property at 7501 Sunrise Blvd for conversion into 88-unit senior supportive housing project. The City contributed $500,000 towards acquisition. *(Spent $61,643.70)*
301 (a)(6) Asissting persons who are experiencing or at risk of homelessness, including but not limited to providing supportive case management services that allow people to obtain and retain housing. **PROPOSED AMENDMENT**: **301 (a)(2)**. Predevelopment, development, acquisition, rehabilitation, and preservation of Affordable rental and ownership housing, including Accessory dwelling units (ADUs), that meet the needs of a growing workforce earning up to 120 percent of AMI, or 150 percent of AMI in high-cost areas. ADUs shall be available for occupancy for a term of no less than 30 days.	35%	$ 187,238.10	**1. Naviatgor Services Contract with Sacramento Self-Help** Sacramento Self-Help Housing Navigator(s) provided housing counseling services and resources for individuals who are at risk of or currently experiencing homelessness. **PROPOSED AMENDMENT:** **Owner-Occupied Housing Rehabilitation 301(a)(2)** Health and safety repairs for single family homeowners.
Administration	5%	$ 26,748.30	**Staff time to administer the program.**
TOTAL	**100%**	**$ 534,966.00**	

Funding Allocation Year 2022 **$ 268,126.00**

2023 Allocation for 2025 NOFA

Activity	Funding Percentage	Funding Amount	Use of Funds
301 (a)(1) Predevelopment, development, acquisition, rehabilitation, and preservation of mulitfamily, residential live-work, rental housing that is affordable to extremely low-, very low-, low-, or moderate-income households. RECOMMENDATION: 301(a)(2) Predevelopment, development, acquisition, rehabilitation, and preservation of Affordable rental and ownership housing, including Accessory dwelling units (ADUs), that meet the needs of a growing workforce earning up to 120 percent of AMI, or 150 percent of AMI in high-cost areas. ADUs shall be available for occupancy for a term of no less than 30 days.	95%	$ 254,719.70	**1. Sayonara Drive Redevlopment Project** includes the pre-development of a low-income housing project consisting of 26 homeownership housing units on Sayonara Drive. *Previously allocated PLHA funds for this project were redirected to support the Auburn Oaks project, $195,233.55 will now be allocated to the Sayonara Project to align with the Habitat for Humanity of Greater Sacramento MOU.*
Administration	5%	$ 13,406.30	**Staff time to administer the program.**
TOTAL	**100%**	**$ 268,126.00**	

Funding Allocation Year 2023 **$ 205,509.00**

2023 Allocation for 2025 NOFA

Activity	Funding Percentage	Funding Amount	Use of Funds
301 (a)(1) Predevelopment, development, acquisition, rehabilitation, and preservation of mulitfamily, residential live-work, rental housing that is affordable to extremely low-, very low-, low-, or moderate-income households. RECOMMENDATION: 301(a)(2) Predevelopment, development, acquisition, rehabilitation, and preservation of Affordable rental and ownership housing, including Accessory dwelling units (ADUs), that meet the needs of a growing workforce earning up to 120 percent of AMI, or 150 percent of AMI in high-cost areas. ADUs shall be available for occupancy for a term of no less than 30 days.	95%	$ 195,233.55	**1. Sayonara Drive Redevlopment Project** includes the pre-development of a low-income housing project consisting of 26 homeownership housing units on Sayonara Drive. *Previously allocated PLHA funds for this project were redirected to support the Auburn Oaks project, $195,233.55 will now be allocated to the Sayonara Project to align with the Habitat for Humanity of Greater Sacramento MOU.*
Administration	5%	$ 10,275.45	**Staff time to administer the program.**
TOTAL	**100%**	**$ 205,509.00**	

Permanent Local Housing Allocation (PLHA) Formula Allocation

Notice of Funding Availability (NOFA) October 15, 2024

2024 Application for Previous Awardees

State of California
Gavin Newsom, Governor

Business, Consumer Services and Housing Agency
Tomiquia Moss, Secretary

Department of Housing and Community Development
Gustavo Velasquez, Director

Program Design and Implementation, PLHA Program
651 Bannon Street, Sacramento, CA 95811

Email: PLHA@hcd.ca.gov
Website: Permanent Local Housing Allocation Program (PLHA)

Allocation Years	New & Streamlined Submission Deadline	5-Year Plan Amendment Submission Deadline
Year 1 (2019)	n/a	n/a
Year 2 (2020)	n/a	n/a
Year 3 (2021)	02/28/2025	06/30/2025
Year 4 (2022)	02/28/2026	06/30/2026
Year 5 (2023)	02/28/2027	06/30/2027

End of Document

Instructions

Rev. 10/28/24

When opening this file, a yellow banner at the top may appear with a button that says "Enable Content". It is essential that you click this box so that the macros are enabled. Enabling macros is necessary for full worksheet functionality. Macros do not work with Microsoft's Excel version for Apple Mac.

Applications must be submitted electronically to the Department's HCD Portal Sign In website. To receive an award of CY 2021 funds, applicants are required to submit an application and demonstrate a fully compliant Housing Element and submittal of the applicable Annual Progress Report(s) no later than February 28, 2025. All CY 2021 funds must be awarded by June 30, 2025 or they will revert to the Housing Rehabilitation Loan Fund per statute.

This NOFA will remain open to eligible applicants through June 30, 2027.

Applications must be on the Department's forms and cannot be altered or modified by the Applicant. Excel forms must be in Excel format and 'save as' .xls or .xlsx. Do not 'save as' .xlsm or .pdf format. For application errors please fill out the Application Support worksheet and email the entire workbook to Application Support for application errors at PLHA@hcd.ca.gov.

General Instructions (Additional instructions and guidance are given throughout the Formula Allocation Application in "red" text and in cell comments.

Guideline references are made with "§" and the corresponding guideline section number.

"Yellow" cells are for Sponsor input. Failure to provide the required attachments and documentation may disqualify your application from consideration. An Applicant must submit a complete application and other documents consistent with the deadlines stated in this NOFA. Applications submitted in response to this NOFA must meet the threshold requirements set forth in this section and in PLHA Guidelines Section 302.

Required attachments are indicated in "orange" throughout the Streamline Application. Failure to provide the required attachments and documentation may disqualify your application from consideration. Electronically attached files must use the naming convention in the PLHA Application. For Example: "App1 Tin" or "Reuse Plan".

Threshold items are indicated in "blue" cells.

"Red" shaded cells indicate the Sponsor has failed to meet a requirement of the program. Cells in the worksheet shaded in "red" indicate that the Applicant has failed to meet the minimum required.

Sponsor must complete the following worksheets in the PLHA Formula Allocation Application.

Formula Allocation Application

Urban County

Checklist

Threshold Requireme	Electronic File Name	Document Description	Included?
X	**Application and Adopting the PLHA Plan (2021-2023 Allocations) Reso**	Pursuant to section 302(c)(4) of the Guidelines, Applicant's PLHA Plan for 2021-2023 allocations is attached to this resolution, and Applicant certifies compliance with all public notice, comment, and hearing requirements in accordance with the Guidelines.	
X	App1 TIN	Provide a signed Gov't TIN Form	
X	**Applicant Delegation Agreement**	Legally binding agreement between Delegating and Administering Local Governments.	
X	Plan Adoption Reso	§302(c)(4)(D) Evidence that the Plan was authorized and adopted by resolution by the Local jurisdiction and that the public had an adequate opportunity to review and comment on its content. ***PLHA webpage for Plan Adoption Resolution Document****, located under our Forms tab.* **If you are not amending your plan with this application this should be the last resolution executed. If you are amending you plan with this application you must submit a new resolution that was executed adopting the new plan.**	
X	**Reuse Plan**	Program Income Reuse Plan describing how repaid loans or accrued interest will be used for eligible activities in Section 301.	
X	**Executed Application**	Provide a copy of the signed application. Signature can be typed into the Excel workbook, PDF with Docusigned signature or PDF with wet ink signature in **blue ink** preferred.	

Disclosure of Application (California Public Records Act Statutes of 1968 Chapter 1473): Information provided in the application will become a public record available for review by the public, pursuant to the California Public Records Act Statutes of 1968 Chapter 1473. As such, any materials provided will be disclosable to any person making a request under this Act. The Department cautions Applicants to use discretion in providing information not specifically requested, including but not limited to, bank accounts, personal phone numbers and home addresses. By providing this information to the Department, the Applicant is waiving any claim of confidentiality and consents to the disclosure of submitted material upon request."

Local Government Formula Allocation for Returning Applicants

Rev. 10/28/24

This streamlined application form is limited to Applicants who applied for and received an award under one or more of the previous Formula Allocation NOFA's (2020, 2021, 2022, or 2023).

*****Please note the following change was made in the Amended NOFA*****

All Applicants requesting an amendment to the 5-Year Plan with this application must redirect 40% of each allocation year being changed towards a homeownership Activity.

Ownership activities are 2,3,4,7,8,9 (activities 2,3,4, & 8 will only count as ownership if the funds will go towards ownership sub activities as opposed to rental housing sub activities including ADU's)

Did Applicant receive an award under one or more of the previous NOFA's? (2020, 2021, 2022 or 2023)	Yes
Which Allocation(s) are you applying for with this application?	2022 & 2023
Eligible Applicant Type:	**Entitlement**
Local Government Recipient of PLHA Formula Allocation:	Citrus Heights

2021 PLHA Formula Allocation Amount:	**n/a**	Allowable Local Admin (5%):	**n/a**	Admin requested?	
2022 PLHA Formula Allocation Amount:	**$268,126**	Allowable Local Admin (5%):	**$13,406**	Admin requested?	**Yes**
2023 PLHA Formula Allocation Amount:	**$205,509**	Allowable Local Admin (5%):	**$10,275**	Admin requested?	**Yes**

Instructions: If the Local Government Recipient of the PLHA Formula Allocation delegated its PLHA formula allocation to another Local Government in any prior round, the Applicant (for which information is required below) continues to be the administering Local Government, which received the award. The PLHA award will be made to the Applicant (upon meeting threshold requirements) and the Applicant is responsible for meeting all program requirements throughout the term of the Standard Agreement.

§300 Eligible Applicants

§300(a) and **(b)** Eligible Applicants for the Entitlement and Non-Entitlement formula component described in Section §100(b)(1) and (2) are limited to the metropolitan cities and urban counties allocated a grant for the federal fiscal year 2017 pursuant to the federal CDBG formula specified in 42 USC, Section §5306 and Non-entitlement local governments.

Applicant:	City of Citrus Heights								
Address:	6360 Fountain Square Drive								
City:	Citrus Heights	State:	CA	Zip:	95621	County:	Sacramento		
Auth Rep Name:	Casey Kempenaar	Title:	Community Development Director	Auth Rep. Email:	ckempenaar@citrusheights.net			Phone:	916-727-4764
Address:	6360 Fountain Square Drive			City:	Citrus Heights	State:	CA	Zip Code:	95621
Contact Name:	Nicole Piva	Title:	Housing & Human Services Program Coordinator	Contact Email:	nicolep@citrusheights.net			Contact Phone:	916-727-4752
Address:	6360 Fountain Square Drive			City:	Citrus Heights	State:	CA	Zip Code:	95621

§302 Threshold Requirements

§302(a) Housing Element compliance: Applicant and Delegating Local Government's if applicable Housing Element was adopted by the Local Government's governing body by the application submittal date and subsequently determined to be in substantial compliance with state Housing Element Law pursuant to Government Code Section 65585.	Yes
§302(b) Applicant or Delegating Local Government has submitted the Annual Progress Report(s) to the Department of Housing and Community Development pursuant to Government Code Section 65400 for the allocations being requested.	Yes
§302(c)(2) Applicant certifies that submission of the application was authorized by the governing board of the Applicant.	Yes
§302(c)(5) Is the applicant submitting a plan amendment with this application? (If you wish to reallocate more than 10 percent of funds among Activities from the previously approved 5-Year Plan included in the PLHA program Standard Agreement, Exhibit E you must submit an updated plan and resolution approving the new plan) **40% of each allocation being changed must go towards an ownership activity.**	Yes
If a reallocation of more than **10 percent** of funds was made **(and Applicant is amending their plan with this application)** Applicant has attached an amended Plan and resolution that has been discussed and approved at a publicly-noticed meeting of the governing body.	Yes

File Name:	**Application and Plan Adoption Reso**	§302(c)(4)(D) Evidence that the Plan was authorized and adopted by resolution by the Local jurisdiction and that the public had an adequate opportunity to review and comment on its content. **PLHA webpage for Application and Plan Adoption Resolution Document**	Uploaded to HCD?	

§503(b) Applicant certifies that they are in compliance with the State Grants Management Section and are current with any required PLHA Annual Reporting Requirements.	Yes
§302(c)(8) If a program income reuse plan was not submitted with the 2020 application, has Applicant attached a program income reuse plan describing how repaid loans and/or accrued interest will be reused for eligible activities specified in Section 301?	

File Name:	**Reuse Plan**	Program Income Reuse Plan describing how repaid loans or accrued interest will be used for eligible activities in Section 301.	Uploaded to HCD?	

Certifications

On behalf of the entity identified below, I certify that: The information, statements and attachments included in this application are, to the best of my knowledge and belief, true and correct and I possess the legal authority to submit this application on behalf of the entity identified in the signature block.

Authorized Representative Printed Name	Title	Signature	Date

End of Document

URBAN COUNTY

Rev. 10/28/24

If you are an Urban County, please complete the following table if you are planning on sharing your allocation with cities within your jurisdiction who do not have their own PLHA allocation:

List the cities that are part of your Urban County.	Are they opting in to receive a portion of the PLHA award?	List the amount of the allocation being applied for that will be shared with this city.
EXAMPLE: City of Trees	*Yes*	*$20,000.00*
Not Applicable		

End of Document

Application Development Team (ADT) Support Form

Rev. 10/28/24

Please complete the "yellow" cells in the form below and email a copy to: PLHA@hcd.ca.gov. A member of the Application Development Team will respond to your request within ASAP.

Full Name:		Date Requested:		Application Version Date:	
Organization:		Email:		Contact Phone:	

Justification:

Issue #	Program Name &	Tab	Section	Cell#	Update/Comment	Urgency	ADT Status	Status Date
1	PLHA Supp App							
2	PLHA Supp App							
3	PLHA Supp App							
4	PLHA Supp App							
5	PLHA Supp App							
6	PLHA Supp App							
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23	PLHA Supp App							
24	PLHA Supp App							
25	PLHA Supp App							

End of Document

Permanent Local Housing Allocation (PLHA) Formula Allocation

Notice of Funding Availability (NOFA) October 15, 2024

2024 Application for 5-Year Plan Amendment



State of California
Gavin Newsom, Governor

Business, Consumer Services and Housing Agency
Tomiquia Moss, Secretary

Department of Housing and Community Development
Gustavo Velasquez, Director

Program Design and Implementation, PLHA Program
651 Bannon Street, Sacramento, CA 95811

Email: PLHA@hcd.ca.gov
Website: Permanent Local Housing Allocation Program (PLHA)

Allocation Years	New & Streamlined Submission Deadline	5-Year Plan Amendment Submission Deadline
Year 1 (2019)	n/a	n/a
Year 2 (2020)	n/a	n/a
Year 3 (2021)	02/28/2025	06/30/2025
Year 4 (2022)	02/28/2026	06/30/2026
Year 5 (2023)	02/28/2027	06/30/2027

Instructions

Rev. M.10/28/24

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Applications must be submitted electronically to the Department's HCD Portal Sign In website. To receive an award of CY 2021 funds, applicants are required to submit an application and demonstrate a fully compliant Housing Element and submittal of the applicable Annual Progress Report(s) no later than February 28, 2025. All CY 2021 funds must be awarded by June 30, 2025 or they will revert to the Housing Rehabilitation Loan Fund per statute.

This NOFA will remain open to eligible applicants through June 30, 2027.

Applications must be on the Department's forms and cannot be altered or modified by the Applicant. Excel forms must be in Excel format and 'save as' .xls or .xlsx. Do not 'save as' .xlsm or .pdf format. For application errors please fill out the Application Support worksheet and email the entire workbook to Application Support for application errors at PLHA@hcd.ca.gov.

General Instructions (Additional instructions and guidance are given throughout the Formula Allocation Application in "red" text and in cell comments.

Guideline references are made with "§" and the corresponding guideline section number.

"Yellow" cells are for Sponsor input. Failure to provide the required attachments and documentation may disqualify your application from consideration. An Applicant must submit a complete application and other documents consistent with the deadlines stated in this NOFA. Applications submitted in response to this NOFA must meet the threshold requirements set forth in this section and in PLHA Guidelines Section 302.

Required attachments are indicated in "orange" throughout the Streamline Application. Failure to provide the required attachments and documentation may disqualify your application from consideration. Electronically attached files must use the naming convention in the PLHA Application. For Example: "App1 Tin" or "Reuse Plan".

Threshold items are indicated in "blue" cells.

"Red" shaded cells indicate the Sponsor has failed to meet a requirement of the program. Cells in the worksheet shaded in "red" indicate that the Applicant has failed to meet the minimum required.

Sponsor must complete the following worksheets in the PLHA Formula Allocation Application.

Formula Allocation Application

Urban County

Checklist

Threshold Requireme	Electronic File Name	Document Description	Included?
X	**Application and Adopting the PLHA Plan (2021-2023 Allocations) Reso**	Pursuant to section 302(c)(4) of the Guidelines, Applicant's PLHA Plan for 2021-2023 allocations is attached to this resolution, and Applicant certifies compliance with all public notice, comment, and hearing requirements in accordance with the Guidelines.	Included
X	App1 TIN	Provide a signed Gov't TIN Form	Included
X	**Applicant Delegation Agreement**	Legally binding agreement between Delegating and Administering Local Governments.	Not Applicable
X	Plan Adoption Reso	§302(c)(4)(D) Evidence that the Plan was authorized and adopted by resolution by the Local jurisdiction and that the public had an adequate opportunity to review and comment on its content. ***PLHA webpage for Plan Adoption Resolution Document**, located under our Forms tab.*	Included
X	**Reuse Plan**	Program Income Reuse Plan describing how repaid loans or accrued interest will be used for eligible activities in Section 301.	Included
X	**Executed Application**	Provide a copy of the signed application. Signature can be typed into the Excel workbook, PDF with Docusigned signature or PDF with wet ink signature in **blue ink** preferred.	Included

Disclosure of Application (California Public Records Act Statutes of 1968 Chapter 1473): Information provided in the application will become a public record available for review by the public, pursuant to the California Public Records Act Statutes of 1968 Chapter 1473. As such, any materials provided will be disclosable to any person making a request under this Act. The Department cautions Applicants to use discretion in providing information not specifically requested, including but not limited to, bank accounts, personal phone numbers and home addresses. By providing this information to the Department, the Applicant is waiving any claim of confidentiality and consents to the disclosure of submitted material upon request."

PLHA Formula - Amendment for years 2021, 2022, 2023

Rev. M.10/28/24

Eligible Applicant Type:	**Entitlement**				
Local Government Recipient of PLHA Formula Allocation:		Citrus Heights			
2020 PLHA Formula Allocation Amount:	n/a	2019 Allowable Local Admin (5%):	n/a	Admin requested?	
2021 PLHA Formula Allocation Amount:	n/a	2020 Allowable Local Admin (5%):	n/a	Admin requested?	
2022 PLHA Formula Allocation Amount:	n/a	2021 Allowable Local Admin (5%):	n/a	Admin requested?	
2023 PLHA Formula Allocation Amount:	n/a	2022 Allowable Local Admin (5%):	n/a	Admin requested?	

Instructions: If the Local Government Recipient of the PLHA Formula Allocation delegated its PLHA formula allocation to a Local Housing Trust Fund or to another Local Government, the Applicant (for which information is required below) is the Local Housing Trust Fund or administering Local Government. The PLHA award will be made to the Applicant (upon meeting threshold requirements) and the Applicant is responsible for meeting all program requirements throughout the term of the Standard Agreement.

The 302(c)(4) Plan template worksheet requires first choosing one or more of the Eligible Activities listed below. If "Yes" is clicked, the 302(c)(4) Plan worksheet opens a series of questions about what precise activities are planned. Some specific activities, such as providing downpayment assistance to lower-income households for acquisition of an affordable home, could be included under either Activity 2 or 9. Please only choose one of those Activities; don't list the downpayment assistance under both Activities. **Please note that 40% of each allocation you are requesting to amend with this application MUST be allocated to an activity that supports Homeownership in accordance with the NOFA. Ownership activities are 2,3,4,7,8,9 (activities 2,3,4, & 8 will only count as ownership if the funds will go towards ownership sub activities as opposed to rental housing sub activities including ADU's)**

If the PLHA funds are used for the same Activity but for different Area Median Income (AMI) level, select the highest AMI level the Activity will serve (you can always go lower than what is listed but you may not serve higher than what is listed without completing a plan amendment in the future).

For each year (2021-2023), allocations must equal 100% annually including the allowable administrative costs of up to 5%.

§300 Eligible Applicants

§300(a) and **(b)** Eligible Applicants for the Entitlement and Non-Entitlement formula component described in Section §100(b)(1) and (2) are limited to the metropolitan cities and urban counties allocated a grant for the federal fiscal year 2017 pursuant to the federal CDBG formula specified in 42 USC, Section §5306 and Non-entitlement local governments.

Applicant:	City of Citrus Heights										
Address:	6360 Fountain Square Drive										
City:	Citrus Heights	State:	CA	Zip:	95621	County:	Sacramento				
Auth Rep Name:	Casey Kempenaar	Title:	Community Development Director	Auth Rep. Email:	ckempenaar@citrusheights.net			Phone:	916-727-4764		
Address:	6360 Fountain Square Drive			City:	Citrus Heights	State:	CA	Zip Code:	95621		
Contact Name:	Nicole Piva	Title:	Housing & Human Services Program Coordinator	Contact Email:	nicolep@citrusheights.net			Contact Phone:	916-727-4752		
Address:	6360 Fountain Square Drive			City:	Citrus Heights	State:	CA	Zip Code:	95621		

§300(d) Is Applicant delegated by another Local government to administer on its behalf its formula allocation of program funds?					No
§300(d) If Applicant answered "Yes" above, has the Applicant attached the legally binding agreement required by §300(c) and (d)?			A sample agreement can be found by double clicking on the icon to the right	Document	N/A
File Name:	**Application and/or Adopting the PLHA Plan (2020-2023 Allocations) Reso**	Pursuant to section 302(c)(4) of the Guidelines, Applicant's PLHA Plan for 2020-2023 allocations is attached to this resolution, and Applicant certifies compliance with all public notice, comment, and hearing requirements in accordance with the Guidelines.		Uploaded to HCD?	
File Name:	Gov TIN	Provide a signed Gov't TIN Form		Uploaded to HCD?	
File Name:	**Applicant Delegation Agreement**	Legally binding agreement between Delegating and Administering Local Governments (sample provided—just click on icon in row 19, column AH)		Uploaded to HCD?	N/A

§301 Eligible Activities

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

§302(c)(4) Plan

Rev. M.10/28/24

§302(c)(4)(A) Describe the manner in which allocated funds will be used for eligible activities.

The allocated funds will be used under Section 301(a)(2) for rehabilitation of owner-occupied homes to correct substandard conditions, remedy health and safety hazards, ensure compliance with building and housing codes, and preserve the long-term viability of residential structures. Eligible uses include structural repairs; roof replacement; electrical, plumbing, and mechanical system upgrades; and other related improvements necessary to restore the dwelling to a safe and habitable condition. Additionally, 22/23 PLHA funds will be used for predevelopment expenses for the affordable housing development on Sayonara Drive for ownership by households earning up to 60% AMI serving a total of 26 households thorughout the project beginning in 2019 using PLHA funds.

§302(c)(4)(B) Provide a description of the way the Local government will prioritize investments that increase the supply of housing for households with incomes at or below 60 percent of Area Median Income (AMI).

The City will prioritize investments that directly increase the supply of housing for households earning at or below 60 percent of Area Median Income (AMI). This includes allocating funds to preserve existing housing stock by rehabilitating low-income, owner-occupied homes

§302(c)(4)(C) Provide a description of how the Plan is consistent with the programs set forth in the Local Government's Housing Element.

The Plan supports and is consistent with the City of Citrus Heights Housing Element by advancing the City's goals to preserve, improve, and expand affordable housing opportunities. The funded activities complement the Housing Element's emphasis on houisng rehabilitation, homeownership for residents on Sayonara Drive, and maintaining long-term affordability and safety of the City's existing housing stock. The Plan aligns with the Housing Element objectives:
1) Promote the preservation and rehabilitation of existing housing,
2) Support safe, healthy, and code-compliant housing coditions, and
3) Increase access to affordable houisng, 4) Leverage local, state, and federal resources to improve housing stability for vulnerable residents.
By prioritizing activities that directly implement these Housing Element objectives, the Plan strengthens the City's ability to meet RHNA obligations, address community houisng needs, and ensure long-term housing quality for Citrus Heights residents.

Activities Detail (Activities Detail (Must make a selection on Formula Allocation Application worksheet under Eligible Activities, §301))

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

§302(c)(4)(E)(i) Provide a detailed and complete description of how allocated funds will be used for each proposed Affordable Rental and Ownership Housing Activity.

Permanent Local Housing Allocation (PLHA) funds will be used to support the rehabilitation of owner-occupied single-family homes with the goal of improving health and safety, ensuring code compliance, and preserving long-term housing stability for low-income households. This activity aligns with PLHA-eligible uses under Section 301(a)(2), which allows assistance for owner-occupied housing rehabilitation.
PLHA funds will be directed toward correcting substandard conditions, maintaining safe and livable housing, and extending the useful life of existing affordable homes. Additionally, PLHA funds will be used for reasonable and necessary project-related soft costs, such as recording fees for required program documents and lead testing.
All rehabilitation projects will be carried out in accordance with local building codes, state and federal requirements, PLHA program guidelines, and the City's Housing Rehabilitation Guidelines. The use of PLHA funds for this activity supports the City's efforts to preserve existing affordable housing, stabilize neighborhoods, and enhance long-term housing conditions for low-income homeowners.

Complete the table below for each proposed Affordable Rental and Ownership Housing Activity to be funded with 2020-2023 PLHA allocations. If a single Activity will be assisting households at more than one level of Area Median Income, please list the highest AMI to be served.

Funding Allocation Year	2020	2021	2022	2023											
Type of Affordable Housing Activity	Rehabilitation of Owner-Occupied Housing	Rehabilitation of Owner-Occupied Housing	Predevelopment of Rental/Ownership Housing	Predevelopment of Rental/Ownership Housing											
§302(c)(4)(E)(i) Percentage of Funds Allocated for Each Affordable Housing Activity	100%	100%	100%	100%											
What Percentage of the Percentage Above Will be Used for Ownership Housing?	100%	100%	95%	95%											
§302(c)(4)(E)(ii) Area Median Income Level Served	120%	120%	120%	120%											**TOTAL**
§302(c)(4)(E)(ii) Unmet share of the RHNA at the AMI Level Note: complete for years 2020, 2022, 2023 only	538	643	570	354											2105
§302(c)(4)(E)(ii) Projected Number of Households Served	3	2	10	8											23
§302(c)(4)(E)(iv) Period of Affordability for the Proposed Activity **(55 years required for rental housing projects)**	30 years	30 years	30 years	30 years											

§302(c)(4)(E)(iii) A description of major steps/actions and a proposed schedule for the implementation and completion of each Affordable Rental and Ownership Housing project.

The City currently has a waitlist of 45 single-family, owner-occupied households seeking home repair loans to address health and safety needs. The funding will allow approximately five low-income households to receive repairs. In addition, the City is under contract with Michael Baker International to administer the Home Repair Program. The added funds will expand the program's budget by allowing application intake and eligibility determination, preparation of loan agreements and construction contracts, and oversight of construction activities throughout the repair process using these funds.
The City entered into an MOU with Habitat for Humanity of Greater Sacramento to bring this project to completion. This project will be completed in three phases, Phase 1 will be completed by Spring 2026 with 8 new homeowners, Phase 2 and Phase 3 are currently accpeting applications for interested eligible low-income households seeking to be first time homebuyers.

File Name:	Plan Adoption Reso	***§302(c)(4)(D)*** *Evidence that the Plan was authorized and adopted by resolution by the Local jurisdiction and that the public had an adequate opportunity to review and comment on its content.*	Uploaded to HCD?	

Total Percentage of Funds Allocated Calculator (2020 - 2023)

2020 Allocation	
Admin	0%
Funds Allocated	100%
Total Percentage of Funds Allocated for 2020	100%

2021 Allocation	
Admin	0%
Funds Allocated	100%
Total Percentage of Funds Allocated for 2021	100%

2022 Allocation	
Admin	0%
Funds Allocated	100%
Total Percentage of Funds Allocated for 2022	100%

2023 Allocation	
Admin	0%
Funds Allocated	100%
Total Percentage of Funds Allocated for 2023	100%

End of Document

Application Development Team (ADT) Support Form

Rev. M.10/28/24

Please complete the "yellow" cells in the form below and email a copy to: PLHA@hcd.ca.gov. A member of the Application Development Team will respond to your request within ASAP.

Full Name:	Nicole Piva	Date Requested:	1/29/26	Application Version Date:	10/28/24
Organization:	City of Citrus Heights	Email:	nicolep@citrusheights.net	Contact Phone:	916-727-4752

Issue #	Program Name &	Tab	Section	Cell#	Update/Comment	Urgency	ADT Status	Status Date
1	PLHA Supp App							
2	PLHA Supp App							
3	PLHA Supp App							
4	PLHA Supp App							
5	PLHA Supp App							
6	PLHA Supp App							
7	PLHA Supp App							
8	PLHA Supp App							
9	PLHA Supp App							
10	PLHA Supp App							
11	PLHA Supp App							
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16	PLHA Supp App							
17	PLHA Supp App							
18	PLHA Supp App							
19	PLHA Supp App							
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21	PLHA Supp App							
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23	PLHA Supp App							
24	PLHA Supp App							
25	PLHA Supp App							

End of Document

RESOLUTION NO. 2026-_____

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CITRUS HEIGHTS, CALIFORNIA AUTHORIZING THE APPLICATION AND AMENDING THE PLHA PLAN FOR THE PERMANENT LOCAL HOUSING ALLOCATION PORGRAM

WHEREAS, the Department is authorized to provide up to $296 million under the SB 2 Permanent Local Housing Allocation Program Formula Component from the Building Homes and Jobs Trust Fund for assistance to Cities and Counties (as described in Health and Safety Code section 50470 et seq.(Chapter 364, Statutes of 2017 (SB 2)).

WHEREAS, the State of California (the "State"), Department of Housing and Community Development ("Department") issued a Notice of Funding Availability("NOFA") dated 10/15/2024 under the Permanent Local Housing Allocation (PLHA) Program;

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

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

NOW, THEREFORE, BE IT RESOLVED THAT:

1. If Applicant receives a grant of PLHA funds from the Department pursuant to the above referenced PLHA NOFA, it represents and certifies that it will use all such funds in a manner consistent and in compliance with all applicable state and federal statutes, rules, regulations, and laws, including without limitation all rules and laws regarding the PLHA Program, as well as any and all contracts Applicant may have with the Department.

2. Applicant is hereby authorized and directed to receive a PLHA grant, in an amount not to exceed the five-year estimate of the PLHA formula allocations, as stated in Appendix B of the current NOFA ($1,876,554) in accordance with all applicable rules and laws.

3. Applicant hereby agrees to use the PLHA funds for eligible activities as approved by the Department and in accordance with all Program requirements, Guidelines, other rules and laws, as well as in a manner consistent and in compliance with the Standard Agreement and other contracts between the Applicant and the Department.

4. Pursuant to section 302(c)(4) of the Guidelines, Applicant's PLHA Plan for the 2019-2023 Allocations is attached to this resolution, and Applicant hereby adopts this PLHA Plan and certifies compliance with all public notice, public comment, and hearing requirements in accordance with the Guidelines.

5. Applicant certifies that it has or will subgrant some or all of its PLHA funds to another entity or entities. Pursuant to Guidelines Section 300(c)(3), "entity" means a housing

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

6. Applicant certifies that its selection process of these subgrantees was or will be accessible to the public and avoided or shall avoid any conflicts of interest.

7. Pursuant to Applicant's certification in this resolution, the PLHA funds will be expended only for eligible Activities and consistent with all program requirements.

8. Applicant certifies that, if funds are used for the acquisition, construction or rehabilitation of for-sale housing projects or units within for-sale housing projects, the grantee shall record a deed restriction against the property that will ensure compliance with one of the requirements stated in Guidelines Section 302(c)(6)(A),(B) and (C).

9. Applicant certifies that, if funds are used for the development of an Affordable Rental Housing Development, the Local government shall make PLHA assistance in the form of a low-interest, deferred loan to the Sponsor of the Project, and such loan shall be evidenced through a Promissory Note secured by a Deed of Trust and a Regulatory Agreement shall restrict occupancy and rents in accordance with a Local government-approved underwriting of the Project for a term of at least 55 years.

10. Applicant shall be subject to the terms and conditions as specified in the Standard Agreement, the PLHA Program Guidelines and any other applicable SB 2 Guidelines published by the Department.

11. The Community Development Director or designee is/are authorized to execute the PLHA Program Application, the PLHA Standard Agreement and any subsequent amendments or modifications thereto, as well as any other documents which are related to the Program or the PLHA grant award to Applicant, as the Department may deem appropriate.

PASSED AND ADOPTED by the City Council of the City of Citrus Heights on the 28th day of January 2026, by the following roll call vote:

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

Signature of Approving Officer

_____

MariJane Lopez-Taff, Mayor

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

ATTEST:

_____
Amy Van, City Clerk

_____
Print Name and Title of Attesting Officer

CITY OF CITRUS HEIGHTS

CITY COUNCIL STAFF REPORT MEMORANDUM

DATE: January 28, 2026

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

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

SUBJECT: **Commercial Property Reoccupancy Program Ordinance and Establishment of Fees**

Recommendation

As part of its strategic planning process, the Citrus Heights City Council set an objective for staff to address the growing challenges associated with vacant commercial properties by researching Commercial Vacancy Ordinances and presenting for consideration. In response, staff proceeded in drafting the proposed Commercial Property Reoccupancy (CPR) Ordinance.

Staff recommends establishing Chapter 52 of the Municipal Code, pertaining to a compliance program pertaining to the inspection, maintenance and registration of real properties which exist as unmaintained vacant properties or which contain vacant or abandoned buildings. Chapter 52 would be titled, “Commercial Property Reoccupancy Program”.

Staff recommends the City Council:

1. Introduce for a First Reading, read by title only, and waive the first full reading of Ordinance No. 2026-____ an Ordinance of the City Council of the City of Citrus Heights, California, adding Chapter 52 to the Citrus Heights Municipal Code to Establish a Commercial Property Reoccupancy Program; and
2. Adopt Resolution No. 2026-___, a Resolution of the City Council of the City of Citrus Heights, California, Adopting a Fee Schedule for the Commercial Property Reoccupancy Program.

Strategic Plan Alignment

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

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

Fiscal Impact

The proposed Commercial Property Reoccupancy Program is designed for cost recovery. Fees are structured to offset the staff time and resources needed to operate and enforce the program. This approach is intended to reduce reliance on the City's General Fund. Fees were calculated using fully burdened hourly rates and estimated staff hours. The structure ensures that costs are carried by the property owners whose buildings require oversight. The resolution establishing a fee program includes an annual cost escalator that allows the fee to be updated annually on January 1, based upon the US Bureau of Labor Statistics Consumer Price Index. Additionally, program administration will be absorbed within existing city staffing and operational resources and will not result in the creation of any new FTE positions.

The CPR program was intentionally designed to prioritize proactive compliance over full cost recovery. Built-in flexibility, including fee waivers for property owners who meet minimum safety, aesthetic, and security standards, means the program is not expected to fully recover administrative costs. *Property owners who proactively register and comply with standards qualify for a fee waiver and incur no cost.*

This reflects a policy choice to focus City resources on higher-risk, non-compliant properties while minimizing burden on responsible owners. Any unrecovered costs are expected to be limited and are offset by improved safety, reduced calls for service, and prevention of blight conditions that would otherwise require more intensive enforcement and General Fund resources.

While fees address immediate program costs, the program's broader value lies in preventing long-term vacancy and deterioration and encouraging reoccupancy and productive use. Prolonged vacancy and disinvestment can lead to property decline, corridor blight, and diminished commercial vibrancy. In advanced cases, deterioration may require costly enforcement, abatement, emergency response, or major reinvestment, creating negative direct and indirect economic impacts and straining public resources. Program administration will be absorbed within existing staffing and operational resources and will not result in the creation of any new FTE positions.

Background and Analysis

Path to Commercial Property Reoccupancy (CPR) Ordinance

Through the Council's annual strategic planning process, Citrus Heights has achieved measurable progress in addressing blight in public spaces. Initiatives such as the shopping cart ordinance and the beautification crew have improved conditions in public areas supporting an overall cleaner and more welcoming environment for residents and visitors. Reductions in beautification-related service requests and declines in abandoned shopping cart reports over the last year indicate improved maintenance and responsiveness in public spaces. Most notably, community sentiment related to blight abatement shifted from unfavorable to favorable over the past two years, reflecting increased public confidence in the City's approach.

With standards and tools now in place that have driven progress in public areas, continued momentum requires exploring how to advance blight abatement and beautification efforts on private properties. As the City moves this work forward, similar opportunities exist within commercial areas, where property conditions directly influence overall community vitality. Vacant commercial properties present a unique set of challenges because they are susceptible to trespassing and prolonged inactivity.

As part of its 2025 strategic planning process, the Citrus Heights City Council set an objective for staff to address the growing challenges associated with vacant commercial properties. Specifically, Council directed staff to bring forward a Vacant Building Ordinance for review and consideration.

This objective enables cost recovery, reduces safety and security risk, and encourages the upkeep and reuse of vacant properties - supporting the City's broader goals for economic vitality, public safety, and neighborhood quality.

Resident Feedback on Commercial Areas

The City of Citrus Heights utilizes FlashVote, an online survey tool, to collect statistically valid community sentiment data on a range of local issues. The platform allows the City to efficiently gather representative resident feedback, helping inform staff analysis and City Council consideration of policy and program initiatives. Related to commercial property conditions, a February 2025 community survey on the topic of Code Enforcement found that 65% of respondents believe additional code enforcement is needed to improve the appearance of the City, while 60% identified visibly abandoned or rundown commercial properties as the highest priority for enforcement efforts.

Finally, related findings from a January 2025 Flashvote community survey on Economic Development revealed that 39% of respondents cited deteriorated storefronts as a factor limiting their participation in the local economy, specifically shopping and dining. Additionally, 70%

agreed that enhancing the cleanliness and visual appeal of commercial corridors would improve business attraction.

Across both surveys, the message was consistent. Residents support increased code enforcement as a means to improve the condition of commercial properties, which in turn influence public safety and overall community confidence.

Vacant Building Trends in Citrus Heights

In recent years, Citrus Heights has experienced an increase in long-term commercial vacancies, in some cases accompanied by declining levels of property upkeep. While broader market conditions play a role in commercial occupancy, vacant properties still require ongoing maintenance and appropriate security measures to prevent deterioration and secondary impacts. When vacant buildings are not actively maintained, they are more susceptible to vandalism, trespassing, and accelerated physical decline.

These conditions can place additional demands on public safety and code enforcement resources and may negatively affect perceptions of surrounding shopping centers and corridors. Over time, deferred maintenance can compound to the point where rehabilitation is no longer feasible, resulting in the loss of viable commercial buildings through demolition.

The condition of vacant commercial properties is directly linked to the City's broader business attraction and economic development efforts. Businesses seeking to locate or expand in Citrus Heights are more likely to consider properties that are visibly well-maintained, secure, and ready for reoccupancy. Preserving the quality and functionality of the City's existing commercial building stock supports competitive site selection, reduces barriers to tenant re-use, and strengthens the overall appeal of Citrus Heights relative to neighboring jurisdictions. Ensuring that vacant commercial properties remain viable and re-occupiable is therefore an important component of responsible community stewardship and long-term economic vitality.

Vacant Building Ordinance Trends

Vacant Building Ordinances are a relatively new policy tool gaining traction nationwide as local governments respond to changing commercial real estate conditions. These ordinances generally establish expectations for ongoing owner responsibility during periods of vacancy. Broader shifts in consumer behavior, the growth of e-commerce, and an oversupply of retail space have contributed to longer vacancy duration across many communities. These longer vacancies coupled with deferred maintenance have prompted cities to explore more structured approaches to property maintenance.

Jurisdictions have adopted a range of models, with some extending regulations to vacant lots or residential properties. Ultimately, these measures aim to maintain building conditions during vacancy, reducing barriers to future reuse. As a result, more and more local governments are considering similar ordinances.

As part of ordinance development, staff evaluated how this policy tool has been applied across the state. Staff reviewed adopted ordinances and implementation approaches in the following California cities: Santa Rosa, Artesia, Norwalk, Bellfower, Downey, Escondido, and Richmond, all of which maintain some form of vacant building registration and maintenance requirements. In addition to document review, staff contacted a handful of jurisdictions to better understand program administration and enforcement. Collectively, this research informed development of a locally tailored approach focused on preventing blight during vacancies and supporting future reoccupancy.

Creating Conditions for Reinvestment

Vacant properties do not exist in isolation. When maintenance is deferred, vacant commercial properties can quickly show signs of neglect or vandalism creating blight. As their conditions decline, they become harder to lease or sell, often remaining on the market longer than originally intended. The prolonged vacancy can affect the surrounding area by reducing foot traffic and placing strain on neighboring businesses that remain open.

The Commercial Property Reoccupancy (CPR) Ordinance was developed in direct response to these findings. Its purpose is to identify commercial properties soon after they become vacant and offer development-related support to assist with reoccupancy. At the same time, it sets basic expectations for maintenance and prevention while the property is offline. The intent is to keep buildings in workable, leasable conditions and limit the effect that prolonged vacancies can have on nearby businesses. When properties are cared for during vacancy, they are more likely to return to active use and strengthen the stability of surrounding commercial areas.

CPR Goals
The goal of the proposed CPR Program is to proactively prevent the negative impacts of long-term commercial vacancies in Citrus Heights by establishing a framework that promotes safety, maintenance, and eventual reactivation of underutilized buildings. Preventative maintenance plays a central role in this approach by addressing conditions early, before they escalate into more serious code violations, public safety concerns, or costly repairs.

Vacant commercial buildings that are not regularly maintained are more susceptible to vandalism, structural deterioration, and nuisance activity. Over time, these conditions could lead to accelerated building decline, increased need for enforcement demands, and created barriers to future reinvestment.

Through the registration and maintenance requirements, the ordinance aims to:

- Set minimum safety and security standards for commercial buildings
- Reduce public safety risks and nuisance activity often associated with vacant properties
- Establish direct communication channels to support timely repairs, inspections, and emergency response
- Encourage reinvestment and reoccupancy of existing commercial spaces
- Prevent building deterioration from unauthorized access and neglect

- Protect neighborhood character and economic vitality by minimizing visual blight and preserving property values
- Ensure accountability for property owners while offering support and resources to assist in bringing buildings back into productive use

Under the CPR Program Ordinance, owners of vacant commercial properties are required to notify the City and complete a registration process. The ordinance outlines general expectations for property upkeep, safety, and communication with the City. Ongoing monitoring will help ensure properties remain in good condition until they are reoccupied. Monitoring will include:

- Inspection of properties in the City to identify commercial properties that are vacant.
- Ordering vacant properties to comply with this chapter and any other applicable codes.
- Ordering vacant properties that are open and accessible to be secured against unlawful entry in accordance with this chapter.
- Initiating proceedings against the owner of any vacant property found to be in violation of this chapter or any other applicable code.
- Maintaining surveillance over vacant property so that timely code enforcement proceedings are commenced in the event the property becomes substandard or a nuisance.

Applicable Buildings

The CPR Program Ordinance would apply to vacant commercial properties. This means any building, structure, or portion thereof within the City that is designed, intended, used or historically used for retail, office, automotive, industrial, or other business purposes. This includes, but is not limited to, properties such as shopping centers, storefronts, service stations, public or private meeting facilities, care facilities.

A property is considered vacant if:

- It is unoccupied and unsecured
- Is unoccupied and secured by boarding or other similar means
- Is unoccupied and has multiple code violations
- Has been unoccupied for more than 60 days
- Is unoccupied and subject to a current notice of default, notice of trustee’s sale, or pending tax assessor's lien sale, or
- Is unoccupied and conveyed by a foreclosure sale resulting in the acquisition of title by an interested beneficiary of a deed of trust or conveyed via a deed in lieu of foreclosure

Registration of Applicable Properties

Vacant commercial properties that fall into the category of the ordinance, the owner is required to register the building with the City within 60 days. *Owners of vacant commercial properties that self-register within 60 days will have the registration fee waived.*

Registration submittal includes:

- The name and address of each owner and any property management company (as applicable) responsible for the security, maintenance, and marketing of the property in question.
- Confirmation of fire and liability insurance coverage.
- Confirmation of active, continuous monitoring of the building through a monitored burglar and fire alarm system or continuous physical monitoring.

Fees

Under the CPR Ordinance, applicable property owners must pay both a nonrefundable registration fee and an annual monitoring fee at the time of registering a vacant commercial property.

The registration fee, which is set by City Council resolution (Attachment 2), is required annually and is separate from any other City fees or permits. In addition, an annual monitoring fee is charged to cover the cost of inspections by City staff to ensure compliance with maintenance and security standards.

While registration fees are nonrefundable, a portion of the monitoring fee may be refunded if the property becomes legally occupied during the year, with the amount of the refund based on the date of reoccupancy and subject to a compliance inspection.

Fee Description	Fee
Annual Registration Fee	**$1,092**
Annual Monitoring Fee	**$1,128**
Total Annual Small Site Fee	**$2,220**
Total Annual Large Site Fee	**$6,660**

Exemptions from Registration and Monitoring:

The CPR Program Ordinance offers exemptions for vacant properties where the following applies:

- Active Construction: A vacant building is exempt if all of the following are met:
  - A valid building permit has been issued for repair, rehabilitation, or construction.
  - The property owner is making diligent progress toward completing the work within six months of permit issuance, as determined by the Program Administrator.
  - The owner regularly maintains the exterior, including removing trash, debris, and graffiti.

- Partially Vacant Office Buildings as determined by the program administrator:
  - Office Buildings without a Code violation within the last 12-months and at least 50% occupied.
  - The owner maintains the property free of trash, debris, and graffiti in compliance with applicable codes.

Request for Relief

A Request for Relief may be considered at registration to exempt a property from annual monitoring fees. To qualify, the commercial property must be in good repair and fully compliant with all maintenance standards, with no graffiti, litter, illegal dumping, broken windows, boarded or deteriorated building elements, or unmaintained landscaping. Additionally, the property must have no public nuisance activity, no open or recent (within 12 months) code enforcement or nuisance abatement cases and must not have generated excessive public safety service calls related to vacant areas. If approved, the fee relief is valid for the duration of the 12-month registration period.

Put plainly, if a property owner proactively registers and meets the minimum safety, appearance, and security standards, they qualify for a waiver and incur no cost. The CPR program was developed through an iterative process informed by input from property owners, the business community and other stakeholders, with the intent of minimizing administrative burden for compliant property owners.

Maintenance Requirements

Once registered, the property must be maintained in accordance with minimum standards set forth in the ordinance.
This includes:

- Keeping the building and surrounding area free of trash, debris, and graffiti, maintaining landscaping and building exteriors in good, safe conditions.
- Securing all entry points to prevent unauthorized access, and ensuring the interior is clean, dry, and free from pests.
- A sign with current contact information for the owner or property manager must be posted visibly on-site.

- Buildings without functioning fire and burglar alarm systems must implement continuous physical monitoring by a licensed security service.
- Compliance with the standards in the ordinance will be verified through ongoing City inspections. If owners fail to meet the CPR requirements, action, such as citations or legal proceedings may be enforced.

Implementation

If approved, the CPR program will require an initial implementation period prior to becoming fully operational. This phase will include developing internal infrastructure and procedures, establishing fee collection processes, and training staff responsible for administering and enforcing the program. During this time, the City will provide ongoing outreach and communication with commercial property owners, stakeholders, and the public to explain program requirements, timelines, and expectations.

Outreach

Throughout the research phase and prior to staff making a final CPR implementation recommendation, staff conducted extensive outreach to solicit input from stakeholders, property owners, and the broader community. The outreach timeline below notes three iterative drafts where staff incorporated feedback from stakeholders to build consensus and create the most effective draft for consideration.

Staff maintained a contact list used to share draft materials, workshop notices, and project updates. Contacts were compiled from publicly available commercial property listings (e.g., CoStar), partner organizations that represent local property owners and businesses (including the Citrus Heights Chamber of Commerce and Sunrise MarketPlace) as well as signups from associated communications sharing the ordinance workshop information.

Outreach Timeline

A draft version of the ordinance (Version 1) was released on July 29, 2025, for initial review and feedback. Staff presented the draft (Version 1) to the Sunrise MarketPlace Board of Directors on July 31, 2025, followed by a public community workshop on August 11, 2025.

Additional community input was gathered through a FlashVote survey conducted in August 2025. Survey results showed that 68% of the Citrus Heights community have noticed vacant commercial buildings that sit empty and think they are a public problem. Further the data also showed strong resident support for considering an ordinance approach, with 79% of respondents indicating support for a program that would require owners of vacant commercial properties to register with the City, meet ongoing maintenance standards, and pay fees to cover the cost of program administration and enforcement. A summary of the outreach efforts and preliminary stakeholder feedback was provided to the City Council on September 24, 2025. City Council gave direction to conduct further targeted outreach with commercial property owners.

Following this initial round of outreach, staff incorporated feedback received, refining the ordinance accordingly (Version 2) before launching the next round of outreach. Edits made during this phase were directly responsive to comments raised through early stakeholder engagement.

On November 5, 2025, the City mailed informational letters to 468 commercial property owners, including links to the draft ordinance (Version 2) and an online survey. Of the 468 letters mailed, three property owners responded: one expressed support and two expressed opposition.

Continued stakeholder engagement (Version 2) included follow-up presentations to the Sunrise MarketPlace Board of Directors on November 13, 2025, the Citrus Heights Chamber of Commerce Board on November 20, 2025, and a second community workshop held on December 3, 2025.

Staff presented an updated draft (Version 3) to the Sunrise MarketPlace Board of Directors on January 22, 2026.

Two letters of support for the proposed ordinance were received (Attachment 4), including the Citrus Heights Chamber of Commerce and Citrus Heights Neighborhood Area 7, 8, & 9 (CHASEN).

Feedback gathered throughout this process was used to refine and shape the final version (Version 3) of the ordinance.

Feedback

Below is a summary of feedback incorporated through the outreach process that informed Version 3, the final draft.

Stakeholder Feedback and Resulting Ordinance Changes

- Registration Timeline
    - Extended registration requirement from 30 days to 60 days in response to stakeholder concerns about feasibility and administrative burden.
- Relief Eligibility
    - Shifted eligibility for monitoring fee relief away from strict occupancy thresholds.
    - Relief is now based on property condition and compliance history, including:
        - Well-maintained properties in good repair.
        - No open or outstanding code enforcement cases within the past 12 months.
- Office Buildings
    - Responded to feedback that office properties should not be treated the same as other vacant commercial uses.
    - Added an exemption for partially vacant office buildings, as determined by the Program Administrator, when:
        - The building is at least 50% occupied.
        - There have been no code violations within the past 12 months.

        - The property is maintained free of trash, debris, and graffiti.
- Large Property Portfolios
    - Addressed concerns from owners of multiple office buildings by allowing:
        - Consolidated registration and relief requests for multiple buildings under common ownership that are in good condition.
- Program Cost
    - Added a registration fee waiver for owners who voluntarily self-register within the required timeframe.
        - *If a property owner proactively registers and meets the minimum safety, appearance, and security standards, they qualify for a fee waiver and there is no cost to them.*

These revisions in the Draft Ordinance were informed by stakeholder feedback and are intended to best align the program goals with practical implementation considerations, property owner concerns, and community safety needs within the Citrus Heights context.

Attachments

1. Ordinance No. 2026-____ an Ordinance of the City of Citrus Heights to Establish a Commercial Property Reoccupancy Support Program.
2. Resolution 2026-___, a resolution of the City Council of the City of Citrus Heights adopting a fee schedule for the Commercial Property Reoccupancy Program
3. Draft of Commercial Property Reoccupancy Program Registration Application
4. Letters Received as of January 23, 2026
    a. Citrus Heights Chamber of Commerce
    b. CHASEN

ORDINANCE NO. 2026- ___

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

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

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

CHAPTER 52

Sec. 52-1. Title.

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

Sec. 52-2. Purpose.

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

Sec. 52-3. Definitions.

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

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

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

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

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

"Person" means any natural person or legal entity.

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

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

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

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

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

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

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

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

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

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

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

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

Sec. 52-5. Scope.

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

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

Sec. 52-6. Service Requirements.

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

Sec. 52-7. Registration and Exemptions.

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

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

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

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

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

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

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

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

Sec. 52-8. Registration Procedure.

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

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

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

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

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

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

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

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

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

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

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

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

1. Conditions for Refund. The refund shall apply only to the monitoring fee, and no portion of the registration fee shall be refunded. The monitoring fee refund will be calculated based on the following criteria:
    - If the property becomes occupied on or before the 15th day of any given month, the monitoring fee for that month and all subsequent months shall be refunded.
    - If the property becomes occupied after the 15th day of the month, the monitoring fee for that month will not be refunded, but the fees for all subsequent months, if any, will be refunded.

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

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

Sec. 52-9. Notice.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Sec. 52-11. Request for Relief.

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

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

   1. Graffiti, litter, illegal dumping; and

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

   3. Overgrown or unmaintained landscaping.

B. No public nuisance or enforcement activity

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

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

C. Time Limitation:

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

D. Revocation or Renewal

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

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

Sec. 52-12. Penalties.

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

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

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

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

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

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

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

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

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

_____
MariJane Lopez-Taff, Mayor

ATTEST:

_____
Amy Van, City Clerk

RESOLUTION NO. 2026-___

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CITRUS HEIGHTS, CALIFORNIA, ADOPTING A FEE SCHEDULE FOR THE COMMERCIAL PROPERTY REOCCUPANCY PROGRAM

WHEREAS, California Government Code authorizes the City Council to establish and adopt fees by resolution to recover the reasonable costs of providing services, including regulatory and administrative services, provided to specific individuals or property owners by resolution; and

WHEREAS, the City of Citrus Heights desires to establish a Commercial Property Reoccupancy Program to address vacant commercial properties through registration, monitoring, and compliance activities; and

WHEREAS, the fees imposed under the Commercial Property Reoccupancy Program are charged for services provided directly to commercial property owners and are not imposed for general public services; and

WHEREAS, the Commercial Property Reoccupancy Program is intended to operate as a cost-recovery program funded through an annual registration fee and annual monitoring fee paid by owners of vacant commercial properties; and

WHEREAS, this resolution establishes a fee schedule setting forth the annual registration and monitoring fees necessary to fund the Commercial Property Reoccupancy Program; and

WHEREAS, the City Council finds that the fees established by this resolution are designed to recover the reasonable costs of administering and enforcing the program, including but not limited to staff time, employee wages and benefits, inspections, supplies, equipment, and related administrative expenses, and do not exceed the cost of providing such services; and

WHEREAS, the City Council intends to periodically review and adjust these fees as necessary to ensure continued cost recovery and program effectiveness;

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 Citrus Heights Commercial Property Reoccupancy Program Fee attached hereto as Exhibit A is hereby adopted and approved as presented.
b. The adopted fee shall be incorporated into the City's Master Fee schedule as soon as practical
c. The fee 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 28th day of January 2026, by the following vote, to wit:

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

MariJane Lopez-Taff, Mayor

ATTEST:

Amy Van, City Clerk

Exhibit

A. Citrus Heights Commercial Property Reoccupancy Program Fee Schedule

Citrus Heights Commercial Property Reoccupancy Program Fee Schedule

Fee Description	Fee
Annual Registration Fee	**$1,092**
Annual Monitoring Fee	**$1,128**
Total Annual Small Site Fee	**$2,220**
Total Annual Large Site Fee	**$6,660**

Note: *The fees 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.*

COMMERCIAL PROPERTY REOCCUPANCY PROGRAM

REGISTRATION APPLICATION

☐ **INITIAL REGISTRATION** ☐ **REGISTRATION RENEWAL**

SUBJECT PROPERTY INFORMATION			
Address:	Are you registering multiple properties under the same ownership? (If answer is YES, please complete last page) ☐ YES ☐ NO		
Last Date of Occupancy:			
Property Owner			
Name (First, Middle, Last or as listed on Title Report):			
Mailing Address:			
City:	State:	Zip Code:	
Mobile:	Alternative Phone:	Email:	
Are you designating an Authorized Agent? ☐ YES: I have attached a completed Authorization of Agent to Act on Property Owner's Behalf ☐ NO			
If YES **Agent Name:**			
Agent Contact:			

SECURITY AGAINST UNAUTHORIZED ENTRY			
Any vacant building subject to registration shall be made secure from trespassers and shall be subject to the standards of Citrus Heights Municipal Code			
SECURITY MEASURES	**YES**	**NO**	**Comments/Other Info**
Does the property have a monitored burglar alarm system?	☐	☐	
Is the property equipped with working fire sprinklers?	☐	☐	

Does the property have a monitored fire alarm system?			
If you answered NO to all three of the above security measures, do you plan on installing any of these measures? Please explain in the “REMARKS” section			
Fire and liability insurance coverage?			

ADDITIONAL QUESTIONS
Please identify any additional measures that will be taken to maintain the property while it is vacant.
HOW CAN WE HELP YOU?
Describe any plans (to develop, rehabilitate, sell, or reoccupy the property) and associated timelines. Include any additional information you believe is pertinent to this property (you may attach additional pages if necessary).
Would you like the City’s Economic Development Department to contact you about assistance with leasing the space or other support opportunities? YES NO

ADDITIONAL PROPERTY REGISTRATION INFORMATION
If you are registering multiple properties <u>under the same ownership and management,</u> please list them below.
Address

CITRUS HEIGHTS CHAMBER
CONNECTING ■ BUSINESS ■ EDUCATION ■ COMMUNITY

January 21, 2026

City of Citrus Heights
Attn: Mayor and City Council
6360 Fountain Square Drive
Citrus Heights, CA 95621

RE: Letter of Support for the Commercial Property Reoccupancy Ordinance

Honorable Mayor and Members of the City Council,

On behalf of the Citrus Heights Chamber of Commerce, I write to express our support for the City's proposed Commercial Property Reoccupancy (CPR) Ordinance.

The Chamber supports this effort because strong, well-maintained commercial corridors are foundational to a strong Citrus Heights. Local businesses depend on clean, safe, and well-kept shopping areas to operate successfully, and these same conditions enhance quality of life for residents while creating a positive impression for visitors and potential investors.

When commercial properties remain vacant and unmaintained, the impacts are felt quickly and broadly. Visual deterioration, increased vandalism, and security concerns place additional strain on surrounding businesses and neighborhoods. Over time, these conditions can discourage reinvestment and signal disinvestment to prospective tenants and developers.

The current iteration of the proposed CPR Ordinance provides a practical and balanced approach to addressing these challenges. By establishing clear expectations for property upkeep and security, the ordinance promotes prevention, accountability, and readiness for reoccupancy. It helps ensure that vacant properties remain assets rather than liabilities within our commercial districts.

This ordinance represents a timely and proactive step that protects community health, safety, and welfare while supporting a stronger business environment. By reducing nuisance conditions associated with prolonged vacancy, it reinforces Citrus Heights' commitment to economic vitality and long-term reinvestment.

For these reasons, the Citrus Heights Chamber of Commerce supports adoption of the Commercial Property Reoccupancy Ordinance. We believe it will positively contribute to both economic stability and overall quality of life in our community.

Thank you for your leadership and continued commitment to the long-term success of the City of Citrus Heights.

Sincerely,



SHERI MERRICK
Executive Director
916-722-4545
209-485-8001
8091 Greenback Ln. Ste F Citrus Heights
www.chchamber.com
CITRUS HEIGHTS CHAMBER

CHASEN: Areas 7. 8 & 9

January 21, 2026

City of Citrus Heights
Attn: Mayor and City Council
6350 Fountain Square Drive
Citrus Heights. CA 95621

RE: Letter of Support for the Commercial Property Reoccupancy Ordinance

Honorable Mayor and Members of the City Council,

On behalf of CHASEN, areas 7 ,8 & 9, I am writing to express our support for the City's proposed Commercial Property Reoccupancy (CPR) Ordinance.

Our neighborhood appreciated Meghan and her team attending our meeting and discussing the proposed new ordinance under consideration. CHASEN supports this ordinance because the condition of commercial properties affects the character of Citrus Heights.

When vacant properties are neglected, it becomes harder for residents and other businesses to feel pride In the city which we live. It also does not attract new businesses or residents that may want to move into Citrus Heights.

Property ownership carries responsibilities, and those responsibilities do not go away when a building becomes vacant. No matter what the reasons are for the building being vacant, it still must be maintained. Poorly maintained buildings can be a safety and fire risk. Neglected properties also attract the homeless. The neglect of one property affects the other nearby properties. The appearance and condition of one property affects the adjacent properties ability to attract business and lower their building values.

This is why CHASEN supports a prevention-focused approach. Addressing maintenance and security early helps avoid larger problems in the future. It is easier and cheaper to maintain a property than to fix problems due to neglect. As a retired commercial plumber, I can attest to that.

The proposed CPR ordinance supports pro-action instead of reaction. It supports standards for upkeep and property security during vacancy. We believe this ordinance will help uphold community standards and support a cleaner, safer, and better maintained Citrus Heights.

Thank you for your leadership and thoughtful consideration.

Sincerely,
Bill Shirley
Bill Shirley,
President of CHASEN

CITY OF CITRUS HEIGHTS

CITY COUNCIL STAFF REPORT MEMORANDUM

DATE: January 28, 2026

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

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

SUBJECT: **Homeless and Housing Partnership Model and Senate Bill 802 Discussion**

Recommendation

This report provides an update on the efforts of Sacramento County to develop a new model for collaboration related to homelessness among the jurisdictions in Sacramento County and the Continuum of Care (CoC). Following presentations to the Board of Supervisors and most of the City Councils in the County, the CoC, and the joint meeting held on October 28, 2025, County staff has a new recommendation around a new partnership model. Sacramento County is soliciting feedback and support for the new partnership option.

In addition, Senator Ashby's office is requesting that the City of Citrus Heights withdraw its existing opposition letter (**Attachment 3**) and replace it with a letter of support or neutrality regarding Senate Bill 802, which has been recently amended based upon feedback from regional city managers and other stakeholders.

Staff recommends the following:

1. Hear a presentation from County staff regarding the recommended option and provide feedback.
2. Hear a presentation on the proposed Senate Bill (SB 802) as amended.
3. Provide direction on the City's position regarding the recommended option, indicating support, comments, or questions for County staff to consider.
4. Provide direction on the City's position regarding SB 802, indicating support, neutrality, or opposition, along with any conditions and feedback to the author associated with each position.

Strategic Plan Alignment

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

Goal: Maintain and Enhance Fiscal Stability While Supporting Operational Excellence
Goal: Enhance Community Vibrancy and Engagement
Goal: Preserve and Enhance Public Safety

Fiscal Impact

There is no immediate fiscal impact to the City. Any future decision to enter into an agreement, such as Joint Powers of Authority (JPA), Memorandum of Understanding (MOU), or similar agreement, would include a detailed analysis of fiscal impacts, including any potential commitments of staffing or funding resources.

- **County's Recommended Option**: No immediate fiscal impact; however, there may be potential staffing impacts depending on the final structure and implementation.

- **SB 802**: No immediate fiscal impact; however, there may be potential staffing impacts depending on the bill's final structure and implementation. The original version of the bill proposed consolidating local government housing-related funding under a new agency.

  The most recent version eliminates this provision and allows jurisdictions to retain local control over housing funded sources. However, per the author, all three cities, Citrus Heights, Elk Grove, and Rancho Cordova must remove opposition to SB 802 to avoid the redirection of local housing funds to a JPA. For Citrus Heights, this could impact Community Development Block Grants (CDBG) funds (approximately $600,000 annually), HOME Investment Partnership Program (HOME) funds (approximately $250,000 annually), Affordable Housing Impact Fees (approximately $10,000), Permanent Local Housing Allocation (PLHA) funds (approximately $300,000 annually), and potentially future housing related funding.

- **JPA Model**: Unknown at this time. Any fiscal or staffing impacts would depend on the formation, governance structure, and implementation of a future JPA.

Background and Analysis

In 1987, Congress passed the McKinney Homeless Assistance Act (later renamed to McKinney-Vento Act), which was the first major federal legislation to explicitly address homelessness. Since then, many new regulations and requirements impacting how homeless funding and services are delivered in local communities have been enacted at the federal, state and local level.

In 1994, the US Department of Housing and Urban Development (HUD) established the CoC process to coordinate the distribution of multiple homeless assistance programs that previously were awarded directly to local organizations. The CoC was intended to award and monitor federal homeless funding and designed to bring together individuals and organizations in a collaborative space to coordinate on delivery of services to people experiencing homelessness. Across the country, CoCs are generally governed by a board comprised of representatives of local government, nonprofit homeless assistance providers, victim service providers, faith-based

organizations, businesses, advocates, public housing agencies, school districts, social service providers, mental health agencies, and other organizations that serve homeless and formerly homeless individuals. At least one member of the CoC Board is required by HUD to have lived experience of homelessness.

Until 2011, the County of Sacramento (County) served as the CoC lead entity and led most of the efforts within Sacramento County to address homelessness, with some assistance from the Sacramento Housing and Redevelopment Agency (SHRA) and programs funded by cities. During the recession in 2011, Sacramento County transferred many of its homelessness responsibilities to a newly created nonprofit. That nonprofit, Sacramento Steps Forward (SSF), became the CoC lead agency and began to allocate most federal funding for homelessness. Since 2017, Citrus Heights has had a staff representative who serves on the CoC board.

Since 2011, homelessness has increased significantly in Sacramento County and in California in general. The administrative and funding landscapes have also changed significantly, with the City of Sacramento and the County each creating departments devoted specifically to addressing homelessness and directly funding new outreach initiatives, shelter and short-term housing options, and permanent housing resources. The state's creation of the Homeless Housing, Assistance, and Prevention Program (HHAP) in 2019 has provided more than $173 million in new homelessness funding to the County, City of Sacramento, and the CoC.

Citrus Heights has not received any federal or HHAP funding to address homelessness, although services and shelters funded by the County and CoC may be available to Citrus Heights residents experiencing homelessness. While the City has a vote on the CoC spending through the CoC Board, it does not have any control or oversight over the funds granted to the County, City of Sacramento, or SHRA.

Citrus Heights has also been involved in regional efforts to address homelessness primarily through its participation in the CoC. The City also had representation on the Sacramento Homeless Policy Council (SHPC), a panel of elected officials established in 2021 dedicated to regional information-sharing; however, the SHPC met irregularly and has not convened in the past two years.

In 2023, following the signing of a formal Homeless Partnership Agreement by City of Sacramento and Sacramento County, those entities started working with SHRA and SSF to explore potential restructuring of roles and responsibilities related to homelessness.

Given strong local interest in expanding collaboration around housing and homelessness, an external consultant was engaged to review the existing service delivery structure and provide recommendations for improvements or changes.

Sacramento County and Continuum of Care Actions
During the last quarter of 2025, the Sacramento County Board of Supervisors and other local officials had numerous discussions related to regional collaboration around homelessness. Four of these key meetings are summarized below.

August 19, 2025, Board of Supervisors Meeting

On August 19, 2025, County staff presented a recommendation to the County Board of Supervisors that would create a new body, the Sacramento Homeless and Housing Board (SHHB). The SHHB would be a Brown Act body composed primarily of elected officials, plus one to five community representatives, including one person with lived experience of homelessness. The SHHB would have two seats for County Board of Supervisors members, two seats for City of Sacramento Council members, and one seat for a Council member from each of the other incorporated cities in the County.

Under this model, the SHHB would replace the existing CoC Board, consolidating decision-making authority over federal and state funding resources within an elected-official–led governance structure. Community organizations and individuals currently engaged in the CoC would continue to play an important role through the maintenance and/or creation of multiple subcommittees that would provide technical guidance and expertise to the SHHB. The Board would also be supported by a Strategic Leadership Group consisting of staff from the County, cities, SSF, and SHRA.

Following the Board presentation, County staff presented the same model to the cities of Citrus Heights, Elk Grove, Folsom, Galt, Rancho Cordova, and City of Sacramento.

Overall, the cities agreed that increased collaboration among jurisdictions is needed and that the current SHPC structure has not been effective. While perspectives varied, three consistent themes emerged from the five smaller cities:

1. Local Control: Cities want to retain authority over land use decisions and the allocation of funding for projects within their jurisdictions.

2. Localized Responses: Cities recognize that the number of people experiencing homelessness within their jurisdictions is relatively small compared to the City of Sacramento and the County. Each has taken steps to address homelessness locally and does not want to lose the ability to develop tailored responses that reflect the unique conditions and needs of their communities.

3. Capacity Concerns: While some cities have dedicated staff focused on housing and homelessness, these teams are limited in size. As a result, cities expressed concern about their capacity to participate in a new governance structure and the potential expectation that they would provide additional administrative support, either through staffing or funding.

The City of Sacramento did not focus on a single governance model; instead, its input centered on desired goals and outcomes. The Sacramento City Council agreed on the need for a new approach to collaboration but expressed varying perspectives on what that approach should entail. Some City of Sacramento Councilmembers continue to advocate for a formal JPA that would share resources and decision-making, while others favored reconstituting the existing City–County Homeless Partnership Agreement.

October 28, 2025, Board of Supervisors Meeting
On October 28, 2025, a joint meeting of the Board of Supervisors, City of Sacramento Council and mayors or Councilmembers of five of the six other cities in Sacramento County was held. As part of that meeting, Mosaic Solutions and Advocacy facilitated a discussion with the elected officials that centered on partnership approaches. A summary of this meeting and their recommendations is included as **Attachment 1**.

December 9, 2025, Board of Supervisors Meeting
On December 9, 2025, County staff revisited the model presented to the Board of Supervisors on August 19, 2025, incorporating input provided to Mosaic Solutions and Advocacy by elected officials across the County. **Attachment 2** summarizes four potential partnership models.

1. Current Model: The CoC operates independently of local elected bodies, with each jurisdiction setting policy separately.

2. County Staff Recommendation: The CoC is reconstituted to include a majority of elected officials, with additional seats for key community leaders from sectors impacting homelessness.

3. Alternative Model: If the CoC does not reconstitute its board, the Sacramento Homelessness Housing Board (SHHB) would be established as an elected-official–only body to set policy for programs administered by the cities and the County. This model would result in two convening bodies, the CoC Board and the SHHB—with no formal relationship. The City of Sacramento and the County would need to determine whether existing CoC administrative funding could continue or would need to be redirected to support this new structure.

4. Joint Powers Authority (JPA): Supported by some Sacramento City Councilmembers but not currently supported by other elected officials in the County.

The Board of Supervisors directed staff to proceed with the Staff Recommendation and outreach to the cities in Sacramento County to answer questions and seek alignment.

December 10, 2025, Continuum of Care Meeting
On December 10, 2025, the CoC considered an option it developed that differed from the model presented by the County to the Board of Supervisors on December 9, 2025, and from prior discussions. The proposal included two elected officials from the City of Sacramento, two from the County, and one rotating elected official from the smaller cities, while maintaining a majority of non-elected members. The CoC voted not to adopt this option.

Senate Bill 802 Housing finance and development: Sacramento Area Housing and Homelessness Agency: Multifamily Housing Program: Homekey: Homeless Housing, Assistance, and Prevention program

On June 24, 2025, Senator Ashby introduced Senate Bill 802 (**SB 802)**, a state bill that, if passed and signed would implement significant changes to the governance of housing and homelessness

efforts in the Sacramento region. This description refers to the original bill, before any amendments.

- Creates a regional housing and homelessness authority "Sacramento Area Housing and Homelessness Agency (SAHHA)" by restructuring Sacramento Housing and Redevelopment Agency (SHRA). The board would be comprised of eleven elected officials including:
    - Three members from the City of Sacramento
    - Three members from the County of Sacramento
    - Two members from the City of Elk Grove
    - One member from the City of Citrus Heights, Folsom, and Rancho Cordova

- Centralizes funding and programs across Sacramento County and participating cities to coordinate affordable housing development and homelessness services more effectively and redistribution of local affordable housing funds to a newly created board. Includes redistribution of local housing related funds to SAHHA.

Senator Ashby introduced SB 802 without prior notification to, or consultation with, the impacted local governments in Sacramento County. In response, based on the City's core pillars of local control and fiscal responsibility, on June 25, 2025, Mayor Jayna Karpinski-Costa transmitted a letter to Assemblymember Matt Haney, Chair of the Assembly Housing and Community Development Committee, also expressing opposition to SB 802 (**Attachment 3**).

In July 2025 the Mayors of Sacramento, Citrus Heights, Elk Grove, Rancho Cordova, Folsom, and Chair of the Board of Supervisors transmitted a letter of opposition to Senator Ashby (**Attachment 4**).

Following this local and regional opposition, Senator Ashby's office convened a series of discussions with city managers throughout Sacramento County. In July 2025, City Manager Feeney, along with the city managers of Elk Grove, Folsom, and Rancho Cordova, negotiated revisions to SB 802.

Based on these discussions, Senator Ashby agreed to proceed with these amendments, which preserve funding and local control that were at risk under the original bill. These key points include:

- Cities that receive Community Development Block Grant (CDBG) funds and administer those funds directly shall retain full responsibility, without limitation, for the administration, oversight, collection, allocation, and disbursement of all CDBG funds.

- Cities that receive HOME Investment Partnerships Program funds and administer those funds directly shall retain full responsibility, without limitation, for the administration, oversight, collection, allocation, and disbursement of all HOME funds.

- Cities shall maintain full responsibility, without limitation, for the collection, administration, oversight, allocation, and disbursement of all funds associated with their housing trust funds and/or local housing ordinance impact fees.

On January 6, 2026, Senator Ashby released the proposed amendments to SB 802 to the local governments in Sacramento County (**Attachment 5**). The proposed amendments are consistent with the previously negotiated direction. Senator Ashby has also indicated that unless opposition to SB 802 is removed by Citrus Heights, Rancho Cordova, and Elk Grove, prior amendments to maintain local control of housing related funds would be removed, and housing related funding would be reallocated to the new SAHHA.

Other Government Actions

In addition to Citrus Heights, both Sacramento County and Senator Ashby's office are requesting feedback from all Sacramento County local governments. The following is a timeline for each jurisdiction as well as a brief summary of the City of Sacramento City Council meeting:

- City of Sacramento - January 13, 2026 – The Sacramento City Council heard the item on the Homeless Partnership Model. Staff recommended the option that the County Board of Supervisors approved in December. The Council had a discussion and while most of the Council expressed support for the recommended option, many also wanted to continue to pursue a JPA model, some tying it to SB 802. Ultimately, the Council approved a motion (7-2) directing staff to pursue a JPA model only, effectively to not join with the County on the recommended option. Councilmembers Dickinson and Pluckebaum voted no.
- City of Rancho Cordova- January 27, 2026 – Staff will share any outcomes at the Council meeting.
- City of Elk Grove – January 28, 2026
- City of Galt – February 3, 2026
- City of Folsom – February 10, 2026. The City Manager stated that the City Council remains opposed to SB 802 but has not provided feedback on the County's proposed model.

Council Considerations/Options

Sacramento County Staff will present information related to the model supported by the Board of Supervisors during the Council Meeting. Senator Ashby's office is also requesting feedback related to SB 802.

Feedback to Sacramento County
Sacramento County is seeking feedback related to the model presented to the Board of Supervisors on December 9, 2025. The Council may:

- Support the Model
- Oppose the Model
- Remain Neutral
- Other direction desired by Council, including any conditions associated with any respective position

Feedback to Senator Ashby:
Senator Ashby is seeking feedback related to SB802, including the modified language discussed in late 2025. The Council may:

- Support SB 802
- Oppose SB 802
- Remain Neutral
- Other direction desired by Council, including any conditions associated with any respective position

Environmental Review

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

Attachments

1. Sacramento Countywide Homeless Summit Report and Recommendations
2. Options for New Homeless & Housing Partnership Model
3. Mayor Karpinski-Costa Letter Opposing SB 802
4. Sacramento County City Mayors Letter Opposing SB 802
5. Amendments to Senate Bill 802 Dated 12/17/2025

Resources

1. August 19, 2025 – County Board of Supervisors Meeting (Item #53)
2. September 10, 2025 – City of Citrus Heights City Council Meeting
3. October 28, 2025 – Joint meeting of Board of Supervisors, Sacramento City Council and Mayors or Councilmembers of five of the six cities.
4. December 9, 2025 – County Board of Supervisors Meeting (Item #54)
5. December 10, 2025 – Continuum of Care (Item #6)
6. January 13, 2026 – City of Sacramento Council Meeting (Item #26)

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Sacramento Countywide Homelessness Summit on October 28, 2025
Report and Recommendations
by Mosaic Solutions & Advocacy

Overview

On October 28, 2025, the Sacramento Countywide Homelessness Summit (Summit) was held at the Library Galleria in downtown Sacramento. This historic meeting brought together the Sacramento County Board of Supervisors, Sacramento City Council, and representatives from suburban cities including Elk Grove, Citrus Heights, Folsom, Rancho Cordova, and Galt to discuss collaborative approaches to addressing homelessness. A complete list of attendees can be found in the appendix of this report. The meeting featured presentations on federal and state funding impacts, progress and possibilities in addressing homelessness within Sacramento, behavioral health services, and legal pathways to get individuals into mental health and substance use treatment. Participants expressed strong support for continued collaboration, with overwhelming agreement to pursue a multi-jurisdictional approach. Major challenges identified included lack of housing, funding shortfalls, inconsistent coordination across jurisdictions, frustration over silos with housing and homelessness partners and impending federal cuts. Solutions discussed included shared or new governance structures, better data sharing, prevention focus, and selecting a new structure that could be established quickly.

Across the count, there were examples of collaboration and solutions that are beginning to make progress in turning the tide of Sacramento County's overall number of people experiencing homelessness. The Sacramento County 2024 Point-in-Time count saw a 28.7 percent reduction in individuals experiencing homelessness since 2022. This could be attributed to the 2023 Sacramento City and County Agreement, as well as the efforts of the City of Sacramento, the suburban cities, and the County of Sacramento in outreach and engagement, increased shelter capacity, temporary housing, and integrated services.

THEMES

Survey Results and Stakeholder Priorities

As part of the pre-work conducted prior to the Summit, a survey was sent out to all elected officials participating in the meeting. There were twenty surveys completed by elected officials, key county and city staff, Sacramento Steps Forward (SSF), and some members of the Continuum of Care (CoC). The survey results from the participants prior to the meeting and questions asked during the meeting clearly showed homelessness is a very important priority, with the Board of Supervisors, Sacramento City Council, and the homeless population ranking as the most vital stakeholders. Not surprisingly, the City and County of Sacramento ranked highest as the jurisdictions facing the most difficult homelessness challenge. For a majority of elected officials, the most meaningful challenges identified included lack of housing, funding for programs and services, handling of homeless encampments, program efficacy, and lack of consistency across jurisdictions. Top priorities for improvement included programs and services, city and county coordination, funding policies, community awareness, and shared governance.

Elected Officials' Desired Engagement Level

Officials expressed a strong desire for more direct involvement in the homelessness response. Key themes included the need for faster response times for constituent services, formal forums for regular coordination meetings, direct involvement in resource allocation decisions and service delivery implementation. Multiple officials emphasized the need to get services to people more quickly. A majority of elected officials mentioned wanting a direct role in governance and accepting the accountability that comes with it. During the summit and in previous interviews, elected officials expressed that they need more regular access to critical information from existing structures like Sacramento Steps Forward (SSF), the Continuum of Care (CoC), and Sacramento Housing Redevelopment Agency (SHRA) to effectively serve their constituents and make informed policy decisions.

Regional Coordination and Information Sharing

Strong consensus emerged for a formal forum that would meet monthly or quarterly where elected officials from all jurisdictions could coordinate efforts, share information about programs, establish similar strategies, and avoid displacing problems to neighboring areas, deeming the current ad hoc approach insufficient. A need was identified for real-time information sharing, including which programs are working, how cities can access county services, federal policy changes affecting funding, and data-driven decision making. Multiple participants noted opportunities for SSF and the CoC to take a stronger leadership role in facilitating information sharing and regional coordination. Participants wanted to

move beyond individual presentations to collaborative dialogue where officials can build on each other's ideas and make joint decisions including involvement from first responders and law enforcement.

Prevention vs Response Strategy

Multiple participants emphasized the need to shift focus toward prevention rather than just responding to current problems on the streets. Currently, approximately 1% of the $418 million spent on addressing homelessness goes to prevention, according to statistics cited at the Summit. Prevention receives insufficient resources despite being more cost-effective in the long run. Some officials stressed that the county region cannot 'build its way out' of homelessness through sheltering alone – it must prevent people at risk from becoming homeless. Prevention programs include affordable housing development, rental assistance programs, early intervention services, and access to substance use and mental health treatment services.

Data-Driven Decision Making and Accountability

Several officials placed a strong emphasis on the need for a mission-driven, vision-based approach supported by data analytics. They want to see evidence of program effectiveness across different districts and jurisdictions. Many identified the need for real-time data sharing, performance metrics, and the ability to redirect resources when programs aren't working. Others stressed the importance of measuring outcomes and managing what gets measured.

Suburban Cities Participation

During the discussion, the group addressed the role of smaller jurisdictions in a countywide collaboration. While acknowledging that most of the homeless population is concentrated in the City of Sacramento and the unincorporated County, there was also recognition that all cities are affected by the transient nature of this population and the need for regional solutions. Smaller cities shared that they contribute through prevention efforts, sharing best practices, and joint advocacy at state/federal levels. Some also expressed concern about governance structures and potential loss of local control in land use decisions and local funding. However, there was general agreement that a countywide approach strengthens the collective voice for funding and policy advocacy.

Staff and Partner Roles

The officials expressed a strong appreciation for city and county staff expertise and collaborative relationships. They also acknowledged that they are not subject matter

experts and benefit from the input of professionals and leaders in the community such as first responders, law enforcement, nonprofit partners, hospital systems, and people with lived experience. Officials also acknowledged the importance of staff in the process of implementing decisions, but concerns were raised about staff burnout from competing priorities and need for clarity on goals and priorities. Some stressed the importance of including community health workers, healthcare providers, and frontline service providers in the planning processes.

Funding Challenges and Federal Impacts

One of the major concerns raised was the impending federal funding cuts affecting HUD programs, permanent supportive housing, and social safety net services. After the October 28th Summit, HUD released its new policies and funding proposals which will change what needs to be prioritized for federal funding. The state budget situation is also constraining and may result in reduced allocations in homelessness funding. Local jurisdictions will also be facing deficits which may impact their ability to make local contributions to existing homeless and housing programs. There was general recognition that more must be done with less resources, requiring better coordination and economies of scale. Participants identified the need for joint advocacy to state and federal levels to protect existing funding and secure new resources. They emphasized that if the incorporated cities and County of Sacramento could work together more closely, they could improve opportunities for regional grants from state and federal sources.

Current Partnership Agreement Evaluation

The Officials discussed the existing Sacramento City-County Partnership Agreement that was signed in December 2022 with implementation beginning in 2023. There was agreement that this has been largely successful in meeting deliverables and better coordination with City and County. The Officials favored building on a proven foundation rather than creating an entirely new agreement. This included an emphasis on avoiding additional bureaucracy while improving coordination and outcomes. Transparency in developing a new agreement was also raised as a critical issue.

Organizational Structure Options

During the meeting, an important discussion arose regarding whether the need for improved collaboration should be addressed through a new structure, including a Joint Powers Authority (JPA), Memorandum of Understanding (MOU), or other multi-party agreements. There was also discussion on whether this goal might more easily be achieved through the development of shared goals, updating the current working agreements and informal coordination via additional county-wide meetings. Past Grand Jury reports were

mentioned, that recommended a formal governance structure and emphasized the need for a formal document to ensure consistency beyond the tenure of current elected officials and to provide an accountability framework. Some Officials pointed out that coordination does not require new organization but can be accomplished more efficiently with better utilization of existing structures. This touches on existing structures like SSF, CoC, and SHRA. Overall, there was shared support for whatever structure enables shared decision-making and resource coordination while maintaining appropriate roles for different sized jurisdictions. There was a recognition of the importance of detailing the roles and responsibilities of the County and the cities if any new or updated shared governance arrangement is created. The need for expediency was raised, regardless of which system is created to improve coordination among the incorporated cities and the County of Sacramento.

Public Comment Themes

Community speakers emphasized the importance of prevention, permanent housing solutions, and including people with lived experience in planning the future. Many addressed trust issues between government and community, while others focused on human dignity, and the urgency of the crisis with winter approaching. Specific concerns were also raised about jail release procedures, SHRA performance, the CoC and SSF performance and responsibilities, along with the need for more flexible service approaches, affordable housing development and the environmental impacts of encampments. Most speakers expressed strong support for regional collaboration approach of some kind.

Recommendation

When reviewing the perspectives shared in the meeting and during one-on-one interviews that occurred before and after the Summit, two themes consistently emerged: first, the need for the elected city and county representatives to become more directly involved in leading the homelessness efforts in the Sacramento region; and second, the need to strengthen the existing system to make it more collaborative and effective. All officials present at the October 28th Summit expressed a commitment to working together to confront the complexities of homelessness across the cities and in the County. While new ideas—such as establishing a new Sacramento Housing and Homelessness Board or creating a new JPA—may appear promising (and ultimately may be needed) they largely function as workarounds, intended to address the elected officials' frustration with the effectiveness of the current system.

Under the current system, the Sacramento CoC serves as the federally designated decision-making body that is responsible for coordinating and overseeing grants,

strategies and programs to address homelessness. These grants support community-wide planning, resource coordination, data collection, and the operation of programs that help people experiencing homelessness move into housing.

Sacramento's CoC is part of the U.S. Department of Housing and Urban Development's national CoC Program and is governed by a Board of over 30 community members, utilizing 10 standing committees. As discussed below, we believe that this diluted leadership structure has contributed to the CoC's perceived lack of effectiveness.

With regard to SSF, it presently serves as the lead agency for the CoC, helping with the coordination of funding through HUD and assisting in the CoC's mission of providing oversight and monitoring of projects receiving CoC funding. SSF is a non-profit and is governed by its own Board of Directors, independent of the CoC.

The day-to-day relationship between SSF and the CoC is complex. Based on our interviews, it is unclear to many stakeholders whether the CoC is setting policy that SSF executes, or whether SSF is effectively guiding the CoC's development of Sacramento's homeless priorities. This ambiguity has contributed to a lack of clear leadership and accountability across the system. For example, members of the CoC reported that their board had not received financial reports from SSF in the last several years. In this light, it is important to note that while several city and county staff serve on the CoC, currently no elected officials serve on the board of either SSF or the CoC.

Many officials that were interviewed agreed that SSF has an important policy-setting role and employs many capable staff members who are diligently working to coordinate homelessness systems across the cities and the County. However, there was also strong consensus among elected officials that the information, data, and reporting generated by SSF and the CoC are not consistently or effectively communicated from SSF leadership to the officials who rely on this information to govern. As a result, many elected officials believe that communication, leadership and accountability in the current system could be significantly improved through a new, more direct leadership structure at both SSF and the CoC.

As noted above, for many years the role of the CoC was straight-forward, it served as the lead agency for seeking and distributing federal funding, along with coordinating Sacramento's homelessness response. But since 2015, with the introduction of new state, county, and local funding streams, the CoC's federal funding now contributes only about 10 percent of the overall resources addressing homelessness in Sacramento. This shift to a more diversified funding stream has complicated the roles of the CoC and SSF, requiring a greater level of collaboration between these groups and the elected leaders in the region.

Both the Sacramento County Board of Supervisors and the Sacramento City Council have discussed various strategies to address communication gaps between the CoC, SSF, and elected officials and many of the recommendations in this report build upon concepts that have been raised in prior discussions.

Recommendation #1

To ensure more direct involvement of elected officials and a countywide focus on addressing homelessness that breaks down silos and increases accountability, our first recommendation is to reconstitute the leadership of the CoC. While the CoC must continue to meet federal guidelines, we recommend that the CoC change its leadership structure, so that a majority of voting members are elected officials from the Sacramento County Board of Supervisors, the City of Sacramento, along with an elected official from the suburban cities in Sacramento County. While those elected officials can then decide whether to attend themselves or send a representative, in either case, they will have a direct line of authority, communication, and responsibility for improving the region's homelessness response.

In addition, the CoC membership should include community leaders with decision making authority from Sacramento hospital systems, first responders, law enforcement, business community, and school districts, while maintaining some of the existing members from community-based organizations and individuals with lived experience.

The reconstituted CoC would then, under the leadership of elected officials and diverse stakeholders, become the primary driver of homelessness policy and coordination in Sacramento County. The CoC would have the authority and responsibility to determine its relationship with SSF, including whether SSF would maintain its role as the CoC's lead agency in Sacramento and under what terms. Under this model, the CoC would have the power and accountability to implement a vision driven by elected leadership from throughout the County. This change would break down existing silos and align Sacramento's governance structure similarly to other successful models of CoCs that are more directly connected to local government.

As the region faces significant HUD funding cuts, changes to the CoC mission, possible reductions in state funding, and constrained local budgets, it is critical that Sacramento has in place a direct and effective structure, allowing the cities and the County the authority and accountability needed to achieve rapid, comprehensive improvement in managing these challenges. In our view, a revised CoC leadership structure is the best approach to meet these challenges.

Recommendation #2

To ensure the timeliness of these structural changes, the County Board of Supervisors and the Sacramento City Council should work collaboratively with the CoC to establish a reasonable implementation timeline. This transition will require good-faith efforts from all parties. However, if the CoC is unable or unwilling to work with the City and County of Sacramento to reconstitute its structure so that elected officials from the County and incorporated cities hold a majority of seats, the Sacramento City and County should be prepared to move forward with the creation of a new Board or Commission to assume the policy-making and coordination functions currently performed by the CoC/SSF, while maintaining only those federally mandated functions at the CoC.

Under this scenario, the Sacramento County Board of Supervisors and the Sacramento City Council would redirect county and city funding to support the new Board or Commission, focusing local resources where elected officials have direct accountability. While reconstituting the existing CoC remains the preferred approach due to its established infrastructure and relationships, creating a new governance structure may become necessary if the current system cannot adapt to meet the region's evolving needs.

Recommendation #3

In addition to a leadership structure, the County of Sacramento and the City of Sacramento should enter into a new or updated MOU that builds on the success of the 2022 partnership agreement while expanding its scope to address the changing landscape. While county and city staff and officials are already working collaboratively under the current framework, formalizing an enhanced agreement that clearly lays out expanded roles, shared performance metrics, and joint governance goals will help sustain this partnership through changes in staffing, elected leadership, and fiscal conditions.

Recommendation #4

The County of Sacramento should work with the County's suburban cities to develop individual MOUs or agreements that clearly define roles, responsibilities, and shared goals. Although many suburban cities are taking proactive steps to address homelessness and their populations are smaller and more manageable, this progress is at risk. Without formal agreements or partnerships, gains could be lost as funding diminishes and attention shifts to other emerging priorities.

Sacramento Countywide Homelessness Summit on October 28, 2025
Report and Recommendations
by Mosaic Solutions & Advocacy

The October 28th Countywide Homelessness Summit marked an important first step in bringing Sacramento County and all incorporated cities together to discuss homelessness in a more coordinated way. This effort comes at a critical moment, as these cities prepare for potentially significant federal and state funding changes.

Conclusion:

The October 28th Countywide Homelessness Summit demonstrated that Sacramento is ready to move beyond fragmented efforts and toward a unified, accountable, and data-driven approach to addressing homelessness. Despite meaningful progress in recent years, elected officials, staff, service partners, and community members all emphasized that the current system lacks the cohesion, transparency, and leadership necessary to sustain and accelerate this momentum.

The recommendations in this report are designed to build on existing strengths while addressing long-standing structural challenges. By reconstituting the CoC to focus leadership with local elected officials, establishing clear lines of authority and communication, formalizing intergovernmental partnerships, and aligning City and County responsibilities, we will create a governance model capable of navigating shrinking budgets, shifting state and federal priorities, and increasing community expectations. These reforms can be implemented rapidly, without creating unnecessary bureaucracy, and they position the region to compete more effectively for future funding.

Sacramento has what is needed to transform its response to homelessness proactively before significant changes begin impacting the fiscal situation in California. But success will depend on decisive action, unified leadership, and a sustained commitment to collaboration at every level of government. By adopting these recommendations and working collectively across jurisdictions, Sacramento County and its cities can build a more efficient, responsive, and equitable system.

Sacramento Countywide Homelessness Summit on October 28, 2025
Report and Recommendations
by Mosaic Solutions & Advocacy

Appendix

Sacramento Countywide Homelessness Summit October 28, 2025
Elected Official Participants

Sacramento County Board of Supervisors

Supervisor Phil Serna (Chair)
Supervisor Rich Desmond
Supervisor Rosario Rodriguez
Supervisor Pat Hume
Supervisor Patrick Kennedy

Sacramento City Council

Councilmember Kevin McCarty (Mayor)
Councilmember Phil Pluckebaum
Councilmember Eric Guerra
Councilmember Rick Jennings
Councilmember Roger Dickinson
Councilmember Karina Talamantes
Councilmember Lisa Kaplan
Councilmember Caity Maple
Councilmember Mai Vang

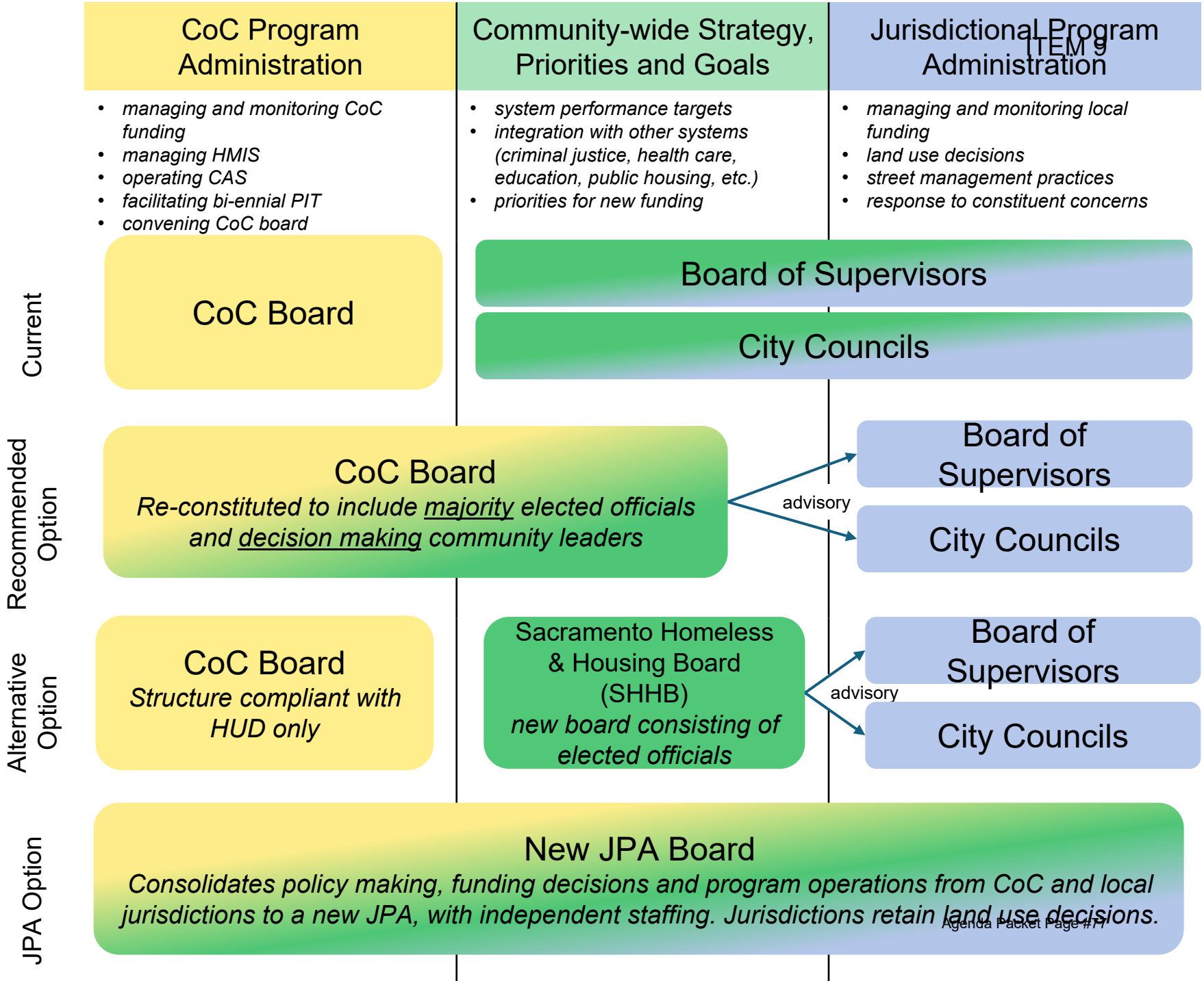
Citrus Heights
Mayor Jayna Karpinski-Costa

Elk Grove
Mayor Bobbie Singh-Allen

Folsom
Mayor Sarah Aquino

Galt
Mayor Shawn Farmer

Rancho Cordova
Councilmember Linda Budge


CoC Program Administration
Community-wide Strategy, Priorities and Goals
Jurisdictional Program Administration
• managing and monitoring CoC funding
• managing HMIS
• operating CAS
• facilitating bi-ennial PIT
• convening CoC board
• system performance targets
• integration with other systems (criminal justice, health care, education, public housing, etc.)
• priorities for new funding
• managing and monitoring local funding
• land use decisions
• street management practices
• response to constituent concerns
Current
CoC Board
Board of Supervisors
City Councils
Recommended Option
CoC Board
Re-constituted to include majority elected officials and decision making community leaders
advisory
Board of Supervisors
City Councils
Alternative Option
CoC Board
Structure compliant with HUD only
Sacramento Homeless & Housing Board (SHHB)
new board consisting of elected officials
advisory
Board of Supervisors
City Councils
JPA Option
New JPA Board
Consolidates policy making, funding decisions and program operations from CoC and local jurisdictions to a new JPA, with independent staffing. Jurisdictions retain land use decisions.

CITRUS HEIGHTS
Solid roots. New growth.

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www.citrusheights.net

The City of CITRUS HEIGHTS is committed to providing high quality, economical, responsive city services to our community.

June 25, 2025

The Honorable Matt Haney, Chair
Assembly Housing and Community Development Committee
1021 O Street, Suite 5740
Sacramento, CA 95814

RE: SB 802 (Ashby). Sacramento Area Housing and Homelessness Agency: Multifamily Housing Program: Homekey: Homeless Housing, Assistance, and Prevention program.
Oppose (As introduced June 24, 2025)
Hearing: July 2, 2025

Dear Assembly Member Haney:

On behalf of the City of Citrus Heights, I respectfully write to oppose SB 802 (Ashby), which proposes to establish the Sacramento Area Housing and Homelessness Agency and significantly modify the administration of existing housing programs.

While the City of Citrus Heights recognizes and appreciates the urgent need for coordinated regional action to address affordable housing and homelessness challenges in the Sacramento area, the City already actively participates in collaborative efforts with neighboring jurisdictions to achieve shared goals. Citrus Heights is firmly committed to partnership and progress—but we have serious concerns about SB 802.

Loss of Local Control
SB 802 would shift critical decision-making authority regarding housing and homelessness policy from local jurisdictions to a centralized regional agency. This change would undermine the City's ability to design and deliver programs that reflect the unique needs of our community and residents. Local governments are closest to the challenges on the ground and are best to allocate resources effectively and responsively.

In addition, the bill allocates a single governing board seat for the City of Citrus Heights—equal to larger cities such as Sacramento and Elk Grove while granting those larger jurisdictions multiple seats. This structure effectively diminishes the City's voice in shaping regional programs, policies, and funding decisions. While population is an important consideration, we believe that regional governance must be equitable not exclusively proportional representation.

A governance model that concentrates authority in a few larger jurisdiction's risks marginalizing smaller cities and undermines the spirit of collaboration the bill seeks to promote. True regional partnership requires balanced representation and inclusive decision-making.

DR. JAYNA KARPINSKI-COSTA, *Mayor* • MARIJANE LOPEZ-TAFF, *Vice Mayor*
PORSCHE MIDDLETON, *Council Member* • KELSEY NELSON, *Council Member* • TIM SCHAEFER, *Council Member*
ASHLEY J. FEENEY, *City Manager* • RYAN R. JONES, *City Attorney*

Negative Impacts and Operational Impacts
SB 802 also threatens to impose significant financial and administrative burdens on Citrus Heights. The likely reallocation of resources away from locally prioritized programs would create unfunded obligations, strain already limited city budgets and diverting funding from essential community services.

The impact would be particularly severe for smaller cities like Citrus Heights, which currently receive direct Community Development Block Grant (CDBG) and HOME Investment Partnership Program funding. These federal funds do not only support local affordable housing efforts but fund critical nonprofit services.

While new models and regional collaboration can be valuable, SB 802's approach risks dismantling existing infrastructure. It could lead to the closure of Sacramento Steps Forward, a key regional homelessness organization. While there may be debate over the effectiveness of current efforts, losing the institutional knowledge and experience of dozens of professionals who have dedicated their careers to this work is unlikely to yield a positive benefit.

In addition, there is little to no evidence that the Sacramento Housing Redevelopment Agency (SHRA) currently has the administrative capacity to absorb and execute the level of regional coordination and program management this bill envisions. This raises serious concerns about implementation and the potential for disruption during the transition.

We respectfully urge you to oppose SB 802 and to work with local governments on a more equitable, collaborative alternative.

Sincerely,

Dr. Jayna Karpinski-Costa

Dr. Jayna Karpinski-Costa
Mayor
City of Citrus Heights

Cc: The Honorable Angelique Ashby
Members, Assembly Housing and Community Development Committee
League of California Cities

Senator Angelique Ashby
California State Senate
1021 O Street, Suite 8630
Sacramento, CA 95814

RE: Senate Bill 802 – Sacramento Area Housing and Homelessness Agency – Oppose

Dear Senator Ashby:

On behalf of the undersigned Mayors of the cities of **Sacramento, Elk Grove, Rancho Cordova, Citrus Heights, Folsom** and the **Chair of the Sacramento County Board of Supervisors**, we respectfully write to express our collective **opposition to SB 802.** This bill proposes the formation of the Sacramento Area Housing and Homelessness Agency (SAHHA) by restructuring and expanding the Sacramento Housing and Redevelopment Agency (SHRA) with the intent of consolidating regional housing and homelessness programs and funding. While we support regional coordination and shared accountability, we have significant concerns about the impacts and unintended consequences of this proposal.

SB 802 would significantly restructure governance, funding, and program delivery in ways that may inadvertently disrupt the progress already underway in each of our communities. Each of our jurisdictions has made substantial, locally tailored investments to expand shelter, build affordable housing, and respond to homelessness. These programs are rooted in deep local knowledge and longstanding partnerships.

While we support continued collaboration, SB 802 would centralize authority into a single new regional agency—transferring funding and decision-making power away from local governments without clear assurances that those resources will be used equitably, effectively or in a timely manner across our diverse communities. This would effectively disrupt and negatively impact local programs putting at risk the significant progress our region has made in addressing homelessness.

We are committed to regional collaboration and will continue to enhance these efforts. However, discussions around shared governance and any associated decisions should be made transparently, with input from all stakeholders, and with adequate time to assess the long-term implications.

As the respective local leaders throughout the Sacramento region, we respectfully urge the committee to vote no on SB 802 and allow local jurisdictions to continue working toward a collaborative solution that strengthens regional alignment while preserving local expertise and accountability.

Sincerely,

Kevin McCarty
City of Sacramento, Mayor

Bobbie Singh-Allen
City of Elk Grove, Mayor

Dr. Jayna Karpinski-Costa
City of Citrus Heights, Mayor

Sarah Aquino
City of Folsom, Mayor

Siri Pulipati
City of Rancho Cordova, Mayor

Phil Serna,
Sacramento County Board of Supervisors,
Chair

cc: Assembly Committee on Housing and Community Development, Members and Staff

AMENDMENTS TO SENATE BILL NO. 802
AS AMENDED IN ASSEMBLY JUNE 23, 2025

Amendment 1
In the title, in line 3, strike out "3" and insert:

4

Amendment 2
In the title, in line 4, strike out "50245)" and insert:

50246)

Amendment 3
On page 5, in line 38, strike out "6539.9.6." and insert:

6539.9.7.

Amendment 4
On page 6, in line 11, strike out "members" and insert:

participating jurisdictions

Amendment 5
On page 6, in lines 31 and 32, strike out "at least one elected official" and insert:

elected officials

Amendment 6
On page 7, in line 13, strike out "from the County of Sacramento, in the case of a member", strike out lines 14 and 15 and in line 16, strike out "member,"

Amendment 7
On page 7, in line 18, strike out "member." and insert:

member and shall be an official elected from the same body as the primary member.

Amendment 8
On page 7, strike out line 33 and in line 34, strike out "pursuant to clause (ii) of subparagraph (A), or"

Amendment 9
On page 7, in lines 35 and 36, strike out "member, in the case of any other member," and insert:

member

Amendment 10
On page 7, in line 37, after the period insert:

The replacement shall be an official elected from the same body as the primary member.

(G) The governing board shall be established no later than January 1, 2028.

Amendment 11
On page 8, between lines 14 and 15, insert:

(iii) The governing board shall meet no fewer than 10 times per year.

Amendment 12
On page 9, in line 9, strike out "6539.9.7." and insert:

6539.9.9.

Amendment 13
On page 9, in line 27, after "(4)" insert:

(A)

Amendment 14
On page 9, between lines 28 and 29, insert:

(B) The agency shall continue to administer Community Development Block Grant funds, as those funds were administered by the Sacramento Housing and Redevelopment Agency as of July 1, 2025.

Amendment 15
On page 9, in line 29, after "(5)" insert:

(A)

Amendment 16
On page 9, between lines 30 and 31, insert:

(B) The agency shall continue to administer the City of Sacramento and County of Sacramento HOME Investment Partnership Program, as it was administered by the Sacramento Housing and Redevelopment Agency as of July 1, 2025.

Amendment 17
On page 10, in line 33, strike out "The" and insert:

(1) Pursuant to agreements with the Sacramento Housing and Redevelopment Agency as of July 1, 2025, the

Amendment 18
On page 10, in line 36, strike out "6539.9.6." and insert:

6539.9.7.

Amendment 19
On page 11, between lines 2 and 3, insert:

(2) The funds and fees described in paragraph (1) shall only be spent within the jurisdiction from which they were originally collected and for the purposes for which they were originally collected.

Amendment 20
On page 11, strike out lines 3 to 10, inclusive, in line 11, strike out "(g)" and insert:

(f)

Amendment 21
On page 11, strike out lines 15 to 21, inclusive, and insert:

6539.9.11. (a) The agency shall be the successor employer to the Sacramento Housing and Redevelopment Agency for all labor relations purposes, including, but not limited to:

(1) Recognition of all employee organizations recognized as of the effective date of this act as the exclusive representative of the employees in an appropriate unit.

(2) Enforcement of existing collective bargaining agreements.

(3) Processing of pending grievances, arbitration proceedings, and unfair practice charges.

(4) Compliance with all labor relations obligations and commitments.

(b) The restructuring and renaming of the agency pursuant to this act shall not interrupt, impair, or diminish the representation rights of any employee organization or the collective bargaining rights of represented employees.

(c) All collective bargaining agreements in effect between employee organizations and the Sacramento Housing and Redevelopment Agency as of the effective date of this act shall remain in full force and effect until their scheduled expiration dates.

(d) The agency shall assume responsibility for and be bound by all pending grievances, arbitration proceedings, and other labor relations matters from the predecessor agencies.

(e) Nothing in the establishment of the agency is intended to circumvent existing jurisdictional labor agreements, including project labor agreements or community workforce training agreements.

6539.9.13. (a) There shall exist within the agency the Homelessness Division.

(b) The Homelessness Division shall be comprised of both of the following:

(1) Sacramento Steps Forward.

(2) Participating members and experts from the Sacramento Continuum of Care, including those with lived experience of homelessness.

Amendment 22
On page 11, in line 22, strike out "6539.9.8." and insert:

6539.9.15.

Amendment 23
On page 11, between lines 35 and 36, insert:

(6) The City of Folsom.

Amendment 24
On page 11, in line 39, strike out "6539.9.9." and insert:

6539.9.17.

Amendment 25
On page 12, between lines 24 and 25, insert:

(5) Ensure all state and federal requirements of board participation are met.

Amendment 26
On page 12, between lines 28 and 29, insert:

6539.9.19. The provisions of this article are severable. If any provision of this article or its application is held invalid, that invalidity shall not affect other provisions or applications that can be given effect without the invalid provision or application.

Amendment 27
On page 12, strike out lines 29 to 35, inclusive, in line 36, strike out "50245." and insert:

SEC. 3. Article 4 (commencing with Section 50246) is added to Chapter 6.5 of Part 1 of Division 31 of the Health and Safety Code, to read:

Article 4. Additional Rounds of the Homeless Housing, Assistance, and Prevention Program

50246.

PROPOSED AMENDMENTS TO SENATE BILL NO. 802

AMENDED IN ASSEMBLY JUNE 23, 2025

AMENDED IN SENATE MAY 1, 2025

AMENDED IN SENATE MARCH 26, 2025

SENATE BILL **No. 802**



Introduced by Senator Ashby

February 21, 2025

An act to add Article 1.5 (commencing with Section 6539.9.5) to Chapter 5 of Division 7 of Title 1 of the Government Code, and to amend Section 50675.1.3 of, to add Section 50675.17 to, and to add Article ~~3~~ *4* (commencing with Section ~~50245)~~ *50246)* to Chapter 6.5 of Part 1 of Division 31 of, the Health and Safety Code, relating to housing.

Amendment 1
Amendment 2

LEGISLATIVE COUNSEL'S DIGEST

SB 802, as amended, Ashby. Housing finance and development: Sacramento Area Housing and Homelessness Agency: Multifamily Housing Program: Homekey: Homeless Housing, Assistance, and Prevention program.

(1) Existing law, the Joint Exercise of Powers Act, authorizes 2 or more public agencies, by agreement, to form a joint powers authority to exercise any power common to the contracting parties, as specified. Existing law authorizes the agreement to set forth the manner by which the joint powers authority will be exercised.

This bill would require that the joint powers authority currently operating as the Sacramento Housing and Redevelopment Agency be restructured, expanded, amended, and renamed as the Sacramento Area Housing and Homelessness Agency, as provided. The bill would require

the agency to include the County of Sacramento and qualified local agencies, as specified and defined, and would make the agency the regional authority for prescribed activities, including developing and preserving affordable housing and coordinating and administering homelessness prevention and response services. The bill would require the updated joint powers agreement to provide for a governing board and an ~~executive~~ *executive* director, as specified, and require the Sacramento Local Agency Formation Commission to form and appoint an independent task force to consolidate all entities for purposes of establishing the agency, as provided. The bill would require the agency to adopt a comprehensive strategic plan to address housing and homelessness no later than 3 years from the date the restructured joint powers agreement takes effect. The bill would also require the agency to establish and maintain a standing advisory board, as provided.

Under the bill, the Sacramento Area Housing and Homelessness Agency would retain its legal identity as the public housing authority and redevelopment successor entity and continue to administer all existing housing, homelessness, and redevelopment programs in compliance with specified law. The bill would require the agency to be the designated recipient of all local housing trust funds and local housing ordinance fees collected by each participating entity within the joint powers agreement, *as specified,* and require that the agency be deemed a regional entity for the purposes of statewide housing and homelessness funding programs. *The bill would require the agency to be the successor employer to the Sacramento Housing and Redevelopment Agency for all labor relations purposes, as provided.* The bill would *establish within the Sacramento Area Housing and Homelessness Agency the Homelessness Division and* require the agency to coordinate its operations with the housing and homelessness departments of each participating jurisdiction, as specified, to ensure alignment of local priorities and effective delivery of services.

~~Existing law, the Planning and Zoning Law, requires each county and each city to adopt a comprehensive, long-term general plan for the physical development of the county or city, and specified land outside its boundaries, that includes, among other specified mandatory elements, a housing element. For the 4th and subsequent revisions of the housing element, existing law requires the Department of Housing and Community Development to determine the existing and projected need for housing for each region, and requires the appropriate council of governments, or the department for cities and counties without a council~~

~~of governments, to adopt a final regional housing need plan that allocates a share of the regional housing need to each city, county, or city and county, as provided. Existing law requires that a county's or city's housing element include an assessment of housing needs and an inventory of resources and constraints that are relevant to the meeting of these needs, including an analysis of population and employment trends and documentation of projections and a quantification of the locality's existing and projected housing needs for all income levels that includes the locality's share of the regional housing need.~~

~~This bill would require that the regional housing needs allocations for all participating entities within the Sacramento Area Housing and Homelessness Agency be consolidated into a single regional goal to be administered by the agency. The bill would also require that the total regional housing needs assessment allocation for the joint powers agreement be reduced by 20% from the aggregate of the allocations that would otherwise apply to the participating entities individually.~~

~~The California Constitution, with respect to any taxes levied on taxable property in a redevelopment project established under the Community Redevelopment Law, as it then read or may be amended, authorizes the Legislature to provide for the division of those taxes under a redevelopment plan between the taxing agencies and the redevelopment agency, as provided. Existing law dissolved redevelopment agencies as of February 1, 2012, and designates successor agencies to act as successor entities to the dissolved redevelopment agencies. Existing law also provides for the designation of a housing successor to assume the housing assets, as defined, and functions of a former redevelopment agency and requires that any funds transferred to the housing successor, together with any funds generated from housing assets, be maintained in a separate Low and Moderate Income Housing Asset Fund of the housing successor, to be used as specified, including to meet the enforceable obligations of the housing successor.~~

~~This bill would require that housing tax increment revenues derived from former redevelopment areas and allocated to participating cities or to the County of Sacramento be transferred to the Sacramento Area Housing and Homelessness Agency. The bill would require that these revenues be used exclusively for the development, preservation, and administration of affordable housing projects. The bill would authorize the agency to issue bonds secured by these revenues to finance current and future housing initiatives.~~

This bill would define terms for its purposes and declare its provisions are severable.

By adding to the duties of local officials with respect to the activities of the Sacramento Housing and Homelessness Agency, this bill would impose a state-mandated local program.

This bill would make legislative findings and declarations as to the necessity of a special statute for County of Sacramento. The bill would make additional related findings and declarations.

(2) Existing law establishes various housing programs administered by the Department of Housing and Community Development, including the Homeless Housing, Assistance, and Prevention program (HHAP) and the Multifamily Housing Program. Existing law establishes the Homeless Housing, Assistance, and Prevention program for the purpose of providing jurisdictions with grant funds to support regional coordination and expand or develop local capacity to address their immediate homelessness challenges, as specified. Existing law establishes the Multifamily Housing Program to provide financial assistance in the form of deferred payment loans to pay for the eligible costs of development of specified types of housing projects. Existing law requires that specified funds appropriated to provide housing for individuals and families who are experiencing homelessness or who are at risk of homelessness and who are inherently impacted by or at increased risk for medical diseases or conditions due to the COVID-19 pandemic or other communicable diseases be disbursed in accordance with the Multifamily Housing Program for specified uses. This disbursement program is referred to as Homekey.

This bill would require the department, upon appropriation for the above-specified programs, to ensure that former foster youth and extremely low income, very low income, and lower income households, as specified, are given consideration.

(3) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to the statutory provisions noted above.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: yes.

The people of the State of California do enact as follows:

SECTION 1. The Legislature finds and declares all of the following:

(a) Nearly all homeless shelters are developed as co-ed.

(b) Co-ed homeless shelters are over 90 percent male, which can result in an environment that feels unsafe for women, especially those who have been victims of trafficking, violence, abuse, or trauma.

(c) There is a need for safe, stable, affordable housing for individuals experiencing trauma, street violence, domestic violence and abuse, sexual abuse and assault, or human trafficking, a population of which is overwhelmingly women.

SEC. 2. Article 1.5 (commencing with Section 6539.9.5) is added to Chapter 5 of Division 7 of Title 1 of the Government Code, to read:

Article 1.5. Sacramento Area Housing and Homelessness Agency

6539.9.5. For purposes of this article:

(a) "Agency" means the Sacramento Area Housing and Homelessness Agency.

(b) "Governing board" means the governing board of the agency.

(c) (1) "Qualified local agency" means any city within the County of Sacramento that has a population of at least 50,000, based on the most recent federal decennial census or a subsequent estimate prepared by the Demographic Research Unit of the Department of Finance.

(2) "Qualified local agency" includes, but is not limited to, the Cities of Citrus Heights, Elk Grove, Folsom, Rancho Cordova, and Sacramento.

~~6539.9.6.~~

6539.9.7. (a) (1) Notwithstanding any other law, the joint powers authority currently operating as the Sacramento Housing and Redevelopment Agency, created pursuant to a 1973 agreement between the City of Sacramento and the County of Sacramento, shall be restructured, expanded, amended, and renamed as the Sacramento Area Housing and Homelessness Agency as provided in this article.

Amendment 3

(2) The Legislature finds and declares that the purpose of the restructuring of the agency described in paragraph (1) is to modernize and expand the agency's scope and governance to address regional housing and homelessness needs, while preserving the agency's legal status, contracts, funding eligibility, and programmatic history.

(b) The agency shall include as ~~members~~ *participating jurisdictions* the County of Sacramento and each qualified local agency, and shall operate under a new joint powers agreement entered into pursuant to this chapter.

Amendment 4

(c) The agency shall serve as the regional authority to do all of the following:

(1) Develop and preserve affordable housing.

(2) Coordinate and administer homelessness prevention and response services, including the Coordinated Entry System, as defined in subdivision (f) of Section 50490 of the Health and Safety Code.

(3) Serve as the United States Department of Housing and Urban Development designated Continuum of Care pursuant to Section 578 of Title 24 of the Code of Federal Regulations.

(4) Apply for, receive, and administer federal, state, and local funding for housing and homelessness.

(5) Manage and implement a comprehensive strategic plan to address and reduce homelessness in the County of Sacramento.

(d) The updated joint powers agreement pursuant to subdivision (a) shall provide for all of the following:

(1) (A) A governing board composed of ~~at least one elected official~~ *elected officials* from each qualified local agency that is party to the agreement, with full delegated powers and duties transferred from the cities and county. The initial board under the amended joint powers agreement shall consist of 11 members appointed by the legislative bodies of the County of Sacramento and each qualified local agency, in accordance with the following:

Amendment 5

(i) Three members shall be selected from, and appointed by, the City Council of the City of Sacramento.

(ii) Three members shall be selected from, and appointed by, the Board of Supervisors of the County of Sacramento.

(iii) Two members shall be selected from, and appointed by, the City Council of the City of Elk Grove.

Page 7

(iv) One member each shall be selected from, and appointed by, the city councils of the Cities of Citrus Heights, Folsom, and Rancho Cordova.

(B) The board may increase the number of members if a qualified local agency enters into an agreement to join the joint powers agreement. That qualified local agency shall be entitled to make one appointment to the board.

(C) Each member on the governing board may select an alternate ~~from the County of Sacramento, in the case of a member appointed pursuant to clause (ii) of subparagraph (A), or from that member's same qualified local agency, in the case of any other member,~~ to serve on the board when the primary member or members are not available. Each alternate shall be appointed to serve for a specific ~~member.~~ *member and shall be an official elected from the same body as the primary member.* The alternate shall be subject to the same restrictions and shall have the same powers, when serving on the board, as the primary member. The legislative body of any voting entity appointing an alternate shall provide written notification to the secretary of the governing board of each appointment of an alternate in order for the appointment to be effective.

(D) A member of the governing board shall serve without compensation but may be reimbursed for actual expenses approved by the board.

(E) Each governing board member is entitled to one vote on each matter submitted for a vote.

(F) If a vacancy occurs on the governing board because of death, resignation, illness, or for other reason, the secretary of the governing board shall immediately provide written notice to ~~the County of Sacramento, in the case of a member appointed pursuant to clause (ii) of subparagraph (A), or~~ the qualified local agency appointing the board ~~member, in the case of any other member,~~ *member* of the need to appoint a replacement, and the replacement shall be appointed within 60 days of the transmittal of the notice. *The replacement shall be an official elected from the same body as the primary member.*

(G) The governing board shall be established no later than January 1, 2028.

(2) (A) An executive director of the agency. The initial executive director of the agency under the amended joint powers

Amendment 6

Amendment 7

Amendment 8

Amendment 9

Amendment 10

Page 8

agreement shall be the current executive director of the Sacramento Housing and Redevelopment Agency.

(B) The governing board shall establish a removal and replacement process for the executive director.

(3) Bylaws, to be established by the governing board, which shall include, at a minimum, all of the following:

(A) A regular meeting schedule for the governing board, in accordance with the following:

(i) The schedule, location, time, and agenda of all regular and special governing board meetings shall be publicly noticed.

(ii) All meetings shall be open to the public, unless the matter is a proper one for closed session. All meetings shall comply with the provisions of the Ralph M. Brown Act (Chapter 9 (commencing with Section 54950) of Part 1 of Division 2 of Title 5).

\+ *(iii) The governing board shall meet no fewer than 10 times per* \+ *year.*

Amendment 11

(B) (i) A code of ethics, the key expectations of which shall include all of the following:

(I) Act in the best interest of the agency.

(II) Do not use official positions for private gain.

(III) Abstain from decisions where personal or financial interests conflict with Agency interests.

(ii) Each member of the governing board and each employee shall uphold high standards of integrity, fairness, and transparency.

(iii) Each member of the governing board shall comply with the requirements of the Political Reform Act of 1974 (Title 9 (commencing with Section 81000)), and shall file statements of economic interests, as required by law.

(iv) The governing board shall establish process to address any ethics violations.

(C) A reimbursement process, including designating what qualifies as a reimbursable expense and establishing procedure for making payments.

(e) (1) The Sacramento Local Agency Formation Commission shall form and appoint members to an independent task force. Staff of existing entities shall not be appointed to the task force. Staff of the Sacramento Housing and Redevelopment Agency shall provide administrative support to the task force.

(2) The duties of the independent task force shall be to consolidate all entities for purposes of establishing the agency.

Page 9

(3) The task force shall dissolve 60 days after the establishment of the governing board of the agency.

(f) The agency shall adopt a comprehensive strategic plan to address housing and homelessness no later than three years from the date the restructured agreement takes effect. The plan shall align with all relevant state and federal requirements. The agency shall submit the plan to the Legislature in compliance with Section 9795.

~~6539.9.7.~~ | **Amendment 12**

\+ *6539.9.9.* (a) The agency shall retain its legal identity as the public housing authority and redevelopment successor entity formerly known as the Sacramento Housing and Redevelopment Agency and shall continue to administer all existing housing, homelessness, and redevelopment programs in compliance with applicable law. An entity shall not be created that negates the duties of the agency.

(b) The agency shall assume or continue responsibility for the administration and oversight of programs for all participating entities in the joint powers agreement pursuant to this article, including, but not limited to, all of the following:

(1) The Section 8 Housing Choice Voucher Program (42 U.S.C. Sec. 1437f; 24 C.F.R. 982).

(2) The United States Department of Housing and Urban Development Veterans Affairs Supportive Housing (42 U.S.C. Sec. 1437f(o)(19)).

(3) Public housing under Sections 1436d and 1437f of Title 42 of the United States Code.

(4) *(A)* The Community Development Block Grant Program (42 U.S.C. Sec. 5301 et seq.). | **Amendment 13**

\+ *(B) The agency shall continue to administer Community Development Block Grant funds, as those funds were administered by the Sacramento Housing and Redevelopment Agency as of July 1, 2025.* | **Amendment 14**

(5) *(A)* The HOME Investment Partnerships Program (42 U.S.C. Sec. 12721 et seq.). | **Amendment 15**

\+ *(B) The agency shall continue to administer the City of Sacramento and County of Sacramento HOME Investment Partnership Program, as it was administered by the Sacramento Housing and Redevelopment Agency as of July 1, 2025.* | **Amendment 16**

(6) The Emergency Solutions Grants (42 U.S.C. Sec. 11371 et seq.).

(7) The Continuum of Care Program (42 U.S.C. Sec. 11381 et seq. and 24 C.F.R. 578).

(8) The Housing Opportunities for Persons With AIDS Program (42 U.S.C. Sec. 12901 et seq.).

(9) State homelessness programs, including the Homeless Housing, Assistance, and Prevention program (Chapter 6 (commencing with Section 50216) of Part 1 of Division 31 of the Health and Safety Code) and the Homekey program (Section 50675.1.1 of the Health and Safety Code).

(10) Coordinated Entry System, a HUD-mandated Continuum of Care, as defined in subdivision (f) of Section 50490 of the Health and Safety Code.

(c) The agency shall comply with all applicable regulations and requirements, including, but not limited to, all of the following:

(1) Sections 574, 576, 578, 960, 965, 982, and 990 of Title 24 of the Code of Federal Regulations.

(2) With respect to public housing agency planning, Section 903 of Title 24 of the Code of Federal Regulations.

(3) Continuum of Care governance, data, and performance standards mandated by the United States Department of Housing and Urban Development.

(4) The Housing Authorities Law (Article 1 (commencing with Section 34200) of Chapter 1 of Part 2 of Division 24 of the Health and Safety Code).

(5) Requirements under applicable state programs, including, but not limited to, the Homeless Housing, Assistance, and Prevention program (Chapter 6 (commencing with Section 50216) of Part 1 of Division 31 of the Health and Safety Code) and the Homekey program (Section 50675.1.1 of the Health and Safety Code).

(6) All applicable civil rights laws, including the federal Fair Housing Act (42 U.S.C. Sec. 3601 et seq.), including the mandate to affirmatively further fair housing; the federal Americans with Disabilities Act of 1990 (42 U.S.C. Sec. 12101 et seq.); and Title VI of the federal Civil Rights Act of 1964 (42 U.S.C. Sec. 2000d et seq.).

(d) The agency shall maintain eligibility for all funding programs for which the Sacramento Housing and Redevelopment Agency or Sacramento Steps Forward previously qualified.

(e) ~~The~~ *(1) Pursuant to agreements with the Sacramento Housing and Redevelopment Agency as of July 1, 2025, the* agency shall be the designated recipient of all local housing trust funds and local housing ordinance fees collected by each participating entity within the joint powers agreement pursuant to Section ~~6539.9.6.~~ *6539.9.7.* These funds shall include, but are not limited to, the affordable housing ordinance fee collected by the County of Sacramento (Section 22.35.010 et seq. of the Sacramento County Code) and the mixed income housing ordinance fee collected by the City of Sacramento (Section 17.712.010 et seq. of the Sacramento City Code).

Amendment 17

Amendment 18

Amendment 19

(2) The funds and fees described in paragraph (1) shall only be spent within the jurisdiction from which they were originally collected and for the purposes for which they were originally collected.

~~(f) Notwithstanding any other law, the regional housing needs allocations pursuant to Section 65584 for all participating entities within the joint powers agreement pursuant to Section 6539.9.6 shall be consolidated into a single regional goal to be administered by the agency. The total regional housing needs assessment allocation for the joint powers agreement shall be reduced by 20 percent from the aggregate of the allocations that would otherwise apply to the participating entities individually.~~

Amendment 20

~~(g)~~

(f) The agency shall be deemed a regional entity for the purposes of statewide housing and homelessness funding programs and shall be granted priority consideration for all applicable state housing and homelessness funding sources.

~~(h) All housing tax increment revenues derived from former redevelopment areas and allocated to participating cities or to the County of Sacramento shall be transferred to the agency. These revenues shall be used exclusively for the development, preservation, and administration of affordable housing projects. The agency may issue bonds secured by these revenues to finance current and future housing initiatives.~~

Amendment 21

+ *6539.9.11. (a) The agency shall be the successor employer to the Sacramento Housing and Redevelopment Agency for all labor relations purposes, including, but not limited to:*
+ *(1) Recognition of all employee organizations recognized as of the effective date of this act as the exclusive representative of the employees in an appropriate unit.*
+ *(2) Enforcement of existing collective bargaining agreements.*
+ *(3) Processing of pending grievances, arbitration proceedings, and unfair practice charges.*
+ *(4) Compliance with all labor relations obligations and commitments.*
+ *(b) The restructuring and renaming of the agency pursuant to this act shall not interrupt, impair, or diminish the representation rights of any employee organization or the collective bargaining rights of represented employees.*
+ *(c) All collective bargaining agreements in effect between employee organizations and the Sacramento Housing and Redevelopment Agency as of the effective date of this act shall remain in full force and effect until their scheduled expiration dates.*
+ *(d) The agency shall assume responsibility for and be bound by all pending grievances, arbitration proceedings, and other labor relations matters from the predecessor agencies.*
+ *(e) Nothing in the establishment of the agency is intended to circumvent existing jurisdictional labor agreements, including project labor agreements or community workforce training agreements.*
+ *6539.9.13. (a) There shall exist within the agency the Homelessness Division.*
+ *(b) The Homelessness Division shall be comprised of both of the following:*
+ *(1) Sacramento Steps Forward.*
+ *(2) Participating members and experts from the Sacramento Continuum of Care, including those with lived experience of homelessness.*

Page 11 22 ~~6539.9.8.~~ **Amendment 22**

+ *6539.9.15.* (a) The agency shall coordinate its operations with
23 the housing and homelessness departments of each participating
24 jurisdiction to ensure alignment of local priorities and effective
25 delivery of services.

Page 11

(b) The departments described in subdivision (a) include, but are not limited to, all of the following:

(1) The Department of Homeless Services and Housing of the County of Sacramento.

(2) The Department of Community Response of the City of Sacramento.

(3) The Housing Division of the City of Elk Grove.

(4) The Housing Division of the City of Rancho Cordova.

(5) The Housing and Grants Division of the City of Citrus Heights.

+ *(6) The City of Folsom.*

Amendment 23

(c) The agency may also consult with additional local departments, advisory bodies, or nonprofit partners as needed to fulfill its mission.

~~6539.9.9.~~

Amendment 24

+ *6539.9.17.* (a) The agency shall establish and maintain a standing advisory board to ensure compliance with federal and

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state requirements for public participation in housing authority and Continuum of Care governance.

(b) The advisory board shall be appointed by a majority vote of the governing board. The advisory board shall adopt bylaws for appointments, terms, and procedures.

(c) The advisory board shall include, but is not limited to, all of the following:

(1) At least one individual currently or formerly experiencing homelessness, pursuant to Section 578.3 of Title 24 of the Code of Federal Regulations, and at least one individual who is a current resident of public housing or low-income housing.

(2) Representatives from community-based organizations, service providers, and housing developers.

(3) Experts in behavioral health, public housing, and program implementation.

(d) The advisory board shall do all of the following:

(1) Meet at least quarterly in publicly noticed meetings.

(2) Provide recommendations on funding, programs, planning, and performance.

(3) Fulfill United States Department of Housing and Urban Development and state consultation requirements for funding and compliance.

(4) Assist in development of the agency's strategic plan and annual updates.

(5) Ensure all state and federal requirements of board participation are met.

Amendment 25

(e) The advisory board shall not have voting authority over governing board decisions.

(f) The advisory board shall consist of seven members, appointed as provided in subdivisions (b) and (c).

6539.9.19. The provisions of this article are severable. If any provision of this article or its application is held invalid, that invalidity shall not affect other provisions or applications that can be given effect without the invalid provision or application.

Amendment 26

~~SEC. 3. Article 3 (commencing with Section 50245) is added to Chapter 6.5 of Part 1 of Division 31 of the Health and Safety Code, to read:~~

Amendment 27

~~Article 3. Additional Rounds of the Homeless Housing, Assistance, and Prevention Program~~

~~50245.~~

SEC. 3. Article 4 (commencing with Section 50246) is added to Chapter 6.5 of Part 1 of Division 31 of the Health and Safety Code, to read:

Article 4. Additional Rounds of the Homeless Housing, Assistance, and Prevention Program

50246. Upon appropriation by the Legislature, for rounds of the Homeless Housing, Assistance, and Prevention program adopted after the effective date of the act that added this article, the department shall ensure that both of the following populations who need safe and stable housing and are experiencing traumatic homelessness, street violence, domestic violence and abuse, sexual abuse and assault, or human trafficking are given consideration:

(a) Former foster youth.

(b) Extremely low income households, very low income households, and lower income households.

SEC. 4. Section 50675.1.3 of the Health and Safety Code is amended to read:

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50675.1.3. (a) Notwithstanding any other law, including subdivision (b) of Section 50675.1, funds appropriated to provide housing for individuals and families who are experiencing homelessness or who are at risk of homelessness, as defined by this section, and who are inherently impacted by or at increased risk for medical diseases or conditions due to the COVID-19 pandemic or other communicable diseases, shall be disbursed in accordance with the Multifamily Housing Program, including as grants to cities, counties, cities and counties, and all other state, regional, and local public entities, including councils of government, metropolitan planning organizations, and regional transportation planning agencies designated in Section 29532.1 of the Government Code, as necessary, for the following uses:

(1) Acquisition or rehabilitation, or acquisition and rehabilitation, of motels, hotels, hostels, or other sites and assets, including apartments or homes, adult residential facilities, residential care facilities for the elderly, manufactured housing, commercial properties, and other buildings with existing uses that could be converted to permanent or interim housing.

(2) Master leasing of properties for noncongregant housing.

(3) Conversion of units from nonresidential to residential.

(4) New construction of dwelling units.

(5) The purchase of affordability covenants and restrictions for units.

(6) Relocation costs for individuals who are being displaced as a result of rehabilitation of existing units.

(7) Capitalized operating subsidies for units purchased, converted, or altered with funds provided by this section.

(b) Where possible, the funds described in subdivision (a) shall be allocated by the department in a manner that takes into consideration all of the following:

(1) Need geographically across the state.

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(2) The demonstrated ability of the applicant to fund ongoing operating reserves.

(3) The creation of new permanent housing options.

(4) The potential for state, federal, or local funding for capitalized operating reserves to make additional housing units financially viable through this program.

(c) Not less than 8 percent of the funds described in subdivision (a) shall be available for projects serving homeless youth, or youth

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at risk of homelessness, as defined in Part 578.3 of Title 24 of the Code of Federal Regulations.

(d) Any conflict between the other requirements of the Multifamily Housing Program created by this chapter and this section shall be resolved in favor of this section, as may be set forth in the guidelines authorized by this section.

(e) The Department of Housing and Community Development may adopt guidelines for the expenditure of the funds appropriated to the department, and for the administration of this program. The guidelines shall not be subject to the requirements of Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code.

(f) Up to 5 percent of the funds received from the Coronavirus State Fiscal Recovery Fund established by the federal American Rescue Plan Act of 2021 (ARPA) (Public Law 117-2) and appropriated for purposes of this section may be expended for the costs to administer the program, to the extent authorized by federal law.

(g) Up to 5 percent of any General Fund moneys appropriated for purposes of this section may be expended for the costs to administer this program.

(h) The department's annual report to the Legislature submitted under Section 50408 shall include, but not be limited to, all of the following:

(1) The amount of funds expended for the uses described in this section.

(2) The location of any properties for which the funds are used.

(3) The number of usable housing units produced, or planned to be produced, using the funds.

(4) The number of individuals housed, or likely to be housed, using the funds.

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(5) The number of units, and the location of those units, for which operating subsidies have been, or are planned to be, capitalized using the funds.

(6) An explanation of how funding decisions were made for acquisition, conversion, or rehabilitation projects, or for capitalized operating subsidies, including what metrics were considered in making those decisions.

(7) Any lessons learned from the use of the funds.

(8) Proposed changes to the program to address lessons learned.

(i) Any project that uses funds received for any of the purposes specified in subdivision (a) shall be deemed consistent and in conformity with any applicable local plan, standard, or requirement, and any applicable coastal plan, local or otherwise, and allowed as a permitted use, within the zone in which the structure is located, and shall not be subject to a conditional use permit, discretionary permit, or any other discretionary reviews or approvals.

(j) A report to be submitted pursuant to subdivision (h) shall be submitted in compliance with Section 9795 of the Government Code.

(k) Upon an appropriation by the Legislature for the purposes described in this section, the department shall administer funding according to the timeline set forth below, subject to any modifications set forth by the guidelines:

(1) The department may accept funding applications and issue awards on a continuous, over-the-counter basis until the funding has been exhausted or as otherwise required by law.

(2) Each award shall be expended on the uses authorized at subdivision (a), and in accordance with all relevant representations and descriptions in the application, within eight months of the date of the award. Applicants may ask the department for an extension of this timeframe on the grounds and according to the procedures set forth in the guidelines. The director shall have reasonable discretion to approve or deny such an extension upon conducting a full and good faith review of the applicant's extension request.

(*l*) For purposes of this section, "individuals and families who are homeless or who are at risk of homelessness" means persons and families that meet the qualifying definitions under Part 578.3 of Title 24 of the Code of Federal Regulations.

(m) To advance the objectives specified in Section 50675.1.1 or this section, the department may expand the population served beyond the population specified in subdivision (*l*) as specified by the guidelines authorized by this section.

(n) Upon appropriation by the Legislature for the purposes of this section after the effective date of the act that added this subdivision, the department shall ensure that both of the following populations who need safe and stable housing and are experiencing traumatic homelessness, street violence, domestic violence and abuse, sexual abuse and assault, or human trafficking are given consideration:

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(1) Former foster youth.

(2) Extremely low income households, very low income households, and lower income households.

SEC. 5. Section 50675.17 is added to the Health and Safety Code, to read:

50675.17. Upon appropriation by the Legislature for the purposes of this chapter after the effective date of the act that added this section, the department shall ensure that both of the following populations who need safe and stable housing and are experiencing traumatic homelessness, street violence, domestic violence and abuse, sexual abuse and assault, or human trafficking are given consideration:

(a) Former foster youth.

(b) Extremely low income households, very low income households, and lower income households.

SEC. 6. The Legislature finds and declares, with respect to Section 2 of this act, that a special statute is necessary and that a general statute cannot be made applicable within the meaning of Section 16 of Article IV of the California Constitution because of the unique and urgent housing and homelessness conditions in the County of Sacramento and its major cities.

SEC. 7. If the Commission on State Mandates determines that this act contains costs mandated by the state, reimbursement to local agencies and school districts for those costs shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code.

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