

CITY OF RANCHO CORDOVA



CITY COUNCIL MEETING

Monday, November 6, 2023

4:00 PM - Special Meeting/Closed Session

5:30 PM – Regular Meeting

David B. Roberts Council Chambers

City Hall

2729 Prospect Park Drive, Rancho Cordova

Join the Meeting Via Zoom Link:

<https://cityofranhocordova.zoom.us/j/81976116669?pwd=SA59GSoQ5sYyUCipuapgMBkZc46qSw.Oz4UQZmfiA4cw3rb>

Join the Meeting via the Zoom Phone Number

Zoom Phone Number: +1 669 900 6833, +1 253 215 8782

Webinar ID: 819 7611 6669

Password: 578969

Instructions to Make Public Comment

Submitting Public Comment via Email

Members of the public who wish to provide public comment via email will need to submit written comments to CityClerk@cityofranhocordova.org no later than 2:00 p.m. on Monday, November 6, 2023. Written comments received no later than 2:00 p.m. will be distributed to the Council, filed in the record, and will not be read aloud. All comments submitted later than 2:00 p.m. will be distributed to the Council.

Listening to a Zoom Meeting by Zoom Video Conference

To make a public comment using the Zoom platform, please use the “raise hand” feature at the bottom center of the screen. Please make sure to enable audio controls once access has been given by the City Clerk’s office to speak. Please wait to be called upon by the City Clerk.

Listening to a Zoom Meeting by Phone Only

You can join a Zoom meeting via teleconferencing/audio conferencing using a cell phone or traditional landline phone. To request to make a public comment by phone press *9 to raise your hand. Please wait to be called upon by the City Clerk.

All public comments will be limited to three minutes.

If you have questions related to the City Council Meeting or the use of Zoom, please contact the City Clerk's Office at (916) 851-8720 before Monday, November 6, 2023, at 2:00 p.m.

AGENDA

1. SPECIAL MEETING - CALL TO ORDER/ROLL CALL

Council Members Garrett Gatewood, Siri Pulipati, David Sander, Donald Terry, and Mayor Linda Budge

2. PUBLIC COMMENT

At a special meeting, citizens wishing to address the Council for any matter on the agenda may do so at the time the matter is discussed. Under the provisions of the California Government Code, the City Council is prohibited from discussing or taking action on any item not on the agenda.

3. ADJOURN TO CLOSED SESSION

Mayor Budge will adjourn the meeting to closed session.

4. CLOSED SESSION CALL TO ORDER ROLL/ROLL CALL

Council Members Garrett Gatewood, Siri Pulipati, David Sander, Donald Terry, and Mayor Linda Budge

5. CLOSED SESSION

Council will meet in closed session to discuss the following items:

- 5.1. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION (pursuant to California Government Code Section 54956.9(d)(1)) Stone Creek Residents for Smart Growth, an unincorporated association v. City of Rancho Cordova, Respondent; Dermody Properties, and DOES 1-10 Real Parties in Interest. Sacramento Superior Court Case No. 23WM000026.
- 5.2. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION: Significant Exposure to Litigation Pursuant to Government Code Section 54956.9(d)(2)(One case, based on a letter dated October 24, 2023 to the Mayor and Council from Matthew Henderson of Miller Starr Regalia and testimony by Mr. Henderson at the October 24, 2023 City Council meeting opposing and threatening litigation on the proposed Ordinance amending sections of the Villages of Zinfandel Special Planning Area).

6. OPEN SESSION - REPORT FROM CLOSED SESSION

The City Attorney will report on action taken in closed session.

7. ADJOURN TO REGULAR MEETING

Mayor Budge will adjourn to the Regular meeting.

8. REGULAR MEETING - CALL TO ORDER/ROLL CALL

Council Members Garrett Gatewood, Siri Pulipati, David Sander, Donald Terry, and Mayor Linda Budge

9. METRO CABLE TV TELEVISION ANNOUNCEMENT

The Clerk will announce the meetings video recording and playback schedules.

10. PLEDGE OF ALLEGIANCE

The Mayor will call on someone in attendance to lead the Pledge.

11. INVOCATION

Dr. Dan DeShong with River City Christian Church will give the invocation.

12. PRESENTATIONS

- 12.1. City of Rancho Cordova's Inaugural Youth Poet Laureate.
- 12.2. 2023 California Capital Airshow Report provided by Executive Director Darcy Brewer.
- 12.3. Rancho Cordova FiberCity Update provided by SiFi.
- 12.4. Vice Mayor Sander's Birthday on November 25, 2023.

13. PUBLIC COMMENT

Citizens wishing to address the Council for any matter not on the agenda may do so at this time via teleconference or by completing and submitting a Speaker Card to the City Clerk.

If you want to make a public comment via teleconference, please use the "raise hand" feature at the bottom center of the screen. If you are participating by telephone and you want to make a public comment, please press *9 to raise your hand. For those participating by Zoom or telephone, please wait to be called upon by the City Clerk.

For items on the agenda, speakers will be called by the Mayor at the point on the agenda when the item will be heard. Speakers are encouraged to keep comments to three minutes or less and to state name and community of residence.

Under the provisions of the California Government Code, the City Council is prohibited from discussing or taking immediate action on any item not on the agenda unless it can be demonstrated to be of an emergency nature or the need to take immediate action arose after the posting of the agenda.

14. COUNCIL REPORTS

15. CITY MANAGER'S REPORT

16. CONSENT CALENDAR ITEMS - ROLL CALL VOTE

- 16.1. **Subject:** Meeting Minutes from the Regular City Council Meeting of October 16, 2023, and the Special Meeting of October 24, 2023.

Recommendation: Adopt the minutes.

- 16.2. **Subject:** Second Reading of an Ordinance of the City Council of the City of Rancho Cordova Amending Certain Sections of the Villages of Zinfandel Special Planning Area to Revise Permitted Uses in the M-1 (Light Industrial) and MP (Office Industrial Park) Zones, Including Amending Certain Text and Tables in the Sacramento County Zoning Code that are Incorporated and Applied in the Villages of Zinfandel Special Planning Area (CEQA Exempt Pursuant to Guideline Section 15061(b)(3)).

Recommendation: Waive the second reading and adopt the Ordinance.

- 16.3. **Subject:** A Resolution Authorizing the City Manager to Execute Contract Amendment No. 09-2019-1 with Ziebron Group to Increase the Contract Amount from \$100,000 to an Amount not to Exceed \$150,000, to Increase the Hourly Rate from \$275 Per Hour to \$310 Per Hour and Extend the Contract Term from December 31, 2023, to June 30, 2025, for the South Sacramento Habitat Conservation Plan Permitting.

Recommendation: Adopt the Resolution.

- 16.4. **Subject:** A Resolution Calling the Special Election in City of Rancho Cordova Grantline 220 Community Facilities District No. 2023-1.

Recommendation: Adopt the Resolution and rescind Resolution No. 121-2023.

- 16.5. **Subject:** A Resolution Authorizing the Public Works Director to Execute and Submit CalRecycle Grant Documents.

Recommendation: Adopt the Resolution.

- 16.6. **Subject:** A Resolution Authorizing the City Manager to Sign a Letter of Agency with Capitol Jackson Partners.

Recommendation: Adopt the Resolution.

- 16.7. **Subject:** Measure R and Measure H/Community Enhancement & Investment Fund Citizen Oversight Board Appointments.

Recommendation: Appoint two (2), one-year term At-Large/Student appointees to fill the combined Measure R and Measure H/Community Enhancement & Investment Fund Citizen Oversight Board.

17. **CONSENT PUBLIC HEARING ITEMS - ROLL CALL VOTE**

- 17.1. **Subject:** A Resolution Approving the Community Development Block Grant 2024 Annual Action Plan.

Recommendation: Adopt the Resolution.

- 17.2. **Subject:** A Resolution Creating Special Tax Area Zone 8 and an Ordinance Establishing a Special Tax for Transit-Related Services for the Ranch Active Adult Project.

Recommendation: Adopt the Resolution creating special transit tax area Zone 8 and waive the first reading and introduce the Ordinance, establishing a special tax for transit-related services for the Ranch Active Adult project.

18. **PUBLIC HEARING ITEMS**

None.

19. **REGULAR CALENDAR ITEMS**

- 19.1. **Subject:** A Resolution Approving a Grant Agreement Between the City of Rancho Cordova and Cordova Community Council Foundation for the Mine Shaft Building Transfer of

Ownership and Relocation and a Resolution Approving a Loan Agreement with the Cordova Community Council Foundation for the Mine Shaft Building Renovation and Expansion Project.

Recommendation: Adopt the Resolutions.

- 19.2. **Subject:** A Resolution of the City Council of the City of Rancho Cordova Designating a Time and Place for Hearing Protests in Connection with a Proposed Stormwater Utility 1 Fee Increase, Approving Procedures in Connection Therewith and Taking Certain Other Actions.

Recommendation: Adopt the Resolution.

- 19.3. **Subject:** Fiscal Year 2022-23 Preliminary Year-End Financial Report and a Resolution Authorizing Budget Amendment.

Recommendation: Receive the Fiscal Year 2022-23 Preliminary Year-End Financial Report and adopt the proposed budget amendment Resolution.

- 19.4. **Subject:** Selection of the 2024 Mayor and Vice Mayor.

Recommendation: Council selection of the 2024 Mayor and Vice Mayor.

- 19.5. **Subject:** Cancellation of the November 20, 2023 City Council Meeting.

Recommendation: Staff recommends the City Council cancel the Monday, November 20, 2023 City Council meeting due to the lack of a quorum present in the Council Chambers.

20. COUNCIL REQUESTS FOR FUTURE AGENDA ITEMS

21. ADJOURNMENT

ADDITIONAL INFORMATION

Special Meetings listed below are subject to change/cancellation without further notice.

Unless the Council adopts a motion to extend the meeting, any item that is not initiated before 11:00 p.m. will be continued to the next day at 5:30 p.m. or scheduled on the next regular meeting agenda of the Council.

Public documents related to items on the open session portion of this agenda, which are distributed to the City Council less than 72 hours prior to the meeting, shall be available for public inspection at the time the documents are distributed to the Council. Documents are available for inspection at the City Clerk's office located in Rancho Cordova City Hall.

The agenda items are accessible on the City's website at www.cityofranhocordova.org on Thursdays or Fridays prior to the Regular City Council Meeting.

UPCOMING MEETINGS

November 13, 2023	5:30 PM Special Meeting/Closed Session
November 20, 2023	5:30 PM Regular Meeting
November 28, 2023	5:30 PM Special Meeting/Work Session
December 4, 2023	4:00 PM Special Meeting/5:30 PM Regular Meeting

December 12, 2023	5:30 PM Special Meeting/Work Session
December 18, 2023	5:30 PM Regular Meeting

If you have any technical questions related to the agenda items, please contact City Hall at (916) 851-8700.

The Rancho Cordova City Council meeting will be videotaped in its entirety and will be cablecast without interruption on Metro Cable 14, the Government Affairs Channel on the Comcast, Consolidated Communications and AT&T U-Verse Systems. Closed Captioning will be available on the playback cablecast. A DVD copy is available from the City Clerk's Department and a webcast of this meeting will be available for viewing via video streaming from the City's website within 48 hours of adjournment of this meeting.

In compliance with the Americans with Disabilities Act, if you need a disability-related modification or accommodation, including auxiliary aids or services, to participate in this meeting, please contact the City Clerk's Office at (916) 851-8720 at least 48 hours prior to the meeting.

CERTIFICATION OF POSTING OF AGENDA

I, Persephonie Riley, Assistant City Clerk for the City of Rancho Cordova, declare that the foregoing agenda for the November 6, 2023, Regular Meeting of the Rancho Cordova City Council was posted and available for review on November 3, 2023, at City Hall of the City of Rancho Cordova, 2729 Prospect Park Drive, Rancho Cordova, California, 95670. The agenda is also available on the City website at www.cityofranhocordova.org.

Signed November 3, 2023, at Rancho Cordova, California.



Persephonie Riley
Assistant City Clerk

CITY OF RANCHO CORDOVA



CITY COUNCIL MEETING

Monday, October 16, 2023

5:30 PM – Regular Meeting

David B. Roberts Council Chambers

City Hall

2729 Prospect Park Drive, Rancho Cordova

DRAFT MINUTES

1. REGULAR MEETING - CALL TO ORDER/ROLL CALL

Mayor Budge called the Regular meeting to order in the David B. Roberts Council Chambers at 5:36 p.m.

Council Members Present: Garrett Gatewood, Siri Pulipati, and Mayor Linda Budge

Council Members Absent: David Sander and Donald Terry

Staff Members Present: Haley Arata, Palmer Hilton, Stacy Leitner, and Micah Runner

2. METRO CABLE TV TELEVISION ANNOUNCEMENT

The City Clerk read the meetings recordings and playback schedule.

3. PLEDGE OF ALLEGIANCE

Rancho Cordova Police Chief Brandon M. Luke led the pledge.

4. INVOCATION

Ruby Smallwood with the Sacramento Law Enforcement Chaplaincy gave the invocation.

5. PRESENTATIONS

- 5.1. New Employee Introductions: Cesar Lamas, Facilities Maintenance Technician I by Matt Thomas, Facilities Manager and David Kwong, Assistant City Manager by Micah Runner, City Manager.

- 5.2. Council Member Garrett Gatewood's Birthday on October 23, 2023.

ITEM 16.1.

Rancho Cordova City Council - DRAFT MINUTES
Meeting of Monday, October 16, 2023

ATTACHMENT 1

6. PUBLIC COMMENT

Mayor Budge opened the public comment period. The following individuals addressed the Council or submitted public comment via email:

1. Cathy Birch
2. Sangeetha Shankar
3. Carl Salmonsens
4. Derald Langwell
5. Helen Whelan-Bashaw
6. James Garcia
7. Cheryl Pitts
8. Brenda Gustin
9. Shanker Ratneshwaran
10. Corinna Casey
11. Sean Mallory
12. Steve Schweigerdt
13. Mary Wing
14. Shellie and Steve Perry
15. Nicolette Nigos-Loredo
16. Adam Papini
17. Judith Poxon
18. Jen Dunning
19. Paul Jorjorian
20. Jonathan Bishop
21. Daniel Aguilar
22. James Fleming
23. Andrew Schneider
24. Anthony Cecchetti
25. Angel Ball
26. Brenda Gustin

Mayor Budge closed the public comment period.

7. COUNCIL REPORTS

Council reported on events since the last meeting.

8. CITY MANAGER'S REPORT

City Manager Micah Runner gave his report.

9. CONSENT CALENDAR ITEMS - ROLL CALL VOTE

Mayor Budge opened the public comment period. Seeing no speakers, Mayor Budge closed the public comment period.

ACTION: Motion to approve items 9.1 through 9.3 by Gatewood second by Pulipati;
Motion passed with a 3:0 vote.

AYES: Gatewood, Pulipati, and Budge

NOES: None

ABSENT: Sander and Terry

ABSTAIN: None

- 9.1. **Subject:** Meeting Minutes from the Regular City Council Meeting of October 2, 2023.
Recommendation: Adopt the minutes.

ITEM 16.1.

ATTACHMENT 1

Rancho Cordova City Council - DRAFT MINUTES
Meeting of Monday, October 16, 2023

- 9.2. **Subject:** A Resolution Authorizing the City Manager to Execute an Agreement with the Rancho Cordova Area Chamber of Commerce in an Amount not to Exceed \$658,750 for Business Retention Services for the Fiscal Year 2023-24.

Recommendation: Adopt the Resolution.

- 9.3. **Subject:** A Resolution Authorizing the City Manager to Execute Contract Amendment No. 179-2018-04 to Increase the Contract Amount by \$43,272.51 to an Amount not to Exceed \$257,128.33 with Psomas, Inc. for On-Call Construction Management Services for the White Rock Road - Sunrise Boulevard to Fitzgerald Road Project.

Recommendation: Adopt the Resolution.

10. CONSENT PUBLIC HEARING ITEMS - ROLL CALL VOTE

Mayor Budge opened the public comment period. Seeing no speakers, Mayor Budge closed the public comment period.

ACTION: Motion to approve item 10.1 by Gatewood second by Pulipati;
Motion passed with a 3:0 vote.

AYES: Gatewood, Pulipati, and Budge

NOES: None

ABSENT: Sander and Terry

ABSTAIN: None

- 10.1. **Subject:** A Resolution Declaring a Protest Hearing and Authorizing the Mailing of Property Owner Ballot Relating to the Imposition of the Annual Stormwater Utility Fee for the Ranch Active Adult Project

Recommendation: Adopt the Resolution.

11. PUBLIC HEARING ITEMS

None.

12. REGULAR CALENDAR ITEMS

- 12.1. **Subject:** Rancho Cordova Police Department Update.

Recommendation: Receive information.

Mayor Budge opened the public comment period. Seeing no speakers, Mayor Budge closed the public comment period.

ACTION: Input was received regarding the Rancho Cordova Police Department update.

- 12.2. **Subject:** Discussion on the Naming of an Official City Flower.

Recommendation: Receive the presentation.

Mayor Budge opened the public comment period. Seeing no speakers, Mayor Budge closed the public comment period.

ACTION: Input was received regarding the naming of an official City flower.

- 12.3. **Subject:** A Resolution of the City Council of the City of Rancho Cordova Designating a Time and Place for Hearing Protests in Connection with a Proposed Stormwater Utility 1 Fee Increase, Approving Procedures in Connection Therewith and Taking Certain Other Actions.

Recommendation: Adopt the Resolution.

Mayor Budge opened the public comment period. Seeing no speakers, Mayor Budge

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Rancho Cordova City Council - DRAFT MINUTES
Meeting of Monday, October 16, 2023

ATTACHMENT 1

closed the public comment period.

ACTION: Motion to continue item 12.3 to a date uncertain by Gatewood second by Pulipati;

Motion passed with a 3:0 vote.

AYES: Gatewood, Pulipati, and Budge

NOES: None

ABSENT: Sander and Terry

ABSTAIN: None

13. COUNCIL REQUESTS FOR FUTURE AGENDA ITEMS

1. Moving the selection of the 2024 Mayor and Vice Mayor to the November 6, 2023, City Council Meeting
2. Sister cities discussion

14. ADJOURN TO CLOSED SESSION

Mayor Budge adjourned the meeting to closed session at 7:10 p.m.

15. CLOSED SESSION - CALL TO ORDER/ROLL CALL

Mayor Budge called closed session to order at 7:10 p.m.

Council Members Present: Garrett Gatewood, Siri Pulipati, and Mayor Linda Budge

Council Members Absent: David Sander and Donald Terry

Staff Members Present: Palmer Hilton and Micah Runner

16. CLOSED SESSION

Council met in closed session to discuss the following item:

- 16.1. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION: Significant Exposure to Litigation Pursuant to Government Code Section 54956.9(d)(2)(Two Cases).

17. OPEN SESSION - REPORT FROM CLOSED SESSION

Deputy City Attorney Palmer Hilton reported that staff was given direction and no reportable action was taken in closed session.

18. ADJOURNMENT

Mayor Budge adjourned the meeting at 8:10 p.m. in memory of Herb Powell and Sandra Ann Hirschy Adams.

Stacy Leitner, CMC
City Clerk

CITY OF RANCHO CORDOVA



CITY COUNCIL MEETING

Tuesday, October 24, 2023

4:30 PM – Special Meeting/Closed Session

5:30 PM – Special Meeting/Work Session

David B. Roberts Council Chambers

City Hall

2729 Prospect Park Drive, Rancho Cordova

DRAFT MINUTES

1. SPECIAL MEETING - CALL TO ORDER/ROLL CALL

Mayor Budge called the Special meeting to order in the David B. Roberts Council Chambers at 4:35 p.m.

Mayor Budge participated remotely due to just cause.

Council Members Present: Garrett Gatewood, Siri Pulipati, Donald Terry, and Mayor Linda Budge

Council Members Absent: David Sander

Staff Members Present: Stacy Leitner, Adam Lindgren, Persephonie Riley, and Micah Runner

2. PUBLIC COMMENT

Mayor Budge opened the public comment period. Seeing no speakers, Mayor Budge closed the public comment period.

3. ADJOURN TO CLOSED SESSION

Mayor Budge adjourned the meeting to closed session at 4:39 p.m.

4. CLOSED SESSION - CALL TO ORDER/ROLL CALL

Mayor Budge called closed session to order at 4:39 p.m.

Mayor Budge participated remotely due to just cause.

ITEM 16.1.

Rancho Cordova City Council - DRAFT MINUTES
Meeting of Tuesday, October 24, 2023

ATTACHMENT 2

Council Members Present: Garrett Gatewood, Siri Pulipati, David Sander, Donald Terry, and Mayor Linda Budge

Council Members Absent: None

Staff Members Present: Stacy Leitner, Adam Lindgren, and Micah Runner

5. CLOSED SESSION

Council met in closed session to discuss the following item:

- 5.1. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION: Significant Exposure to Litigation Pursuant to Government Code Section 54956.9(d)(2)(Two Cases).

6. OPEN SESSION - REPORT FROM CLOSED SESSION

City Attorney Adam Lindgren reported that Council took up two cases, staff was given direction and no reportable action was taken in closed session.

7. ADJOURN TO SPECIAL MEETING

Vice Mayor Sander adjourned closed session to the special meeting at 5:35 p.m.

8. SPECIAL MEETING - CALL TO ORDER/ROLL CALL

Vice Mayor Sander called the Special meeting to order in the David B. Roberts Council Chambers at 5:35 p.m.

Mayor Budge participated remotely due to just cause.

Council Members Present: Garrett Gatewood, Siri Pulipati, David Sander, Donald Terry, and Mayor Linda Budge

Council Members Absent: None

Staff Members Present: Stacy Leitner, Adam Lindgren, Persephonie Riley, and Micah Runner

9. PUBLIC COMMENT

City Clerk Stacy Leitner stated that public comment would be taken at the time each item was heard.

10. SPECIAL MEETING ITEMS

- 10.1. **Subject:** Economic Development Opportunity on City-Owned Parcels.

Recommendation: Provide direction on a potential use for approximately thirty (30) acres of City-owned land located at 10801 N. Mather Blvd. in Rancho Cordova, CA (APN's: 072-2360-030-0000, 072-2360-029-0000, & 072-2360-028-000).

Vice Mayor Sander opened the public comment period. The following individuals addressed the Council or submitted public comment via email:

1. James Garcia
2. Jennifer Garcia
3. Michele Elkins-Buettner
4. Valerie Knippschild

ITEM 16.1.

Rancho Cordova City Council - DRAFT MINUTES
Meeting of Tuesday, October 24, 2023

ATTACHMENT 2

Vice Mayor Sander closed the public comment period.

ACTION: Input was received regarding Economic Development Opportunity on City-owned Parcels.

11. PUBLIC HEARING ITEMS

- 11.1. **Subject:** An Ordinance of the City Council of the City of Rancho Cordova Amending Certain Sections of the Villages of Zinfandel Special Planning Area to Revise Permitted Uses in the M-1 (Light Industrial) and MP (Office Industrial Park) Zones, Including Amending Certain Text and Tables in the Sacramento County Zoning Code that are Incorporated and Applied in the Villages of Zinfandel Special Planning Area (CEQA Exempt Pursuant to Guideline Section 15061(b)(3)).

Recommendation: The Planning Commission recommends that the City Council:

1. Find the project exempt from the California Environmental Quality Act (CEQA) pursuant to Section 15061(b)(3);
2. Waive the first reading and introduce the Ordinance.

Vice Mayor Sander opened the public comment period. The following individuals addressed the Council or submitted public comment via email:

1. Jennifer Garcia
2. Greg Muilenburg
3. Brenda Gustin
4. Matthew Henderson
5. Michael Phalen
6. Marilyn Metzger
7. Helen Whelan-Bashaw
8. James Garcia
9. Sara Malone
10. Gloria Smith
11. Eric Winegar
12. Valerie Knippschild
13. John Piatt
14. Vera Ferguson
15. Dawn S. Davison
16. Mitch Schwenk
17. Eileen Sedilko
18. Lynn Keay
19. David Burns
20. Michael Phalen
21. Christopher Lott
22. Wing Chang
23. Nicole Mullnix
24. Alan and Melissa Vosper
25. Jennifer Garcia
26. Kaitlin Swack
27. Randy H.
28. Lakshmi Gubbala
29. B. Fuller
30. Mary Miller
31. Janet Teghtmeyer

ITEM 16.1.

Rancho Cordova City Council - DRAFT MINUTES
Meeting of Tuesday, October 24, 2023

ATTACHMENT 2

- 32. Frank Droogmans
- 33. Manohar Packianathan & Usha Manohar
- 34. David Ferguson
- 35. MJ Torney
- 36. Kay Lopez
- 37. Radhika Prasad
- 38. Ken & Laura Cobler
- 39. D. Baldwin
- 40. Mark Berry
- 41. Brenda Gustin
- 42. Jim Boyd
- 43. Eric Winegar
- 44. Dennis Scovill
- 45. John Ulm
- 46. Matthew C Henderson
- 47. James Garcia
- 48. David Deller
- 49. Jess Cortez

Vice Mayor Sander closed the public comment period.

ACTION: Motion to approve item 11.1. with amendments to the Ordinance by Terry second by Gatewood;
Motion passed with a 5:0 vote.

12. ADJOURNMENT

Vice Mayor Sander adjourned the meeting at 7:31 p.m.

Stacy Leitner, CMC
City Clerk

MEMORANDUM



ITEM 16.2.

DATE: November 6, 2023
TO: Honorable Mayor and Council Members
FROM: Darcy Goulart, Planning Manager
SUBJECT: **SECOND READING OF AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA AMENDING CERTAIN SECTIONS OF THE VILLAGES OF ZINFANDEL SPECIAL PLANNING AREA TO REVISE PERMITTED USES IN THE M-1 (LIGHT INDUSTRIAL) AND MP (OFFICE INDUSTRIAL PARK) ZONES, INCLUDING AMENDING CERTAIN TEXT AND TABLES IN THE SACRAMENTO COUNTY ZONING CODE THAT ARE INCORPORATED AND APPLIED IN THE VILLAGES OF ZINFANDEL SPECIAL PLANNING AREA (CEQA EXEMPT PURSUANT TO GUIDELINE SECTION 15061(B)(3))**

RECOMMENDATION

Waive the second reading and adopt the Ordinance.

RESULT OF RECOMMENDED ACTION

Adoption of the Ordinance would result in amendments to certain sections of the Villages of Zinfandel Special Planning Area to revise permitted uses in the M-1 (Light Industrial) and MP (Office Industrial Park) Zones, including amending certain text and tables in the Sacramento County Zoning Code that are incorporated and applied in the Villages of Zinfandel Special Planning Area.

BACKGROUND

On October 24, 2023, the City Council waived the first reading, introduced and passed to a second reading of the Ordinance.

At the October 24, 2023, City Council meeting, City staff, City legal counsel and individual City Council members discussed the reasons and timing for the Ordinance. The City has not changed the land use regulations in the Villages of Zinfandel (VOZ) for over twenty years. The strong community support for the Ordinance in written comments and oral testimony at the October 24, 2023, hearing on the Ordinance supports staff and City legal counsel's explanation that the Ordinance is the first, least controversial, initial round of changes and updates. Additional changes will follow regarding other uses with more extensive community outreach and input. The City strongly disagrees with the speculation by representatives of Dermody Properties that the only reason for the Ordinance and the timing of the Ordinance was to single out and stop the processing of the approved design review permits on Dermody's Logistcenter and Industrial Center projects. The Ordinance applies to and limits development of over a dozen

different uses, not just logistics facilities, and applies to a number of land use designations throughout the VOZ. The City regularly receives inquiries about potential development on commercial properties and it is important to the City's economic development to establish long-term, updated land use regulations in the VOZ as quickly as reasonably possible. Indeed, Item 10.1 on the October 24, 2023, City Council agenda, immediately before the City considered introduction of the Ordinance, was one such item, a request for possible development of a mixed use joint operations center. The Item 10.1 project proponent and other potential developers will benefit from the timely enactment of the Ordinance and the updated land use regulations that it provides.

Pursuant to Section 21676(b) of the California Public Utilities Code and Policy GP-6 of the Mather Airport Land Use Compatibility Plan (ALUCP), the City consulted with the Airport Land Use Commission (ALUC), regarding the proposed changes. On November 2, 2023 the ALUC reviewed the proposed ordinance as submitted, prior to introduction of the Ordinance, as part of the October 24, 2023 City Council agenda packet. Upon review of the information, the ALUC stated that the proposal only limits land uses currently permitted or conditionally permitted by the zoning ordinance and does not introduce any new uses or include other changes that potentially could be found to conflict with land use compatibility criteria set forth in the Mather ALUCP. On that basis, the ALUC determined "that the proposed amendment to the Villages of Zinfandel Special Planning Area and certain sections of the associated zoning ordinance are consistent with the Mather Airport Land Use Compatibility Plan".

The City also continues to work diligently, timely, and in good faith to process documents, plans and materials needed to comply with the conditions of approval on Dermody's projects. It is clear that Dermody has not yet satisfied a number of conditions of approval on its design review permits, and the City staff have no discretion to issue building permits for these projects until the conditions of approval have been satisfied.

ATTACHMENT(S)

1. Ordinance

CITY OF RANCHO CORDOVA

ORDINANCE NO. XX-2023

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA, STATE OF CALIFORNIA, AMENDING CERTAIN SECTIONS OF THE VILLAGES OF ZINFANDEL SPECIAL PLANNING AREA TO REVISE PERMITTED USES IN THE M-1 (LIGHT INDUSTRIAL) AND MP (OFFICE INDUSTRIAL PARK) ZONES, INCLUDING AMENDING CERTAIN TEXT AND TABLES IN THE SACRAMENTO COUNTY ZONING CODE THAT ARE INCORPORATED AND APPLIED IN THE VILLAGES OF ZINFANDEL SPECIAL PLANNING AREA

THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA DOES ORDAIN AS FOLLOWS:

Section 1. Purpose and Declarations.

WHEREAS, the City conducts periodic updates of the provisions of the Rancho Cordova Zoning Code and Special Plans to ensure compliance with current laws, changes in local policy, and consistency with adopted plans and programs, to clarify ambiguities, address changing market conditions, reflect best practices, and address issues or concerns with current regulations; and

WHEREAS, the City of Rancho Cordova has determined that certain allowed uses would have a detrimental impact upon the existing residential development within Villages of Zinfandel Special Planning Area, which is not being addressed by the City's current ordinances and zoning regulations and the reliance on certain text and tables that are incorporated and applied in the Special Planning Area from the County of Sacramento Zoning Code as it existed when the Special Planning Area was adopted, and which are currently applicable in the Villages of Zinfandel; and

WHEREAS, the City determines that the uses proposed to be prohibited by this Ordinance ("Prohibited Uses") are inconsistent with the City Council's desired buildout of the Villages of Zinfandel Special Planning Area; and

WHEREAS, the City determines that eliminating the uses proposed to be prohibited by this Ordinance is rationally and substantially related to the general public health, safety, and welfare of the residents of and visitors to the Villages of Zinfandel and surrounding areas of the City, not just to the interests of property owners and residents immediately surrounding an individual proposed or potential development; and

WHEREAS, the Ordinance would apply to 49 different parcels totaling over 265 acres, including property owned by the City; and

WHEREAS, the Ordinance would protect students at Navigator Elementary School, who come from both the Villages of Zinfandel and other surrounding areas of the City; and

WHEREAS, the Ordinance would address and reduce the public's exposure to toxic air contaminant emissions from trucks utilizing roadways in areas beyond the Villages of Zinfandel, including the Capital Village residential area, located north and just east of Zinfandel

Drive, and other residential areas located south of Highway 50 along International Drive ("Affected Neighborhoods"); and

WHEREAS, the City determines that based upon the voluminous public comments, information, reports, and expert analysis the City has received and obtained over the past several years (incorporated herein by reference), including air quality analyses related to the emissions from warehouse uses, that uses involving intensive heavy truck uses subject residents to unacceptable levels of health risks and degrades the quality of life for those residing in residential neighborhoods along roads trucks would travel, including but not limited to Zinfandel Drive, International Drive, and Mather Boulevard which provide ingress and egress to the M-1 and MP sites in the Villages of Zinfandel ("Affected Neighborhoods"); and

WHEREAS, many residents in the Villages of Zinfandel strongly oppose development that requires intensive heavy truck use on M-1 and MP parcels and throughout the Villages of Zinfandel, and have provided the City with comments and information regarding the impacts of warehouse use and development upon the community, including but not limited to: (1) increased risk of cancer due to increased levels of TAC emission exposure for residents and school children proximate to warehouse uses, the roads trucks would traverse and locations trucks would idle; (2) increase risk of truck-related roadway accidents involving motorists, pedestrians and cyclists; (3) noise level increases that interfere with the use and enjoyment of private property and public spaces in the Villages of Zinfandel; (4) reduction in the aesthetic appeal and quality of properties within the Villages of Zinfandel due to the operation of heavy-truck intensive uses in the midst of residential neighborhoods and the outdated and unintended planning this represents; and reduced desirability of the Villages of Zinfandel for future development of high-quality uses that enhance the existing qualities and lifestyle of the residential neighborhoods; and

WHEREAS, the City has taken into consideration current air quality standards and best practices for siting the Prohibited Uses in making this determination that the Prohibited Uses would degrade the quality of the residential neighborhoods within the Villages of Zinfandel; and

WHEREAS, because the City has taken into consideration current air quality standards and best practices for siting the Prohibited Uses, the City determines that the current standards by which the Prohibited Uses are regulated under language and tables incorporated into the Villages of Zinfandel Special Planning Area from the Sacramento County Zoning Code would allow development that is detrimental to the public health, safety, and welfare, would degrade the quality of the residential neighborhoods particularly residents in the Villages of Zinfandel Special Planning Area and those residing in the Affected Neighborhoods; and

WHEREAS, the City determines that uses that are likely to involve or require a high intensity of commercial vehicle and truck traffic would degrade the quality of residential neighborhoods and negatively impact the health of residents in the Villages of Zinfandel Special Planning Area and Affected Neighborhoods; and

WHEREAS, the City determines that uses that are likely to involve or require use and/or storage of vehicles for either staging, parking, or storage would degrade the community aesthetics and detract from the overall appearance and desirability of the Villages of Zinfandel

Special Planning Area, and thereby negatively impact the value of existing development and reduce the economic potential of undeveloped parcels within the Villages of Zinfandel; and

WHEREAS, the City determines that the animal slaughter, egg processing facility, and milk processing uses would degrade the quality of neighborhoods and negatively impact the health, safety, and welfare of residents in and visitors to the Villages of Zinfandel Special Planning Area and Affected Neighborhoods, and negatively impact the value of existing development and reduce the attractiveness of the existing development and reduce the economic potential of undeveloped parcels within the Villages of Zinfandel for high-quality development in the future; and

WHEREAS, this Ordinance is not intended to be a subsequent ordinance adopted pursuant to Government Code section 65858 as the City is still studying and developing policy guidance regarding the health, safety, and environmental impacts related to various uses within the Villages of Zinfandel Special Planning Area and Affected Neighborhoods in order to create standards related to these uses that adequately address potential adverse environmental health, safety, and environmental impacts to protect the community in accordance with the current recognized environmental regulatory standards and accepted industry and state recommended best practices; and

WHEREAS, because the City is still studying and developing policy guidance with respect to Ordinance No. 7-2023, which established a temporary moratorium on the establishment, expansion, or modification of uses in the Villages of Zinfandel Special Planning Area designated therein as M-1 (Light Industrial) and MP (Office Industrial Park) Zones, therefore, nothing in this Ordinance is intended to replace and terminate that moratorium; and

WHEREAS, the effect of this Ordinance is to explicitly prohibit certain uses on all properties designated M-1 and MP, without the exception Ordinance No. 7-2023 provided for projects previously issued Major Design Review approvals, while the City works on a more comprehensive rezoning effort; and

WHEREAS, since adopting Ordinance No. 7-2023, the City has been in the process of evaluating the compatibility of the Prohibited Uses with current air quality standards, toxic air contaminant ("TAC") health risks, and best practices for siting uses involving intensive truck uses; and

WHEREAS, truck-intensive uses already exist in the Villages of Zinfandel Special Planning Area, including the Bold Beauty project, producing 98 truck trips per day. The magnitude of the truck trips that could result from continued buildout of the SPA with the Prohibited Uses could exceed 1,000 daily truck trips; and

WHEREAS, since adopting Ordinance No. 7-2023, the City has considered the health risks associated with continued buildout of the SPA with the Prohibited Uses and the resulting increase in residents' TAC exposure throughout the SPA and in Affected Neighborhoods, resulting from heavy truck traffic traveling through neighborhoods on local streets and from siting diesel truck-intensive uses permitted on parcels in the SPA, many of which are adjacent to residential uses, near schools and other sensitive receptors, and taking into account current air quality standards and regulations imposed by Sacramento Metropolitan Air Quality

Management District (SMAQMD) and information regarding health risks associated with TAC exposure, the City has determined that continued buildout of the SPA with the Prohibited Uses would be detrimental to the health, safety and welfare of SPA residents and Affected Neighborhoods; and

WHEREAS, since adopting Ordinance No. 7-2023, the City has been in the process of evaluating the noise level increases associated with continued buildout of the SPA with the Prohibited Uses, particularly noise levels associated with siting loading docks in close proximity to residences, increased truck traffic traveling on SPA streets near residential neighborhoods, schools, and other sensitive receptors, and has determined that the noise level increases resulting from continued buildout of the SPA with Prohibited Uses would be detrimental to the residents' health, safety and welfare, quality of life and the residential character of the Villages of Zinfandel, and therefore inconsistent with the City's intended buildout of the Special Planning Area; and

WHEREAS, the City has considered evidence that the on-site loading activities associated with the Prohibited Uses produce loud and prolonged noise levels that can cause hearing damage to residents living in close proximity and has determined that the noise level increases resulting from continued buildout of the SPA with Prohibited Uses would be detrimental to the residents' health, safety and welfare.

WHEREAS, the County of Sacramento adopted the Villages of Zinfandel Special Planning Area on August 7, 2002, with the intent to "permit infill development in a manner consistent with the General Plan that allows for mixed land use development including residential uses, industrial uses, office uses, commercial uses, public/quasi-public uses, and recreational uses." This Special Planning Area was adopted with the intent to be consistent with the General Plan of Sacramento County, and was adopted prior to the City of Rancho Cordova incorporating. The Development Agreement was later adopted on May 28, 2003, by the County Board of Supervisors, vesting the rights to develop the Villages of Zinfandel consistent with the density and intensity of uses allowed at the time of adoption for the duration of the Development Agreement; and

WHEREAS, by incorporation, the City inherited and adopted the Villages of Zinfandel Special Planning Area and the Development Agreement controlling its development; and

WHEREAS, until the Development Agreement expired, the City has been unable to amend the Villages of Zinfandel Special Planning Area and apply the new laws or regulations in ways that would be inconsistent with the Development Agreement, and, therefore, has been operating with a special planning area that was tailored to the County of Sacramento's General Plan, not its own; and

WHEREAS, the City Council has a more refined vision for future development than the County expressed when it approved a broad range of non-residential areas in the Villages of Zinfandel Special Area, and the City Council wants to update the Villages of Zinfandel Special Planning Area to eliminate the Prohibited Uses in additional locations, except as provided herein; and

WHEREAS, Government Code section 65453 permits the City to amend a specific plan by ordinance and in the same manner that a General Plan may be amended. A General Plan may be amended at any time if the legislative body deems it to be in the public interest; and

WHEREAS, the City Council deems it to be in the public interest to begin to amend the Villages of Zinfandel Special Planning Area to: (1) be more tailored to the City's General Plan; (2) updated to reflect current standards regarding environmental impacts including air quality; (3) updated to reflect current best practices regarding the Prohibited Uses; (4) updated to reflect the actual current buildout of the Villages of Zinfandel Special Planning Area, rather than reliance on the anticipated buildout that predates the City's incorporation; and updated development standards associated with logistics as an accessory use and loading dock screening requirements.

Section 2: Findings. This Ordinance is adopted pursuant to the following findings:

- A. **CEQA Compliance.** CEQA requires analysis of agency approvals of discretionary "projects." CEQA defines a "project" as "the whole of an action, which has a potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment." (CEQA Guidelines, § 15378.). The City has determined that the proposed Ordinance will not result in a direct physical change in the environment. The amendments set forth in the proposed Ordinance do not approve any physical development. The purpose of the proposed amendments is to provide clarification of uses, address inconsistencies between definitions, delete text that is no longer necessary, and eliminate certain uses the City has determined are inconsistent with the desired uses of the City Council and existing residents in the Villages of Zinfandel, due to the effects of their operation, as described herein. The amendments seek to reduce the potential for significant adverse environmental impacts to result from the uses that are permitted to develop on vacant M-1 and MP parcels in the Villages of Zinfandel Special Planning Area. Any future project that may propose development of an allowed use on an M-1 or MP designated parcel within the Special Planning Area will be subject to environmental review under CEQA and compliance with Municipal Code permitting requirements for the proposed use.

The City has further determined that the proposed Ordinance will not result in a reasonably foreseeable indirect physical change in the environment. There are a total of 49 parcels in the M-1 and MP designated zones in the Special Planning Area which are affected by this Ordinance. The City is not required to evaluate the potential of each to develop with a Prohibited Use as a result of the City's approval of the proposed amendments. An indirect physical change is to be considered only if that change is a reasonably foreseeable impact which may be caused by the project. A change which is speculative is not reasonably foreseeable. Guidelines § 15064(d)(3). Any future project that may propose development of a Prohibited Use outside of the Villages of Zinfandel will be subject to environmental review under CEQA and to the Municipal Code permitting requirements for the proposed use. The City has further determined any specific development projects proposed in the future for parcels designated M-1 and MP in the Special Planning Area cannot be determined at this time because it is speculative but will be subject to environmental review under CEQA and required to comply with Municipal Code permitting requirements for the proposed use. Thus, the City finds that the proposed ordinance is not a "project" subject to the requirements of CEQA.

However, in the event that adoption of the ordinance is considered a CEQA project, it would nonetheless qualify for the following categorical exemption under CEQA:

Guidelines Section 15061(b)(3) states, “The activity is covered by the common sense exemption that CEQA applies only to projects, which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA.” CEQA defines a “significant effect on the environment” as “a substantial, or potentially substantial, adverse change in the environment.” As described above, the City determined that the proposed Ordinance will not result in a direct physical change or a reasonably foreseeable indirect physical change in the environment. The Ordinance, by prohibiting certain uses due to their adverse environmental impacts, will not have any significant adverse change in the environment. Instead, the Ordinance will reduce adverse environmental impacts. Therefore, the City concludes that there is no possibility that the proposed amendments may have a substantial, or potentially substantial, adverse change in the environment. Accordingly, the City finds that proposed amendments are exempt from CEQA under Guidelines Section 15061(b)(3).

- B. The proposed amendments are consistent with the General Plan.** The amendments to the Villages of Zinfandel Special Planning Area uses (“Amendments”) are consistent with, support, and facilitate the implementation of the goals, policies, and other provisions of the General Plan. These include, but are not limited to: Action LU 1.1.1, Goal LU 6, UD Policy 1.5, Action UD 1.5.2, UD Policy 4.2, ED Policy 1.3, and ED Policy 1.4. The General Plan does not indicate that any such uses eliminated by this Ordinance are required to be present within the MP or M-1 zones or within the Villages of Zinfandel Special Planning Area at all. The General Plan and Goal LU.1 of the Land Use Element calls for a balance of land uses and states that “[p]roviding the right overall balance of land uses is a significant priority for the City. Residential, commercial, office, industrial, and public/quasi-public uses need to be provided throughout the entire community and should be sized commensurate with their service area.” As the Villages of Zinfandel currently exist, the uses prohibited by this ordinance are already present, including the GLP Bold & Beauty Warehouse and the California National Guard headquarters. Action LU 1.1.1 requires the City to regularly evaluate the mix of land uses as the City grows to analyze buildout conditions and market conditions. The proposed amendments reflect the City’s evaluation of the existing mix of land uses in the Villages of Zinfandel Special Planning Area and its determination that the further development of the Prohibited Uses is inappropriate with the existing development. The amendments ensure that further development of Prohibited Uses does not degrade the established neighborhoods and reduce the Villages of Zinfandel Special Planning Area’s attractiveness to future uses and additional residential development. Goal LU 6 suggests that the City ensure development of the planning areas are consistent with the City’s vision. Eliminating the Prohibited Uses helps create a balanced mix of land uses that will promote the Villages of Zinfandel as a desirable place to live, work, and play by preventing an overconcentration of industrial-scale warehouse distribution centers, avoiding development of automobile storage-related uses and farming-related uses that degrades residents’ overall quality of life. The amendments prevent further proliferation of heavy truck-intensive uses that necessitate construction of large shell buildings that give the Villages of Zinfandel Special Planning Area an industrial feel. The amendments help increase the Villages of Zinfandel’s stature as a livable and sustainable neighborhood

where residents can safely and enjoyably walk to commercial services and recreational amenities. Further, the amendments eliminate uses that do not contribute to a sense of place and identity for the Villages of Zinfandel.

Urban Design Policy 1.5 suggests that the City should encourage project compatibility, interdependence, and support with neighboring uses, especially between commercial and mixed-use centers and the surrounding residential neighborhoods. Uses should relate to one another with pedestrian connections, shared parking, landscaping, public spaces, and the orientation and design of buildings. The amendments eliminate uses that would not create compatibility, interdependence, and support with surrounding residential, recreation, and educational uses. Additionally, the amendments further the City's goal to allow the development of uses that potentially relate to one another in a meaningful way, with pedestrian connections, shared parking, landscaping, and public spaces in a way that improves the overall quality of life and attractiveness of the Villages of Zinfandel Special Planning Area. Urban Design Policy 4.2 suggests that the City design new development to be compatible with surrounding development in ways that contribute to the desired character of the City and District. The proposed amendments increase the compatibility of future development in the Special Planning Area with the current surrounding residential development by eliminating uses that would be in conflict. Action UD 1.5.2 provides a mechanism to achieve this policy through revising the Zoning Code provisions to identify appropriate solutions to create compatibility between developments. The amendments revise provisions of the Villages of Zinfandel Special Planning Area and the 2003 Sacramento Zoning Code as applied to the Special Planning Area to eliminate uses that would not be compatible with existing residential, recreational, and educational uses and that detract from the desired quality of the Villages of Zinfandel.

Economic Development Policy 1.3 and 1.4 suggest that the City retain and expand the existing industrial and warehouse uses in the City and direct such uses toward the Highway 16 corridor and areas constrained by the Mather Air Base overflight path. Since these policies were adopted, there has been substantial warehouse and industrial development in these areas. The City already has millions of square feet of existing warehouse use and has built or fully approved over a million square feet since the General Plan was adopted in 2006, including over 164,000 square feet in the Villages of Zinfandel. During public hearings on recent warehouse projects, senior staff for the master developer for the Villages of Zinfandel Special Planning Area (who was actively involved in the processing of and securing the original Sacramento County approval of the Villages of Zinfandel Special Planning Area) explained the amount of current and proposed warehouse development in the Villages of Zinfandel was already far more than the master developer expected when it was designing and proposing the Special Planning Area prior to approval. The current warehouse development square footage and intensity is already more than the City anticipated when it adopted Economic Development Policies 1.3 and 1.4 in 2006, and therefore, further warehouse development is not needed to satisfy these policy goals. Further, the exception in the Ordinance would permit for the development of limited additional warehouse use as an accessory use. Industrial development beyond the existing uses may harm the balance of land uses by creating a land use dynamic that is unbalanced with regard to the proliferation of Prohibited Uses commensurate to the size of the service area. Further, the Villages of Zinfandel Special Planning Area, as adopted by the County of Sacramento two decades ago, allowed warehouse uses, which, based on the subsequent evolution of warehousing and logistics industries, have become more

intense than intended or contemplated at the time of adoption; certain other Prohibited Uses are in industries that have changed significantly and relocated in the years since the Villages of Zinfandel Special Planning Area was adopted by the County. The recent trend of warehouse development is toward high-intensity and larger facilities with a higher concentration of trips from trucks. Community commentary and Council member comments, including those present and involved with the adoption of the Villages of Zinfandel Special Planning Area, have indicated that the type and intensity of warehouse uses built today was not the intent of the “warehouse use” at adoption. This inconsistency with the intent at adoption necessitates amendment to the Special Planning Area to prevent further misapplication of legislative intent that is detrimental to the residential character of the Villages of Zinfandel.

The Ordinance furthers and is consistent with the goals and policies of the Air Quality Element of the General Plan. One of the main goals of the Air Quality Element is “to reduce or eliminate residents’ health concerns that are attributable to air quality impacts.” (p. 9) The Air Quality Element identifies the adverse health impacts of both fine particulate matter and toxic air contaminants (which include lung damage, cancer, birth defects, and neurological damage) and states these are issues of concern. (p. 4-5) Goal AQ.2 states: Support land use patterns and densities that lessen air quality impacts. The Air Quality Element includes policies and actions to support these goals and reduce health impacts. The Air Quality Element also has a policy regarding locating uses with objectionable odors near sensitive receptors. (Policy AQ.1.5) The Ordinance furthers these goals, policies, and actions by addressing the adverse health and other impacts of the Prohibited Uses due to pollutant emissions and odors on City residents.

- C. **The proposed amendments promote legitimate state interests.** The amendments to the Village of Zinfandel Special Planning area uses eliminate certain previously permitted uses that involve or are likely to involve high levels of vehicle and commercial truck traffic, storage and parking of commercial trucks and vehicles, agricultural-related uses, and warehousing and wholesaling. The amendments are rationally and substantially related to health, safety, and general welfare of the residents of and visitors to the Villages of Zinfandel, and there remain numerous permitted and conditionally permitted economically viable uses under the applicable zoning. BP and LI zones of the Villages of Zinfandel allow over one hundred (100) permitted or conditionally permitted uses for which a property owner could still use an LI or BP zoned parcel. Because there are numerous permitted and conditionally permitted uses for such parcels, owners are not deprived of all economically viable uses of their property. Further, there are zones within the City that allow for each of the uses prohibited by this Ordinance; therefore, this Ordinance does not provide a city-wide prohibition on the uses prohibited by this Ordinance. Furthermore, the Prohibited Uses are permitted in multiple different zoning designations located throughout the City, including OIMU, LIBP, M-2, Mather Special Planning Area, M-1 (excluding Villages of Zinfandel Special Planning Area), MP (within the RDO Specific Plan), and CMU (within the Folsom Boulevard Specific Plan). Additionally, Prohibited Uses are permitted with an administrative use permit (AUP) in the General Commercial (GC) and Convention Overlay zones.
- D. **The proposed amendments would not be detrimental to the public interest, health, safety, convenience, or welfare of the City.** The Amendments would address inconsistencies, delete text that is no longer necessary, and prohibit certain previously permitted uses the City has found threaten the health, safety, and welfare of SPA residents. As explained in Recitals 6, 7, 8, 9, 10, 11, 12, 14, 15, 18, and 19, and

Findings A and B above, none of these proposed amendments will be detrimental to the public interest, health, safety, convenience, or welfare of the City. The areas of the Special Planning Area near the parcels zoned to allow certain uses that involve a high intensity of truck traffic, such as Warehousing and Wholesaling, are also near already developed residential parcels. The Villages of Zinfandel Design Guidelines contain requirements to maintain a street pattern “avoiding the concentration of vehicles and pedestrians onto major streets for internal trips within the community” and to “establish the character of the project and defining its neighborhoods.” Due to the current buildout and residential character and quality of neighborhoods near the BP and LI zoned parcels it is necessary to amend the permitted uses to avoid uses that involve a high intensity of trucks in close proximity to existing neighborhoods and residential uses and sensitive receptors.

- E. **The proposed amendments are internally consistent with other applicable provisions in the applicable Zoning Code.** The Amendments have been reviewed for consistency with Villages of Zinfandel Special Planning Area and the portions of the 2003 Sacramento County Zoning Code as applied to the Villages of Zinfandel Special Planning Area. The proposed amendments are consistent with the vision of the Special Planning Area. The Special Planning Area encourages creating neighborhoods that promote pedestrian circulation, emphasizing “[t]he fundamental intent is to reduce the impact of the automobile on both neighborhoods and the larger community....this goal is realized by providing a mix of land uses and a mix of densities, and by providing circulation opportunities and facilities that encourage pedestrian, bicycle, and transit use, and make such modes of travel both secure and convenient.” The proposed amendments are consistent with the goal of promoting pedestrian circulation by providing a mix of uses that enhance and encourage opportunities for residents to reduce dependence on automobile trips, and improve safety of such modes of transportation by eliminating uses that are particularly truck-intensive to a greater extent than would be provided under the existing land use regulations and framework. While the existing uses provide opportunities for pedestrian uses, such as through conditions requiring the buildout of sidewalks and pedestrian crossings, the uses allowed under the proposed amendments suggest a greater cohesion between the residential neighborhoods and non-residential uses, because truck traffic discourages pedestrian travel to a greater extent than the same or greater levels of car traffic. The Villages of Zinfandel Special Planning Area provides a separate objective to “[e]stablish commercial uses that are designed for convenient pedestrian access, are constructed of quality materials, and enhance the visual character of the community. The proposed amendments enhance the visual character of the neighborhood by eliminating certain agricultural uses that would reduce the attractiveness and desirability of the existing development. As described above in Recital 14, animal slaughter, egg processing facility, and milk processing uses would degrade the quality of neighborhoods and negatively impact the health, safety, and welfare of residents in and visitors to the Villages of Zinfandel Special Planning Area and Affected Neighborhoods, and negatively impact the value of existing development and reduce the attractiveness and desirability of the existing development and reduce the economic potential of undeveloped parcels within the Villages of Zinfandel for high-quality development in the future. The changes in Section 3 will comprehensively address all of the Prohibited Uses in the Special Planning Area.

Section 3. Amendments to Villages of Zinfandel Special Planning Area

- A. The City Council amends Section 512-204 (C) of the Villages of Zinfandel Special Planning Area to add “Except as otherwise provided in this SPA,” after the colon in the first line and immediately preceding the word “Permitted.”
- B. The City Council amends Section 512-204 (D) of the Villages of Zinfandel Special Planning Area to add “Except as otherwise provided in this SPA,” after the colon in the first line and immediately preceding the word “Permitted.”
- C. The City Council Amends The Villages of Zinfandel Development Use Standards Table on page 15 of the SPA to revise the Height (Max.) standard found in the Business-Professional Zone (column 7 row 13 of the table) to delete the words “see Zoning Code” and add the words “See Footnote 6.” The effect of this change is to clearly limit the maximum height of development to the height stated in the referenced table 512-214.
- D. The City Council amends the Villages of Zinfandel Development Use Standards Table on page 15 of the SPA to revise the Height (Max.) standard found in the Light Industrial Zone (column 8, row 13 of the table) to delete the words “see Zoning Code” and add the words “See Footnote 7.” The effect of this change is to clearly limit the maximum height of development to height stated in the referenced table.
- E. The City Council amends line F. 1. on page 3 of the document entitled “Mather Approach/Departure Restricted Uses in the Light Industrial Area” to change the text “PI (1)” to “NP.” The effect of this change is to prohibit Draying and Freight Yard uses.
- F. The City Council amends line F. 3. on page 3 of the document entitled “Mather Approach/Departure Restricted Uses in the Light Industrial Area” to change the text “PI (1)” to “NP.” The effect of this change is to prohibit Truck Terminal Yard uses.
- G. The City Council amends line F. 17. on page 3 of the document entitled “Mather Approach/Departure Restricted Uses in the Light Industrial Area” to change the text “PI (1)” to “NP.” The effect of this change is to prohibit Parking Yard for Damaged Vehicle uses.
- H. The City Council amends line F. 17.5. on page 3 of the document entitled “Mather Approach/Departure Restricted Uses in the Light Industrial Area” to change the text “PI (1)” to “NP.” The effect of this change is to prohibit Parking Yard for Towed Operable Vehicles (requires on-site office for vehicle retrieval) uses.
- I. The City Council amends line F. 18. on page 3 of the document entitled “Mather Approach/Departure Restricted Uses in the Light Industrial Area” to change the text “PI” to “NP.” The effect of this change is to prohibit Recycling Center uses.
- J. The City Council amends line F. 22. on page 3 of the document entitled “Mather Approach/Departure Restricted Uses in the Light Industrial Area” to change the

text “PI (18)” to “NP.” The effect of this change is to prohibit Storage of Dismantled Vehicles uses.

- K. The City Council amends line H. 6 on page 4 of the document entitled “Mather Approach/ Departure Restricted Uses in the Light Industrial Area” to change the text “PI(1)” to “NP.” The effect of this change is to prohibit Milk Products Plant, Dairy uses.
- L. The City Council amends line H. 13 on page 4 of the document entitled “Mather Approach/ Departure Restricted Uses in the Light Industrial Area” to change the text “PI(1)” to “NP.” The effect of this change is to prohibit Egg Processing Facilities uses.
- M. The City Council amends line I. 2. on page 4 of the document entitled “Mather Approach/Departure Restricted Uses in the Light Industrial Area” to renumber the line to replace “2” with “1.”
- N. The City Council amends line I.3. on page 4 of the document entitled “Mather Approach/Departure Restricted Uses in the Light Industrial Area” to renumber the line to replace “3” with “2,” add, “Logistics, and E-Commerce” immediately after the word “Warehousing,” and to replace “PI” with “NP.” The effect of this change is to prohibit Wholesaling and Warehousing, Logistics, and E-Commerce uses as a primary use.
- O. The City Council amends line I. 4. on page 4 of the document entitled “Mather Approach/Departure Restricted Uses in the Light Industrial Area” to renumber the line to replace “4” with “3.”
- P. The City Council amends line I. 5. on page 4 of the document entitled “Mather Approach/Departure Restricted Uses in the Light Industrial Area” to renumber the line to replace “5” with “4.”
- Q. The City Council amends line I. 6. on page 4 of the document entitled “Mather Approach/Departure Restricted Uses in the Light Industrial Area” to renumber the line to replace “6” with “5.”
- R. The City Council amends line I. 7. on page 4 of the document entitled “Mather Approach/Departure Restricted Uses in the Light Industrial Area” to renumber the line to replace “7” with “6.”
- S. The City Council amends line I. 8. on page 5 of the document entitled “Mather Approach/Departure Restricted Uses in the Light Industrial Area” to renumber the line to replace “8” with “7.”
- T. The City Council amends line I. 9. on page 5 of the document entitled “Mather Approach/Departure Restricted Uses in the Light Industrial Area” to renumber the line to replace “9” with “8.”
- U. The City Council amends line B. 35.0 on page 7 of the document entitled “Mather Approach/Departure Restricted Uses in the Light Industrial Area” to replace “14”

with “NP.” The effect of this change is to prohibit Wholesale Distributor’s Service Facility uses.

- V. The City Council amends line E. 11.0 on page 7 of the document entitled “Mather Approach/Departure Restricted Uses in the Light Industrial Area” to replace “48” with “NP.” The effect of this change is to prohibit Parking Lot or Garage as Primary Use uses.
- W. The City Council amends line E. 20.0 on page 7 of the document entitled “Mather Approach/Departure Restricted Uses in the Light Industrial Area” to replace “X” with “NP.” The effect of this change is to prohibit Warehousing and storage uses as a primary use.
- X. The City Council amends line M. 11.0 on page 8 of the document entitled “Mather Approach/Departure Restricted Uses in the Light Industrial Area” to replace “X” with “NP.” The effect of this change is to prohibit Recycling Center uses.
- Y. The City Council amends line T. 7.0 on page 9 of the document entitled “Mather Approach/Departure Restricted Uses in the Light Industrial Area” to replace “48” with “NP.” The effect of this change is to prohibit Parking Lot Garage (Primary Use) uses.
- Z. The City Council amends the line on page 10 of the document entitled “Mather Approach/Departure Restricted Uses in the Light Industrial Area” that starts with “Parking, commercial vehicle storage” to replace “27” with “NP.” The effect of this change is to prohibit Parking, Commercial Vehicle Storage uses.
- AA. The City Council Amends The Villages of Zinfandel Development Use Standards Table of the SPA to add footnote 6. “Parcels contiguous to a residential zone are limited to 24 feet in height. Upon approval of a conditional use permit, buildings may be up to a maximum of 40 feet in height if setback at least 100 feet from the residential property line.” The effect of this change is to clarify when a building is permitted to exceed 24 feet in height as referenced in table 512-214 for the Business Professional land use.
- BB. The City Council Amends The Villages of Zinfandel Development Use Standards Table of the SPA to add footnote 7. “Maximum building height is 40 feet for parcels that are not contiguous to a residential zone. Parcels contiguous to a residential zone are limited to 24 feet in height. Upon approval of a conditional use permit, buildings may be up to a maximum of 40 feet in height if setback at least 100 feet from the residential property line.” The effect of this change is to clarify when a building is limited to 24 feet in height as referenced in table 512-214 for the Light Industrial land use.

Section 4. Amendments to the 2003 Sacramento County Zoning Code

- A. The City Council amends Table II as referenced in Section 225-11 of the 2003 Sacramento County Zoning Code to remove the “14” from the MP zone in Row B

35 entitled "Wholesale Distributor's Service Facility." The effect of this change is to prohibit Wholesale Distributor's Service Facility as a primary use.

- B. The City Council amends Table II as referenced in Section 225-11 of the 2003 Sacramento County Zoning Code to remove the "48" from the MP and BP zones in Row E 11 entitled "Parking Lot or Garage as Primary Use." The effect of this change is to prohibit Parking Lot or Garage as Primary Use uses.
- C. The City Council amends Table II as referenced in Section 225-11 of the 2003 Sacramento County Zoning Code to remove the "10" from the MP zone in Row E 20 entitled "Warehousing and Storage." The effect of this change is to prohibit Warehousing and Storage uses.
- D. The City Council amends Table II as referenced in Section 225-11 of the 2003 Sacramento County Zoning Code to remove the "X" from the MP zone in Row M 11 entitled "Recycling Center." The effect of this change is to prohibit Recycling Center uses.
- E. The City Council amends Table IV as referenced in Section 230-11 of the 2003 Sacramento County Zoning code to remove the "1" from the M-1 zone in Row A 13 entitled "Bus and Freight Depot and Truck Terminal." The effect of this change is to prohibit Bus and Freight Depot and Truck Terminal uses.
- F. The City Council amends Table IV as referenced in Section 230-11 of the 2003 Sacramento County Zoning code to remove the "1" from the M-1 zone in Row A 18 entitled "Auto Storage, Outdoor." The effect of this change is to prohibit Auto Storage, Outdoor uses.
- G. The City Council amends Table IV as referenced in Section 230-11 of the 2003 Sacramento County Zoning code to remove the "13" from the M-1 zone in Row C 12 entitled "Animal Slaughter." The effect of this change is to prohibit Animal Slaughter uses.
- H. The City Council amends Table IV as referenced in Section 230-11 of the 2003 Sacramento County Zoning Code to remove the "1" from the M-1 zone in Row F 1 entitled "Draying and Freight Yard." The effect of this change is to prohibit Draying and Freight Yard as a primary use.
- I. The City Council amends Table IV as referenced in Section 230-11 of the 2003 Sacramento County Zoning code to remove the "1" from the M-1 zone in Row F 3 entitled "Truck Terminal Yard." The effect of this change is to prohibit Truck Terminal Yard uses.
- J. The City Council amends Table IV as referenced in Section 230-11 of the 2003 Sacramento County Zoning code to remove the "1" from the M-1 zone in Row F 17 entitled "Parking Yard for Damaged Vehicles." The effect of this change is to prohibit Parking Yard for Damaged Vehicles uses.
- K. The City Council amends Table IV as referenced in Section 230-11 of the 2003 Sacramento County Zoning code to remove the "1" from the M-1 zone in Row F 17.5 entitled "Parking Yard for Towed Operable Vehicles (Requires On-site

Office for Vehicle Retrieval)." The effect of this change is to prohibit Parking Yard for Towed Operable Vehicles (Requires On-site Office for Vehicle Removal) uses.

- L. The City Council amends Table IV as referenced in Section 230-11 of the 2003 Sacramento County Zoning Code to remove the "14" from the MP and M-1 zones in Row F 17.7 entitled "Parking lot as a primary use subject to Off-Street Parking Development Standards." The effect of this change is to prohibit Parking lots as a primary use subject to Off-Street Parking Development Standards uses.
- M. The City Council amends Table IV as referenced in Section 230-11 of the 2003 Sacramento County Zoning Code to remove the "X" from the M-1 zone in Row F 18 entitled "Recycling Center." The effect of this change is to prohibit Recycling Center uses.
- N. The City Council amends Table IV as referenced in Section 230-11 of the 2003 Sacramento County Zoning Code to remove the "18" from the M-1 zone in Row F 22 entitled "Storage of Dismantled vehicles." The effect of this change is to prohibit Storage of Dismantled Vehicles uses.
- O. The City Council amends Table IV as referenced in Section 230-11 of the 2003 Sacramento County Zoning Code to remove the "1" from the M-1 zone in Row H 6 entitled "Milk Products Plant, Dairy." The effect of this change is to prohibit Milk Products Plant, Dairy uses.
- P. The City Council amends Table IV as referenced in Section 230-11 of the 2003 Sacramento County Zoning Code to remove the "1" from the M-1 zone in Row H 13 entitled "Egg Processing Facilities." The effect of this change is to prohibit Egg Processing Facilities uses.
- Q. The City Council amends Table IV as referenced in Section 230-11 of the 2003 Sacramento County Zoning Code to remove the "X" from the MP zone and the "1" from the M-1 zone in Row I 3 entitled "Wholesaling and Warehousing." The effect of this change is to prohibit Wholesaling and Warehousing as a primary use.
- R. The City Council amends Table IV as referenced in Section 230-11 of the 2003 Sacramento County Zoning Code to remove the "1" from the MP and M-1 zones in Row I 8 entitled "Moving and Storage." The effect of this change is to prohibit Moving and Storage uses.
- S. The City Council amends Table IV as referenced in Section 230-11 of the 2003 Sacramento County Zoning Code to remove the "1" from the MP and M-1 zones in Row I 9 entitled "General Storage." The effect of this change is to prohibit General Storage uses.
- T. The City Council amends Table IV as referenced in Section 230-11 of the 2003 Sacramento County Zoning Code to remove the "27" from the MP and M-1 zones in Row K 29 entitled "Parking Lot/Garage (Primary Use)." The effect of this change is to prohibit Parking Lot/ Garage (Primary Use) uses.

Section 5. Logistics as an Accessory Use and Loading Dock Screening Requirements

The Design Guidelines of the Villages of Zinfandel Special Planning Area is amended to add a new Section 7 Logistics as an Accessory Use and Loading Dock Screening Requirements, that provides as follows:

- A. “Non-residential accessory use.” As used in this section, “non-residential accessory use” means: (i) uses limited to those customarily incidental to the primary use of the parcel, and (ii) all manufacturing, processing, shipping, packaging or storage of materials of a non-residential accessory use shall be in the same line of merchandise or products as the business on the premises engaged in the primary use of the parcel, shall only be for the purpose of facilitating the approved primary use of the parcel, and shall be an integral part of the primary use by the owner or operator of the primary use.
- B. “Logistics.” As used in this Section, “logistics” means any use that includes the following uses: Warehousing, Draying and Freight Yard, Truck Terminal, Wholesale Distributor’s Service Facility, Warehousing and Storage, Bus and Freight Depot and Truck Terminal, Truck Terminal Yard uses, Wholesaling and Warehousing.
- C. Minimal Accessory Logistics Allowed by Right.
 - 1. Logistics shall be allowed by right as an accessory use in a maximum of ten (10) percent of a project’s usable floor space. E.g., in a facility with 100,000 square feet of useable floor space, the by right logistics use is limited to 10,000 square feet.
- D. Limited Accessory Logistics May be Allowed Subject to a Conditional Use Permit and Environmental Review.
 - 1. Subject to the approval of a Conditional Use Permit (CUP) by the Planning Commission, subject to appeal to the City Council, logistics shall be allowed as an accessory use on a maximum of fifteen (15) percent of a parcel’s usable floor space. E.g., on a parcel with a facility that has 100,000 square feet of usable floor space, following approval of a CUP, the maximum allowed logistics use would be no more than 15,000 square feet.
 - 2. Technical studies, including, at a minimum, Air Quality Analysis, and a Noise Impact Analysis shall be required as part of the CUP review process. These studies shall analyze the potential impacts to sensitive receptors related to air emissions, particulate matter, and noise associated with loading dock and diesel trucking activities.
- E. “Useable Floor Area.” As used in this section, usable floor area shall only include areas internal to the building that are actively utilized for the operation. Areas, including but not limited to restrooms, storage, or utility closets, are not considered to be active spaces for purposes of calculating usable floor area.

- F. Loading docks shall be screened from public view by utilizing any combination of solid walls, berms, and landscaping.

Section 6. Severability

If any provision of this Ordinance or the application thereof to any person or circumstance is held invalid, the remainder of the Ordinance, including the application of such part or provision to other persons or circumstances, shall not be affected thereby and shall continue in full force and effect. To this end, the provisions of this Ordinance are severable. The City Council hereby declares that it would have passed each section, subsection, subdivision, paragraph, sentence, clause, or phrase hereof, irrespective of the fact that any one or more sections, subsections, subdivisions, paragraphs, sentences, clauses, or phrases be held unconstitutional, invalid, or unenforceable.

Section 7. Effective Date

Within fifteen (15) days after adoption, a Summary of this Ordinance shall be published once in the Grapevine Independent or the Sacramento Bee, a newspaper of general circulation printed and published in Sacramento County and circulated in the City of Rancho Cordova, in accordance with Government Code Section 36933. This Ordinance shall take effect and be enforced thirty (30) days after its adoption.

PASSED AND ADOPTED by the City Council of the City of Rancho Cordova on the ____ day of November 2023, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Linda Budge, Mayor

ATTEST:

Stacy Leitner, CMC
City Clerk

MEMORANDUM



ITEM 16.3.

DATE: November 6, 2023
TO: Honorable Mayor and Council Members
FROM: Darcy Goulart, Planning Manager
SUBJECT: **A RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE CONTRACT AMENDMENT NO. 09-2019-1 WITH ZIEBRON GROUP TO INCREASE THE CONTRACT AMOUNT FROM \$100,000 TO AN AMOUNT NOT TO EXCEED \$150,000, TO INCREASE THE HOURLY RATE FROM \$275 PER HOUR TO \$310 PER HOUR AND EXTEND THE CONTRACT TERM FROM DECEMBER 31, 2023, TO JUNE 30, 2025, FOR THE SOUTH SACRAMENTO HABITAT CONSERVATION PLAN PERMITTING**

RECOMMENDATION

Adopt the Resolution.

RESULT OF RECOMMENDED ACTION

Adoption of the Resolution would authorize the City Manager to execute Contract Amendment No. 09-2019-1 with Ziebron Group to increase the Contract amount from \$100,000 to an amount not to exceed \$150,000, to increase the hourly rate from \$275 per hour to \$310 per hour and extend the contract term from December 31, 2023, to June 30, 2025, for the South Sacramento Habitat Conservation Plan Permitting.

BACKGROUND

With the adoption of the South Sacramento Habitat Conservation Plan in August 2018, the City entered into a Professional Services Agreement (PSA) with Ziebron Group in January 30, 2019 to assist with plan implementation and permitting of Habitat Conservation Plan (HCP) Permits. The original contract amount with Ziebron Group was \$100,000 with an hourly rate of \$275. With the increase in development applications and the requirement for projects to obtain a HCP permit, there is a need to increase the contract amount to cover costs incurred by the Ziebron Group for assisting the City with processing the permits. Additionally, since the initial contract date, Ziebron Group has not adjusted the hourly rate charged for processing the HCP permits. Due to increased labor costs, a rate increase to \$310 is being requested. The rate increase is in line with average consultant hourly costs for this type of permitting.

The extension of the contract term is necessary in order to continue the timely processing of HCP permits. As development continues to occur, there will be an increase in permit applications, necessitating the need to extend the contract date out to June 30, 2025.

FISCAL IMPACT AND FUNDING SOURCE

The majority of the contract is funded by deposits paid for by applicants. There is minimal impact to the General Fund associated with City projects that may require an HCP permit.

ATTACHMENT(S)

1. Resolution
2. Contract No. 09-2019-1

CITY OF RANCHO CORDOVA

RESOLUTION NO. XX-2023

A RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE CONTRACT AMENDMENT NO. 09-2019-1 WITH ZIEBRON GROUP TO INCREASE THE CONTRACT AMOUNT FROM \$100,000 TO AN AMOUNT NOT TO EXCEED \$150,000, TO INCREASE THE HOURLY RATE FROM \$275 PER HOUR TO \$310 PER HOUR AND EXTEND THE CONTRACT TERM FROM DECEMBER 31, 2023, TO JUNE 30, 2025, FOR THE SOUTH SACRAMENTO HABITAT CONSERVATION PLAN PERMITTING

WHEREAS, the City entered into a Professional Services Agreement (“PSA”) No. 09-2019 dated January 30, 2019, in the amount of \$100,000 for the purpose of providing Professional Services for implementation and permitting of Habitat Conservation Plan(“HCP”) permits; and

WHEREAS, due to the increase of development applications and the requirement for projects to obtain HCP permits, there is a need to increase the contract amount to cover costs incurred by the Ziebron Group; and

WHEREAS, an hourly rate increase is warranted due to increased labor costs and the fact that rates have not been adjusted since the initial contract date; and

WHEREAS, the contract term is set to expire on December 31, 2023, and HCP permitting will go beyond the expiration date, therefore necessitating a time extension; and

WHEREAS, the Contract is funded by deposits paid for by the applicants and the General Fund for any City projects.

NOW, THEREFORE, BE IT HEREBY RESOLVED THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA does authorize the City Manager to execute Contract Amendment No. 09-2019-1 with Ziebron Group to increase the Contract amount from \$100,000 to an amount not to exceed \$150,000, to increase the hourly rate from \$275 per hour to \$310 per hour and extend the Contract term from December 31, 2023, to June 30, 2025, for the South Sacramento Habitat Conservation Plan Permitting.

PASSED AND ADOPTED by the City Council of the City of Rancho Cordova on the 6th day of November 2023 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Linda Budge, Mayor

ATTEST:

Stacy Leitner, CMC
City Clerk

**FIRST AMENDMENT TO THE PROFESSIONAL SERVICES AGREEMENT
BETWEEN THE CITY OF RANCHO CORDOVA AND
ZIEBRON GROUP**

This First Amendment to the Agreement for Professional Services ("Amendment") is made by and between the City of Rancho Cordova ("City") and Ziebron Group ("Professional") as of October 1, 2023. City and Professional are hereinafter collectively referred to as the "Parties."

RECITALS

WHEREAS, the Parties entered into a Professional Services Agreement ("PSA") dated January 30, 2019 for the purpose of providing on-call environmental services; and

WHEREAS, this Amendment will extend the term from December 31, 2023 to June 30, 2025 and increase the contract amount from \$100,000 to \$150,000; and

WHEREAS, the Parties agree that changes to the term and services provided for in the PSA are necessary in order for the City to continue receiving services by Professional.

NOW, THEREFORE, the Parties hereto agree as follows:

AGREEMENT

1. The Parties agree to modify the end date of the PSA from December 31, 2023, to June 30, 2025. The first sentence of Section 1.1 of the PSA, "Term of Service," is amended to read as follows:

"The term of this Agreement shall begin on the date first noted above and shall end on June 30, 2025, and Professional shall complete the work described in Exhibit A prior to that date; unless the term of the Agreement is otherwise terminated or extended, as provided in Section 8."

2. Section 2 of the PSA, "Compensation," provides for the City to pay Professional a sum not to exceed One Hundred Fifty Thousand Dollars (\$150,000). The Parties agree to amend Section 2 of the PSA in order to increase the compensation amount to pay Professional for additional services. The first sentence of Section 2 of the PSA is amended to read as follows:

"City hereby agrees to pay Professional a sum not to exceed One Hundred Fifty Thousand Dollars (\$150,000), notwithstanding any contrary indication that may be contained in Professional's proposal, for services to be performed and reimbursable costs incurred under this Agreement."

3. The Parties agree to an hourly rate increase from \$275 per hour to \$310 per hour, as described in Exhibit B.
4. All other terms and conditions in the PSA shall remain in full force and effect to the extent they are not in conflict with this Amendment.

5. The signatures of the Parties to this Amendment may be executed and acknowledged on separate pages or in counterparts which, when attached to this Amendment, shall constitute one complete Amendment.
6. **Contract Administration.** This Agreement shall be administered by Darcy Goulart ("Contract Administrator"). All correspondence shall be directed to or through the Contract Administrator or his or her designee.

Notices. Any written notice to Professional shall be sent to:

Bill Ziebron
6825 Adolphoia Drive
Carlsbad, CA 92011

Email Address (for Insurance Update Requests):
billziebron@yahoo.com

Any written notice to City shall be sent to:

Darcy Goulart
2729 Prospect Park Drive
Rancho Cordova, CA 95670

IN WITNESS WHEREOF, the Parties have executed this Amendment on the day and year first above written.

CITY OF RANCHO CORDOVA

PROFESSIONAL

Micah Runner, City Manager

Bill Ziebron, CEO

Date: _____

Date: _____

Attest:

Stacy Leitner, CMC, City Clerk

Date: _____

Approved as to Form:

Adam U. Lindgren, City Attorney

Date: _____

ZIEBRON GROUP**SSHCP ON-CALL SCOPE OF SERVICES**

Ziebron Group will provided on-call consulting services to the City of Rancho Cordova to assist in implementation of the South Sacramento Habitat Conservation Plan. Services will focus on assisting the City with interpretations of SSHCP policy and procedures, assisting the City with evaluation and processing of projects under SSHCP requirements, interacting with state and federal resource agencies, and other related services. A brief discussion of these tasks is provided below

1. Participation in Meetings

- Attend and participate in meetings with City staff and officials on SSHCP policy and procedures
- Participate in meetings with other City consultants to determine technical approaches to SSHCP project conformance
- Participate in other meetings as requested by City staff on related SSHCP topics

2. Project Review and Evaluation

- Review and evaluate projects for conformance with SSHCP procedures, including application of avoidance and minimization measures, application of mitigation fees, and general information needs of the SSHCP
- Provide interpretations of project compliance and SSHCP permit processes including consistency with ESA Section 10 (A) permit and Clean Water Act Section 404 requirements under the SSHCP
- Assist in determination of project conformance with CWA Section 401 water quality certification and Historic Preservation Act Section 106 compliance
- Assist in determination of project conformance with CEQA and NEPA requirements under the SSHCP

3. Interface With Resource Agencies

- Serve as key point of contact with State and Federal Resource agencies
- Participate in meetings with State and Federal Resource agencies on project conformance under SSHCP guidelines

4. Interface with Plan Partners and other SSHCP Officials

- Participate in meetings with other Plan partners to advise on SSHCP procedures and to assure SSHCP implementation consistency among the SSHCP permittees

5. Other Related Tasks as Requested

- Complete other SSHCP related tasks as requested by the City

Assumptions

It is assumed that some level of general administrative support will be provided by the City to assist in scheduling meetings, coordinating with other team members, and other related administrative tasks. It is also assumed that other technical consultant and senior planning staff currently involved in the process will continue in their current role to support the effort. Access to key decision makers in the Community Development Department and City Manager's office is assumed where necessary on matters of City policy.

Ziebron Group LLC
6825 Adolphia Drive,
Carlsbad, CA 92011
916-761-2358
Tax ID Number 27-2596886

Exhibit B

Fee Schedule

Hourly Rate: \$310

Expenses: Billed at cost

Invoice and Payment Terms: Invoices submitted on monthly basis, with payment requested within 15 days following receipt of invoice

MEMORANDUM



ITEM 16.4.

DATE: November 6, 2023
TO: Honorable Mayor and Council Members
FROM: Kim Juran, Administrative Services Director
SUBJECT: **A RESOLUTION CALLING THE SPECIAL ELECTION IN CITY OF RANCHO CORDOVA GRANTLINE 220 COMMUNITY FACILITIES DISTRICT NO. 2023-1**

RECOMMENDATION

Adopt the Resolution and rescind Resolution No. 121-2023.

RESULT OF RECOMMENDED ACTION

Adoption of the Resolution would complete the formation of City of Rancho Cordova Grantline 220 Community Facilities District 2023-1.

BACKGROUND

At the City Council meeting on August 7, 2023, the City completed the formation of Grantline 220 Community Facilities District No. 2023-1. One of the Resolutions that was adopted at this Council meeting had an incorrect attachment included with it in the City Council agenda packet. While the City Council did complete the action of adopting this Resolution at the August 7, 2023, meeting, this administrative error makes it necessary to return to the City Council with the correct Resolution for adoption. The action this evening will rescind Resolution No. 121-2023 and replace it with the attached Resolution (Attachment 1). All other actions taken at the August 7, 2023, meeting remain in full effect and the adoption of this Resolution will complete the formation of Grantline 220 Community Facilities District No. 2023-1.

FISCAL IMPACT AND FUNDING SOURCE

There is no fiscal impact to the City. Any special tax bonds to be issued on behalf of the CFD are secured solely by the special tax levies within the District and are not debt of the City's General Fund.

ATTACHMENT(S)

1. Resolution

CITY OF RANCHO CORDOVA

RESOLUTION NO. XX-2023

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA, STATE OF CALIFORNIA, CALLING THE SPECIAL ELECTION IN CITY OF RANCHO CORDOVA GRANTLINE 220 COMMUNITY FACILITIES DISTRICT NO. 2023-1

WHEREAS, the City Council ("City Council") of the City of Rancho Cordova ("City") on August 7, 2023, adopted a Resolution titled "A Resolution of the City Council of the City of Rancho Cordova to Form the City of Rancho Cordova Grantline 220 Community Facilities District No. 2023-1, Designate an Improvement Area and Future Annexation Area Therein and Authorize the Levy of Special Taxes in the District", to (i) form "City of Rancho Cordova Grantline 220 Community Facilities District No. 2023-1 (the "CFD")", (ii) designate therein "Improvement Area No. 1 of the City of Rancho Cordova Grantline 220 Community Facilities District No. 2023-1" ("Improvement Area No. 1"), (iii) establish "City of Rancho Cordova Grantline 220 Community Facilities District No. 2023-1 (Future Annexation Area)" (the "Future Annexation Area"), (iv) authorize the levy of a special tax on property within Improvement Area No. 1 and (v) preliminarily establish an appropriations limit for Improvement Area No. 1, all pursuant to the Mello-Roos Community Facilities Act of 1982, Chapter 2.5 of Part 1 of Division 2 of Title 5, commencing with Section 53311, of the California Government Code (the "Act"); and

WHEREAS, the City Council has also adopted on August 7, 2023, a Resolution titled "A Resolution of the City Council of the City of Rancho Cordova Deeming it Necessary to Incur Bonded Indebtedness in City of Rancho Cordova Grantline 220 Community Facilities District No. 2023-1" (the "Resolution Determining Necessity"), determining the necessity to incur bonded indebtedness in the maximum aggregate principal amount of \$53,200,000, initially allocated as follows: (i) \$18,800,000 for Improvement Area No. 1 upon the security of the special tax to be levied within Improvement Area No. 1 pursuant to the Act, and (ii) \$34,400,000 for the portion of the CFD that is not currently in Improvement Area No. 1 upon the security of the special tax to be levied within such area pursuant to the Act; and

WHEREAS, pursuant to the provisions of the Resolution of Formation and the Resolution Determining Necessity, the propositions of the levy of the special tax, the establishment of the appropriations limit and the incurring of the bonded indebtedness shall be submitted to the qualified electors of Improvement Area No. 1 as required by the provisions of the Act.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA as follows:

1. Pursuant to Sections 53326, 53351 and 53325.7 of the Act, the issues of the levy of the special tax, the incurring of bonded indebtedness and the establishment of the appropriations limit shall be submitted to the qualified electors (as defined below) of Improvement Area No. 1 at an election called therefore as provided below.
2. The City Council hereby finds that fewer than 12 persons have been registered to vote within the territory of Improvement Area No. 1 for each of the 90 days preceding the close of the public hearings heretofore conducted and concluded by the City Council for

the purposes of these proceedings. Accordingly, and pursuant to Section 53326 of the Act, the City Council finds that, for these proceedings, the qualified electors are the landowners within Improvement Area No. 1 and that the vote shall be by such landowners or their authorized representatives, each having one vote for each acre or portion thereof such landowner owns in Improvement Area No. 1 as of the close of the public hearings.

3. The City Council hereby calls a special election to consider the measures described in Section 1 above, which election shall be held on August 7, 2023, and the results thereof canvassed at the meeting of the City Council on August 7, 2023. The City Clerk is hereby designated as the official to conduct the election and to receive all ballots until 5:30 p.m. on the election date. It is hereby acknowledged that the City Clerk has on file the Resolution of Formation, a certified map of the boundaries of the CFD and Improvement Area No. 1, and a sufficient description to allow the City Clerk to determine the electors of the CFD. Pursuant to Section 53327 of the Act, the election shall be conducted by messenger or mail-delivered ballot pursuant to Section 4000 of the California Elections Code. The City Council hereby finds that paragraphs (a), (b), and (c) (1) of Section 4000 and Section 4108 are applicable to this special election, except that Sections 53326 and 53327 of the Act shall govern for purposes of determining the date of the election.
4. As authorized by Section 53353.5 of the Act, the three propositions described in Section 1 above shall be combined into a single ballot measure, the form of which is attached hereto as Exhibit A and by this reference incorporated herein and the form of ballot is hereby approved. The City Clerk is hereby authorized and directed to cause a ballot, in substantially the form of Exhibit A, to be delivered to each of the qualified electors of Improvement Area No. 1. Each ballot shall indicate the number of votes to be voted by the respective landowner to which the ballot pertains.
5. The City Council hereby further finds that the provisions of Section 53326 of the Act requiring a minimum of 90 days following the adoption of the Resolution of Formation to elapse before the special election are for the protection of the qualified electors of Improvement Area No. 1. There is on file with the City Clerk a written waiver executed by all of the qualified electors of the CFD allowing for a shortening of the time for the special election to expedite the process of formation of the CFD and Improvement Area No. 1 and waiving any requirement for notice, analysis and arguments in connection with the election. Accordingly, the City Council finds and determines that the qualified electors have been fully apprised of and have agreed to the shortened time for the election and waiver of analysis and arguments and other matters, and have thereby been fully protected in these proceedings. The City Council also finds and determines that the City Clerk has concurred in the shortened time for the election. Analysis and arguments with respect to the ballot measures are hereby waived, as provided in Section 53327 of the Act.
6. The City Council hereby finds that the proposed debt issuance constitutes a "local bond measure" within the meaning of Sections 53410, et seq. of the California Government Code. As a result, the bond measure shall include the propositions set forth above and the following: (a) the specific purpose of the bonds shall be as set forth in the propositions; (b) any proceeds received from the sale of any bonds shall be applied only to the purposes set forth in the propositions; (c) the proceeds of any bonds shall be deposited into special accounts to be created therefor as part of the issuance of the

bonds; and (d) the City shall cause a report to be prepared annually under Section 53411 of the Government Code.

7. Under Section 50075.1 of the Government Code, the following accountability provisions shall apply to the special taxes: (a) the provision and/or acquisition of the Facilities, the payment of debt service on the bonds and other debt and the incidental costs thereof, all as defined in the Resolution of Formation, shall constitute the specific single purpose; (b) the proceeds shall be applied only to the specific purposes identified in (a) above; (c) there shall be created special account(s) or funds(s) into which the proceeds shall be deposited; and (d) there shall be caused to be prepared an annual audit and report of the CFD.

PASSED AND ADOPTED by the City Council of the City of Rancho Cordova this 6th day of November 2023 by the following vote:

AYES:

NOES:

ABSTAIN:

ATTEST:

Linda Budge, Mayor

Stacy Leitner, CMC
City Clerk

EXHIBIT A – Proposed Ballot Measure

EXHIBIT A

**CITY OF RANCHO CORDOVA
GRANTLINE 220 COMMUNITY FACILITIES DISTRICT NO. 2023-1
CITY OF RANCHO CORDOVA, SACRAMENTO COUNTY, CALIFORNIA**

**Proposed Ballot Measure
(Mailed-Ballot Election)**

BALLOT MEASURE: Shall the measure pursuant to which (i) the City of Rancho Cordova will levy a special tax solely on lands within Improvement Area No. 1 of the City of Rancho Cordova Grantline 220 Community Facilities District No. 2023-1 ("Improvement Area No. 1") in accordance with the rate and method contained in the Resolution of Formation related to Improvement Area No. 1 adopted on August 7, 2023 ("Formation Resolution"), authorized to commence being levied in fiscal year 2023-24, to pay for the public facilities specified in the Formation Resolution and to pay the administrative costs of the City, (ii) the City will issue bonds and incur other debt ("bonds") for Improvement Area No. 1 up to the maximum aggregate principal amount of \$18,800,000, with interest at a rate or rates not to exceed the maximum interest rate permitted by law at the time of sale of each series of such bonds on behalf of Improvement Area No. 1, the proceeds of which bonds will be used to acquire and/or construct certain facilities and pay for the costs of issuing the bonds and related expenses, and (iii) the annual appropriations limit for Improvement Area No. 1 will be established in the amount of \$18,800,000, **be adopted?**

MEMORANDUM



ITEM 16.5.

DATE: November 6, 2023
TO: Honorable Mayor and Council Members
FROM: Albert Stricker, Public Works Director
Steve Harriman, Public Works Division Manager
SUBJECT: **A RESOLUTION AUTHORIZING THE PUBLIC WORKS DIRECTOR TO EXECUTE AND SUBMIT CALRECYCLE GRANT DOCUMENTS**

RECOMMENDATION

Adopt the Resolution.

RESULT OF RECOMMENDED ACTION

Adoption of the Resolution would authorize the Public Works Director, or designee, to execute and submit grant documents, including but not limited to, applications, agreements, amendments, and requests for payment, to the California Department of Resources Recycling and Recovery (CalRecycle) for a five-year period.

BACKGROUND

CalRecycle administers a variety of grant programs designed to assist local governments with the implementation of programs and projects to divert waste materials away from landfill disposal for recycling and composting as required by State law. CalRecycle requires local jurisdictions that wish to apply for grant funds to adopt a resolution authorizing the submittal of grant applications and assigning signature authority on behalf of the city. The proposed resolution authorizes the Public Works Director, or their designee, to execute and submit grant documents, including but not limited to, applications, agreements, amendments, and requests for payments necessary to secure grant funds and implement approved grant projects.

CalRecycle allows a resolution to remain in effect for five years, at which time it must be renewed if a local jurisdiction wishes to submit additional CalRecycle grant applications. Resolution No. 133-2018 was adopted on October 15, 2018, and has therefore expired.

FISCAL IMPACT AND FUNDING SOURCE

There is no impact to the General Fund.

ATTACHMENT(S)

1. Resolution

CITY OF RANCHO CORDOVA

RESOLUTION NO. XX-2023

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA, STATE OF CALIFORNIA, AUTHORIZING THE PUBLIC WORKS DIRECTOR TO SUBMIT AND EXECUTE CALRECYCLE GRANT APPLICATIONS FOR ALL GRANT AND PAYMENT PROGRAMS FOR WHICH THE CITY OF RANCHO CORDOVA IS ELIGIBLE

WHEREAS, Public Resources Code Sections 48000 et seq. authorize the Department of Resources Recycling and Recovery (CalRecycle) to administer various grant and payment programs (grants) in furtherance of the State of California's (state) efforts to reduce, recycle and reuse solid waste generated in the State thereby preserving landfill capacity and protecting public health and safety and the environment; and

WHEREAS, in furtherance of this authority, CalRecycle is required to establish procedures governing the application, awarding, and management of the grants; and

WHEREAS, CalRecycle grant application procedures require, among other things, an applicant's governing body to declare by resolution certain authorizations related to the administration of CalRecycle grants.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA as follows:

1. The City Council authorizes the submittal of applications to CalRecycle for all grants for which the City of Rancho Cordova is eligible; and
2. The Public Works Director, or their designee, is hereby authorized and empowered to execute in the name of the City of Rancho Cordova all grant documents, including but not limited to, applications, agreements, amendments, and requests for payment, necessary to secure grant funds and implement the approved grant project; and
3. The authorizations are effective for five years from the date of adoption. Resolution No. 133-2018 was adopted on October 15, 2018, and has therefore expired.

PASSED AND ADOPTED by the City Council of the City of Rancho Cordova on this 6th day of November 2023 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ITEM 16.5.

ATTACHMENT 1

ATTEST:

Stacy Leitner, CMC
City Clerk

Linda Budge, Mayor

MEMORANDUM



ITEM 16.6.

DATE: November 6, 2023
TO: Honorable Mayor and Council Members
FROM: Amanda Norton, Economic Development Manager
SUBJECT: **A RESOLUTION AUTHORIZING THE CITY MANAGER TO SIGN A LETTER OF AGENCY WITH CAPITOL JACKSON PARTNERS**

RECOMMENDATION

Adopt the Resolution.

RESULT OF RECOMMENDED ACTION

Adoption of the Resolution authorizing a Letter of Agency would provide Capitol Jackson Partners exclusive agency to represent the City-owned parcels to the State of California Department of General Services (DGS) for the development of the Department of Water Resources (DWR) Joint Operations Center (JOC).

BACKGROUND

The City of Rancho Cordova purchased three parcels of vacant land in April 2023. The three parcels of vacant land comprise approximately thirty (30) acres and are located at 10801 N. Mather Blvd. in Rancho Cordova, CA (APN's: 072-2360-030-0000, 072-2360-029-0000, & 072-2360-028-0000).

The entirety of the three parcels are within the Zinfandel Special Planning Area (ZSPA) and are zoned as BP, Business Professional. Currently, the parcels are surrounded by landmarks, including single family residences, Stone Creek Park, Navigator Elementary, a water detention basin, the California Bureau of Automotive Repair, the California Military Department, and a vacant industrially-zoned parcel.

On October 18, 2023, the State of California Department of General Services (DGS) released a call for sites for a 20-year lease and build to suit a construction project for the Department of Water Resources (DWR), necessitating a minimum of 28.5 acres and comprising facilities such as, but not limited to, an approximately 280,300 square foot office building, an essential services building, a warehouse, central utility plant, radio vault buildings, a guard station, and a communication tower. To qualify the City-owned sites for this Department of Water Resources project, the City must submit a Letter of Agency as part of the application package.

At the October 24, 2023, Special Meeting/Work Session, staff brought forth the potential DWR project for initial discussion. At the work session, City staff provided information about the potential project and fielded initial questions. Staff received feedback from some of the Stone

Creek neighborhood residents and City Council members indicating that a government office facility was an anticipated user for the Business Professional-zoned property. Residents encouraged the anticipated setbacks and landscaping. While the City Council did discuss positioning the little league facility on the site, City Council did direct staff to move forward with a Letter of Agency.

FISCAL IMPACT AND FUNDING SOURCE

No fiscal impact at this time.

ATTACHMENT(S)

1. Resolution
2. Letter of Agency DWR

CITY OF RANCHO CORDOVA

RESOLUTION NO. XX-2023

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA, STATE OF CALIFORNIA, AUTHORIZING THE CITY MANAGER TO SIGN A LETTER OF AGENCY WITH CAPITAL JACKSON PARTNERS

WHEREAS, City staff was approached to discuss a call for sites from the State of California Department of General Services; and

WHEREAS, the City Council voted to move forward with a Letter of Agency with Capitol Jackson Partners at a City Council Work Session on October 24, 2023; and

WHEREAS, the City owns three (3) parcels of vacant land located at 10801 N. Mather Blvd., Rancho Cordova, CA with APN's: 072-2360-030-0000, 072-2360-029-0000, & 072-2360-028-0000; and

WHEREAS, the parcels are currently surrounded by various community and governmental landmarks, including single family residences, Stone Creek Park, Navigator Elementary, the California Bureau of Automotive Repair, the California Military Department, and a vacant industrially zoned parcel; and

WHEREAS, the State of California Department of General Services released a call for sites on October 18, 2023 for a 20-year lease and build to suit a construction project for the Department of Water Resources, necessitating a minimum of 28.5 acres and comprising facilities like a 280,300 square foot office building, an essential services building, warehouse, central utility plant, radio vault buildings, guard station, and communication tower; and

WHEREAS, in order to qualify the said city-owned sites for the Department of Water Resources project, it is imperative to submit a Letter of Agency as part of the application package.

NOW, THEREFORE, BE IT HEREBY RESOLVED BY THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA as follows:

1. The City Manager is hereby authorized and directed to sign a Letter of Agency between the City of Rancho Cordova and Capitol Jackson Partners, in a form approved by the City Attorney.
2. The Letter of Agency shall authorize the submission of the city-owned land, specifically the three (3) parcels located at 10801 N. Mather Blvd., to the State of California Department of General Services for the envisioned Department of Water Resources Joint Operations Center.

PASSED AND ADOPTED by the City Council of the City of Rancho Cordova on the 6th day of November 2023 by the following vote:

AYES:

NOES:

ITEM 16.6.

ATTACHMENT 1

ABSENT:

ABSTAIN:

ATTEST:

Stacy Leitner, CMC
City Clerk

Linda Budge, Mayor

November 6, 2023

Micah Runner, City Manager
City of Rancho Cordova
2729 Prospect Park Drive
Rancho Cordova, CA 95670

RE: Letter of Agency for approximately 30 acres, Parcels #072-2360-028,029,030 (the Property)

Dear Micah:

The letter shall serve as a Letter of Agency between the City of Rancho Cordova, the owner of the above referenced property, and Capitol Jackson Partners (CJP), a partnership between Capitol Avenue Development & Investments and Jackson Properties.

Background

The State of California Department of General Services (DGS) and the Department of Water Resources (DWR) are requesting sites in the Sacramento area for the development of a new DWR Joint Operations Center (JOC). The JOC will be privately developed and DGS/DWR will enter into a long-term lease agreement for the project. The JOC will be approximately 320,000 Sq. Ft. of office, warehouse, and special purpose facilities. It will also require a communications tower for the purposes of conducting DWR program requirements. The facility will need approximately 30 acres of land. Capitol Avenue Development and Jackson Properties are pursuing the award of this development. Capitol Avenue Development has constructed similar facilities for the California Highway Patrol (CHP) in Grass Valley and Stockton, CA. Jackson Properties has constructed over 500,000 Sq. Ft. of similar office/flex space in Rancho Cordova over the last 30+ years. If the Property is selected by DGS/DWR as an acceptable site, Capitol Avenue Development and Jackson Properties would proceed with preparing a bid to the State for development of the Property. The project would be developed consistent with the DGS/DWR lease requirements.

Purpose of Letter of Agency

This Letter of Agency is for the sole purpose of qualifying the Property for the JOC facility requirement. This agreement will provide CJP exclusive agency to represent this property to the State for development of the JOC facility.

Should DGS approve the Property for bidding, both parties will endeavor to reach a subsequent agreement regarding the purchase of the Property. It is understood that the City of Rancho Cordova would need additional approvals from the City Council as well as a fair market value appraisal prior to entering into any agreement for purchase and sale of the Property.

Consideration/Compensation

Neither party is obligated to pay the other for any costs associated with this Letter of Agency. CJP will prepare a submittal for the DGS/DWR call for sites requirement and provide a copy to the City of Rancho Cordova.

Time

The Letter of Agency will be in effect for a period of 12 months from the effective date of signing. The authority provided under this Letter of Agency may be extended upon agreement of both parties if the State's procurement process is delayed.

Cancellation of Letter of Agency

This Letter of Agency shall terminate if DGS/DWR selects an alternate location or if both parties agree that the State has abandoned the site selection process. CJP will keep the City updated on the DGS/DWR facility selection process.

General Cooperation

Both parties agree to cooperate and share information regarding the DGS/DWR process and to negotiate in good faith.

Effective Date: XXXXX

Signed:

City of Rancho Cordova

Micah Runner, City Manager

Signed:

Capitol Jackson Partners

Capitol Avenue Development & Investments

Date: _____

Brad Hays

Patrick McCuen

Jackson Properties

Date: _____

John Jackson Jr.

MEMORANDUM



ITEM 16.7.

DATE: November 6, 2023
TO: Honorable Mayor and Council Members
FROM: Randi Kay Stephens, Management Analyst II
SUBJECT: **MEASURE R AND MEASURE H/COMMUNITY ENHANCEMENT & INVESTMENT FUND CITIZEN OVERSIGHT BOARD APPOINTMENTS**

RECOMMENDATION

Appoint two (2), one-year term At-Large/Student appointees to fill the combined Measure R and Measure H/Community Enhancement & Investment Fund Citizen Oversight Board.

RESULT OF RECOMMENDED ACTION

Two (2) At-Large/Student appointees would be confirmed for service to the Citizen Oversight Board to provide a review of how tax revenues from Measure H and Measure R are spent by the City of Rancho Cordova.

BACKGROUND

With the passage of Measure H in 2014, the City Council expressed interest in establishing a board that would review the way Community Enhancement & Investment Funds were spent. While not required by the voter-approved sales tax measure, this board would provide an additional layer of transparency to the community. With the passage of Measure R in 2020, a Citizen Oversight Board was required, per the ballot language, and is accomplished by expanding the duties of the Citizen Oversight Board (Oversight Board) to review how tax revenues from both Measure H and Measure R are spent by the City of Rancho Cordova. The expanded language was part of Resolution No. 126-2021 approved by the Council on August 16, 2021. At the City Council meeting on August 21, 2017, Council provided direction to staff on the parameters for establishing an Oversight Board. On October 16, 2017, the City Council adopted Resolution No. 129-2017 establishing a Community Enhancement Fund Oversight Board with the goal of having the board members appointed in early 2018.

In March of 2018, the City Council appointed five Oversight Board members to provide a review of how tax revenues from Measure H are spent by the City. The appointed members took their oath of office in May 2018 and fulfilled their two-year terms. Per City Council direction, staff coordinated with Folsom Lake College and Folsom Cordova Unified School District, then Sacramento City Unified School District, and finally Elk Grove Unified School District to receive recommendations for student representation on the Oversight Board. The high school representative rotates among the three primary school districts serving Rancho Cordova, with a Sacramento City Unified School District student participating again in FY 2023-2024. The terms of At-Large/Student appointees remain one-year in recognition of student graduations, and to

allow appointees from the various school districts to serve on the Oversight Board.

On October 5, 2020, City Council approved the appointment of all six applicants and recommended that the five-person Oversight Board be changed to a seven-person Oversight Board while continuing to have two additional At-Large/Student appointees, including high school and college students from the City, thereby bringing the size of the Oversight Board to a nine-person board when factoring in the seven Oversight Board members and two At-Large/Student appointees. On October 5, 2020, the City Council asked about the possibility of staggering the terms of the Oversight Board members. On October 19, 2020, this idea was implemented and was part of Resolution No. 118-2020 which staggered the terms of new Oversight Board members. Three of the six Oversight Board members were randomly assigned to a two-year term and three of the six members to a four-year term. The vacant position was also assigned to a two-year term. Thereafter, the terms of members would be on staggered four-year terms. Staggering and extending the adult Oversight Board member terms would improve the consistency of its decisions and the continuity of its service. The terms of At-Large/Student appointees remain one-year terms in recognition of student graduations, and to allow appointees from the various school districts to serve on the Oversight Board.

All seven of the currently appointed Oversight Board members will continue to serve until their terms expire in 2024 (three members) or 2026 (four members). The At-Large/Student appointments would add youth voices to the Oversight Board, bringing the total number to nine members (seven Adult Oversight Board members and two At-Large/Student members).

Staff opened recruitment for two At-Large/Student appointees on August 22, 2023, and requested support from leadership at both the Folsom Lake College Rancho Cordova Campus and George Washington Carver School of Arts & Science campus to generate interest in the opportunity to serve on the Oversight Board.

Two applications were submitted for review by the City Council; one application was submitted by a student from George Washington Carver School of Arts & Science (Sacramento City Unified School District), and the other application was submitted by a Folsom Lake College Rancho Cordova College Promise Program alumni (allowed per the application). Each of these applicants is available and interested in completing the one-year term on the Oversight Board.

Staff attached the applications as submitted by the At-Large/Student applicants:

- Emma "Alex" Bellah, George Washington Carver School of Arts & Science
- Vanshit "Vraj" Thakkar, Folsom Lake College Rancho Cordova Promise Program

Staff have met with the applicants and they are prepared to serve on the Oversight Board. Following their appointment, each appointee would be required to complete a Form 700 and AB1234 training, and participate in an Oath of Office with the City Clerk.

FISCAL IMPACT AND FUNDING SOURCE

The only fiscal impact is the cost of staff time to prepare for and participate in Measure R and Measure H/Community Enhancement & Investment Fund Citizen Oversight Board meetings, which is included as part of the administrative allocation that is made annually.

ATTACHMENT(S)

1. CEIF Citizen Oversight Board Applications 2023_Redacted and Final

Randi Kay Stephens

From: City of Rancho Cordova <ranhocordova@enotify.visioninternet.com>
Sent: Wednesday, September 27, 2023 11:40 PM
To: Randi Kay Stephens
Subject: *NEW SUBMISSION* 2023 Community Enhancement & Investment Fund Citizen Oversight Board At-Large Student Application

2023 Community Enhancement & Investment Fund Citizen Oversight Board At-Large Student Application

Submission #: 2729066
IP Address: 67.58.225.25
Submission Date: 09/27/2023 11:40
Survey Time: 13 minutes, 41 seconds

You have a new online form submission.

Note: all answers displaying "*****" are marked as sensitive and must be viewed after your login.

1. Full Name

Vanshit Thakkar

2. Full Address**3. Phone****4. Email****5. What is the name of the school you currently attend?**

University of California, Davis

6. What grade level are you in?

Senior

Read-Only Content**Read-Only Content**

7. The Oversight Board is expected to meet a couple times per year in the early evening hours. Meetings may last several hours. List any days or evenings that you would not be available. For example, the third Wednesday of every month.

Tuesdays 08:00 - 18:00 (Flexible), Wednesdays 12:00 - 16:00 (Flexible), Thursdays 12:00 - 17:00, Fridays 12:00 - 16:00 (Flexible).

The Citizen Oversight Board will meet on either Friday, November 17th from 3:30 p.m. – 6:30 p.m. or Monday, November 27th from 5:30 p.m. – 8:30 p.m. Please indicate your availability for these dates. The meeting will last approximately 2-3 hours. The next meeting will occur in December of January.

8. Are you available on Friday, November 17th from 3:30 p.m. - 6:30 p.m?

Yes

9. Are you available on Monday, November 27th from 5:30 p.m. - 8:30 p.m.?

Yes

10. List your past experience serving within the community of Rancho Cordova.

I was part of this exact oversight board before!

11. Have you ever served as an Oversight Board member before?

Yes

12. I believe I will bring the following strengths, skills, knowledge and assets to service on the Oversight Board.

I have a niche perspective as a beneficiary of the Promise Program by the City of Rancho Cordova, I believe Oversight Boards like these have a great direct impact on the community and as an individual who knows, understands, and experienced it, I have the motivation to enhance that experience for other members of this city.

13. State why you want to serve on the Oversight Board.

Because I really care about the growth of this city in an academic and economic way. As Thomas Jefferson said "I look to the diffusion of light and education as the resource most to be relied on for ameliorating the condition promoting the virtue and advance the happiness of man."

14. Do you know of any reason such as a conflict of interest (financial or otherwise), which would adversely affect your ability to serve on the Oversight Board?

No

15. Use this space to provide any additional information or comments.

16. Upload any additional documentation here. Examples of additional documentation are resumes, letters of recommendation, etc.

Resume.pdf

17. I declare, under penalty of perjury, that I am a student attending a high school within the Sacramento City Unified School District or a Folsom Lake College/Rancho Cordova Promise Program college student (current or past recipient) attending Folsom Lake College.

Yes

18. I declare, under penalty of perjury, that all statements in this application are true and complete to the best of my knowledge and belief and that I legally reside in the city limits of Rancho Cordova.

Yes

Thank you,
City of Rancho Cordova

This is an automated message generated by Granicus. Please do not reply directly to this email.

Vanshit Thakkar (Vraj)

Phone:

Email:

SKILLS

Passionate for Medicine and experienced with medical terminology through Anatomy and Physiology class; skilled in Fast-typing and writing; particular about timing and organizing; accustomed to fast-paced and stressful environments; committed and motivated towards my goal of becoming a surgeon; quick learner; Multi-lingual (Hindi, Gujarati, English), I have a lot of experience working with Windows systems, Linux systems, and even Android systems.

EXPERIENCE

HESI (Health-career Exploration Summer Institute), Redding CA

Medical Intern at Shasta Regional Medical Center and Mercy Medical Center in Redding

10 June 2019 - 27 June 2019 (80.5 Clinical Hours)

- Communicating with the patients and the doctors
- Typing case studies about the diseases and presenting them to a medical professional
- Reporting to the doctor and the medical team about the patient's condition

Clarks and Bostonian, Folsom Outlets CA

Sales Associate

23 August 2019 - 5 April 2021

- Helping Customers pick shoes according to their needs and medical condition of their feet
- Registrant and unloader aside from my daily duty.

Associated Students of Folsom Lake College, Folsom Lake College

Student Senate President

02 September 2020 - 31 May 2021

- Representing the entire student population of the Folsom Lake College
- Organizing and attending meetings with and working on projects with Deans and the President of College.
- All projects planned and executed in a timely fashion and accurately to meet the needs.

Neuromuscular Research Lab, UC Davis Medical Center

Student Research Assistant

08 August 2021 - 22 January 2022

- Keep record of patient data and update charts.
- Take data and organize them in different software systems.
- Organizing and preparing lab materials used by physicians before procedures.

EDUCATION

Folsom Lake College, Folsom

2019 - 2021, Major - Neurobiology & Computer Science

University of California, Davis

2021 - Present, Major - Neurobiology & Computer Science

AWARDS AND ACCOMPLISHMENTS

- Graduated High School one year early and in Honor Roll
- National Award of Air Commando Association
- 176 hours Community Service
- President of Pre-Health Alliance Club at Folsom Lake College
- Member of Community Enhancement Fund Oversight Board for City Council of Rancho Cordova

Randi Kay Stephens

From: City of Rancho Cordova <ranhocordova@enotify.visioninternet.com>
Sent: Thursday, September 7, 2023 9:51 PM
To: Randi Kay Stephens
Subject: *NEW SUBMISSION* 2023 Community Enhancement & Investment Fund Citizen Oversight Board At-Large Student Application

2023 Community Enhancement & Investment Fund Citizen Oversight Board At-Large Student Application

Submission #: 2687177
IP Address: 174.50.181.51
Submission Date: 09/07/2023 9:51
Survey Time: 4 minutes, 5 seconds

You have a new online form submission.

Note: all answers displaying "*****" are marked as sensitive and must be viewed after your login.

1. Full Name

Emma Bellah

2. Full Address**3. Phone****4. Email****5. What is the name of the school you currently attend?**

George Washington Carver

6. What grade level are you in?

12th

Read-Only Content**Read-Only Content**

7. The Oversight Board is expected to meet a couple times per year in the early evening hours. Meetings may last several hours. List any days or evenings that you would not be available. For example, the third Wednesday of every month.

N/A

The Citizen Oversight Board will meet on either Friday, November 17th from 3:30 p.m. – 6:30 p.m. or Monday, November 27th from 5:30 p.m. – 8:30 p.m. Please indicate your availability for these dates. The meeting will last approximately 2-3 hours. The next meeting will occur in December of January.

8. Are you available on Friday, November 17th from 3:30 p.m. - 6:30 p.m?

Yes

9. Are you available on Monday, November 27th from 5:30 p.m. - 8:30 p.m.?

Yes

10. List your past experience serving within the community of Rancho Cordova.

N/A

11. Have you ever served as an Oversight Board member before?

No

12. I believe I will bring the following strengths, skills, knowledge and assets to service on the Oversight Board.

Strong sense of community, organizational skills, always on time, dedicated, and very responsible

13. State why you want to serve on the Oversight Board.

It looks like a really good leadership opportunity and a way to get more involved

14. Do you know of any reason such as a conflict of interest (financial or otherwise), which would adversely affect your ability to serve on the Oversight Board?

No

15. Use this space to provide any additional information or comments.

16. Upload any additional documentation here. Examples of additional documentation are resumes, letters of recommendation, etc.

17. I declare, under penalty of perjury, that I am a student attending a high school within the Sacramento City Unified School District or a Folsom Lake College/Rancho Cordova Promise Program college student (current or past recipient) attending Folsom Lake College.

Yes

18. I declare, under penalty of perjury, that all statements in this application are true and complete to the best of my knowledge and belief and that I legally reside in the city limits of Rancho Cordova.

Yes

Thank you,
City of Rancho Cordova

This is an automated message generated by Granicus. Please do not reply directly to this email.

MEMORANDUM



ITEM 17.1.

DATE: November 6, 2023
TO: Honorable Mayor and Council Members
FROM: Ka Vang, Management Technician
Stefan Heisler, Housing Manager
SUBJECT: **A RESOLUTION APPROVING THE COMMUNITY DEVELOPMENT
BLOCK GRANT 2024 ANNUAL ACTION PLAN**

RECOMMENDATION

Adopt the Resolution.

RESULT OF RECOMMENDED ACTION

Adoption of the Resolution would direct the City Manager to make final edits and submit the 2024 Annual Action Plan (AAP) and SF424 Certifications and Assurances to the Department of Housing and Urban Development (HUD) for approval, as required for the City to receive 2024 Community Development Block Grant (CDBG) entitlement funding.

BACKGROUND

The City of Rancho Cordova has been a Community Development Block Grant (CDBG) entitlement jurisdiction since 2006. As an entitlement jurisdiction, the City receives an annual allocation of funds from the U.S. Department of Housing and Urban Development (HUD). Each year, the City is required to complete an Annual Action Plan (AAP) that describes how the City will use the CDBG funds for the coming program year. The AAP works as an application to HUD to receive CDBG funds for the following program year and is submitted as part of the Consolidated Plan.

The City must complete the public participation process as outlined in the Citizen Participation Plan, present the AAP for public comment for at least 30 days, conduct a public hearing, and submit the approved AAP and program certifications to receive its entitlement allocation of CDBG funding from HUD. The City's CDBG entitlement funding has averaged approximately \$600,000 over the last couple of years, and the City estimates it will receive \$600,000 in entitlement funds in 2024 and re-allocate \$47,000 unspent prior year funding. HUD will notify the City of its total allocation sometime between late 2023 and the first quarter of 2024. For this reason, the recommended awards included in the 2024 AAP, as well as this staff report, represent estimates and an AAP Amendment may be required once the final City allocation amount is received.

The federal intent of the CDBG program is to develop viable urban communities by providing decent housing, a suitable living environment, and expanded economic opportunities, principally

for low- and moderate-income persons, households, and neighborhoods. The City has a goal of using at least 80 percent of the City's CDBG funds for activities that benefit low- and moderate-income persons.

All activities must meet one or more of the following national objectives for the program: 1) benefit low- and moderate-income persons, 2) prevent or eliminate slums or blight, or 3) meet an urgent community development need that poses a serious and immediate threat to the health or welfare of the community. To achieve these objectives, CDBG funds may be used for a variety of community development activities, including acquisition of real property, rehabilitation of residential and nonresidential structures, construction of public facilities and infrastructure improvements, public services, and economic development and job creation/retention activities.

CDBG is an eligible funding source for public services, capital projects, and planning and administrative activities; however, regulatory spending caps limit how much funding may be used for certain activities. For example, no more than 15 percent of the current year's entitlement funding may be used to fund public services, and no more than 20 percent may be used on planning and administration activities.

Annual Action Plan process:

The AAP process includes several steps.

1. The City creates a budget based on an estimate of the funding that will be available in the coming program year. This funding includes the entitlement for the year and any rollover or recaptured funds from prior years.
2. The City solicits feedback from stakeholders regarding community needs and opportunities. The stakeholders that are consulted include residents and groups that provide services to youth, seniors, low-income families, persons experiencing homelessness, persons with disabilities, and other government agencies and nonprofits that provide public services and public programs in the City.
3. The City releases a Notice of Funding Availability (NOFA) to solicit projects for the estimated CDBG funds and encourages potential CDBG recipients to submit project applications for review. The NOFA was released on August 4, 2023.
4. The City hosts a public workshop for all potential applicants and members of the public, to assist in the application process, answer questions, and provide a venue for public comment. The workshop also provides an opportunity to assess changing needs in the community. The City held the public workshop for potential applicants for the 2024 CDBG Program Year on August 25, 2023, and the workshop with members of the public on September 6, 2023.
5. To determine which projects best meet the City's priority needs and goals, applications are reviewed and scored by City staff according to a set scoring rubric that is based on the needs and priorities established in the 2020-2024 CDBG Consolidated Plan. The Consolidated Plan is a planning document which sets priorities and goals for the CDBG program over a five-year period. Applications are also scored on performance criteria, including the ability to complete the project in a timely manner and in compliance with

CDBG regulations.

6. The scored project applications are presented to city staff for consideration and recommendation. The recommended projects are included in the draft AAP with estimated budgets.
7. A draft AAP that includes an updated needs assessment, feedback collected from stakeholders, and the proposed projects identified to best meet both community needs and City goals is prepared, publicly noticed, and released to the public for a 30-day public comment period. The 2024 draft AAP was released for the public comment period starting October 6, 2023.
8. After the close of the 30-day public comment period on the draft AAP, a final AAP is presented at a public hearing for any additional public comment and Council approval. After Council approval, staff submits the final AAP to HUD for its review and approval.

Public Services:

The City received six public service applications. Staff recommends funding five of the 2024 entitlement projects in the amounts indicated in Table 1 below. If the City's 2024 CDBG allocation is greater than \$600,000 as conservatively estimated, 15 percent of that additional amount will be supplemented to the Meals on Wheels program. Staff are recommending awarding \$0 to the Boys and Girls Club Healthy at Home program and referring it to the City's Community Enhancement Division Micro Grant program as a better alternative to using federal CDBG funding.

Project Sentinel and 211 are recommended for slightly higher amounts than requested because these projects are funded on a formula level by multiple Sacramento area jurisdictions, of which the City funds a percentage of the overall costs based on the renter population in each jurisdiction. Several of these jurisdictions fund these projects on a fiscal year basis, therefore there are anticipated mid-year budget increases that will be determined in 2024. The slightly higher recommended award amounts account for these anticipated increases.

Table 1: Public Services - 2024 Applications and Recommended Funding Awards

Organization and Program	2023 Funding	2024 Requested Amount	2024 Recommend ed Awards
USNRG – Youth mentorship	\$10,000	\$30,000	\$26,137.50
Meals on Wheels: Senior Nutrition Program	\$25,000	\$50,000	\$25,000*
211: Renters Helpline	\$0	\$12,117	\$12,725
Project Sentinel: Fair Housing	\$6,919	\$8,018.50	\$8,019 **
FCCP: Youth Rise Program	\$22,039	\$30,000	\$26,137.50
Boys and Girls Club: Healthy at Home	\$10,000	\$30,500	\$0
TOTAL	\$73,958	\$160,635.50	\$98,019

*This project will receive 15% of the allocation to the City over \$600,000.

**\$8,019 of this project is recommended to be funded through Planning and Administration for administration of Project Sentinel.

Planning and Administration

Planning and administration activities for the 2024 CDBG program year include managing the CDBG budget, collecting and reporting quarterly reports from the CDBG recipients, completing the required environmental, labor compliance, and financial reports, preparing and submitting the Consolidated Annual Performance Evaluation Report (CAPER), and day-to-day program administration. The City expects to have about \$120,000 available for program planning and administration. From this amount, Staff recommends to fund Housing’s administration of the Project Sentinel program in the amount of \$8,019 and \$10,000 will be used to fund HOME monitoring of the City’s HOME units.

Capital Programs and Projects

The City estimates that \$437,000 in 2024 entitlement funding will be available for capital programs and projects.

The City received three capital program and project applications. The applications were scored against a set rubric with a sliding scale that evaluated each project and program against criteria that included financial stability, readiness to proceed, and ability to meet CDBG requirements.

The ranked applications were provided to City management staff for review and evaluation to see how the applications rank against established City goals. Staff recommends funding two of the applications listed in Table 2 below. Staff recommends awarding \$0 to the USNRG Entrepreneurship Empowered project and directing it to the Community Enhancement and Investment Fund (CEIF) to be considered along with the other workforce development programs funded by the city. The following levels are provided for Council discussion. 65 percent of additional funding received by the city above the \$600,000 estimate would be allocated to Rebuilding Together Sacramento’s Critical Repair Program to bring that project up to its requested amount.

Table 2: Capital Programs - 2024 Applications and Recommended Funding Awards

Capital Programs and Projects	Requested Amount	Recommended Award
Rebuilding Together Sacramento - Critical Repair Program	\$300,000	\$297,000
USNRG – Entrepreneurship Empowered	\$40,000	\$0
Public Works – ADA Sidewalk Improvement Program	\$100,000	\$140,000
TOTAL	\$440,000	\$437,000

Funding recommendations are based on conservative estimates of both the projected entitlement allocation and the amount that might be available from the prior year rollover. The City may elect to increase funding awards if additional funds become available, or additional funding may be awarded to other activities listed above in the Program Applications scoring table. The City may wish to consider a mid-year substantial amendment, should a change in funding be deemed appropriate.

FISCAL IMPACT

The CDBG program’s planning and administration allocation covers the cost of administering the program, plus Project Sentinel fair housing administration costs. The public service grants are made to organizations that have diversified funding sources and are able to provide

consistent services despite minor fluctuations in the CDBG fund. The capital programs and projects funding allow for the cost of both the actual activity and the costs of enforcing Davis Bacon labor standards and National Environmental Protection Act (NEPA) clearances. The table below shows the funding to be received in 2024 and how that funding fits into the CDBG funding categories.

There is no expected impact on the City's General Fund.

CDBG Category	CDBG Budget
Planning and Administration	\$120,000
Public Services	\$90,000
Capital Programs and Projects – includes \$47,000 of prior year rollover funding	\$437,000
TOTAL	\$647,000

FISCAL IMPACT AND FUNDING SOURCE

There is no expected impact on the City's General Fund.

ATTACHMENT(S)

1. Resolution
2. Draft 2024 Annual Action Plan

CITY OF RANCHO CORDOVA

RESOLUTION NO. XX-2023

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA, STATE OF CALIFORNIA, APPROVING THE ADOPTION OF THE 2024 ANNUAL ACTION PLAN FOR THE COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

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

WHEREAS, the U.S. Department of Housing and Urban Development (HUD) is the federal agency that promulgates regulations and oversees the administration of the CDBG program; and

WHEREAS, HUD requires that entitlement jurisdictions complete a plan for expending the funds on eligible activities, referred to as the Annual Action Plan (AAP); and

WHEREAS, there has been presented to, and reviewed by this City Council, the 2024 AAP, which describes programs to be funded in compliance with the goals and objectives of the 2020-2024 Consolidated Plan; and

WHEREAS, there has been presented to, and reviewed by this City Council, certifications to HUD, including those regarding affirmatively furthering fair housing, anti-displacement and relocation requirements, drug-free workplace requirements, anti-lobbying rules, authority of jurisdiction, consistency with strategic plan, compliance with citizen participation obligations, consistency with the 2020-2024 Consolidated Plan, eligible use of funds, prohibition of excessive force, compliance with anti-discrimination laws, and lead-based paint; and

WHEREAS, the 2024 AAP and a notice of the 30-day public comment period have been published for citizen comment prior to forwarding the documents to City Council for approval; and

WHEREAS, the City is expecting notification of a 2024 CDBG allocation in the amount of approximately \$600,000 from HUD, and is awaiting the annual application form (Standard Form 424); and

WHEREAS, the City Council held a public hearing on November 6, 2023, to provide an opportunity for the public to comment and Council to approve the 2024 AAP.

NOW, THEREFORE, BE IT HEREBY RESOLVED BY THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA as follows:

1. The City Council approves the 2024 Annual Action Plan, which will serve as the CDBG budget from January 1, 2024, through December 31, 2024;
2. Certifications required by HUD that state the City of Rancho Cordova will continue to conduct its activities in accordance with applicable statutes and regulations governing

ITEM 17.1.

ATTACHMENT 1

the CDBG program as identified in the Certifications in Appendix A of the 2024 Annual Action Plan.

3. The City Manager, or his designee, is authorized to take all actions and to execute and/or file all documents reasonably necessary to implement the above-referenced amendments including, without limitation, taking such actions and executing and/or filing such documents as are reasonably necessary to receive HUD CDBG funding for and on behalf of the City of Rancho Cordova, and to make any reasonably necessary revisions or changes to those documents.

PASSED AND ADOPTED by the City Council of the City of Rancho Cordova on the 6th day of November 2023 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

Linda Budge, Mayor

Stacy Leitner, CMC
City Clerk

City of Rancho Cordova

Draft 2024 Annual Action Plan

Community Development Block Grant (CDBG)

Executive Summary

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

1. Introduction

The City of Rancho Cordova (City) is located in Sacramento County (County), California, and lies approximately 13 miles east of the state's capital city, Sacramento. Rancho Cordova was incorporated in 2003 and has a population of approximately 81,000 people as of 2020 (2020 ACS 5-Year Estimates). The City became a US Department of Housing and Urban Development (HUD) entitlement jurisdiction in 2006 and currently receives one HUD-funded grant through entitlement, the Community Development Block Grant (CDBG). In 2017, the City became part of the Sacramento County HOME Consortium whereby Sacramento County, as lead agency, became administrator of the City's annual HOME Investment Partnerships (HOME) grant allocation.

Every five years, HUD requires that entitlement jurisdictions create a five-year plan, known as the Consolidated Plan, which outlines the use of CDBG, HOME, Emergency Solutions Grant (ESG), and other housing and community focused funding provided by HUD. Each year of the five-year Consolidated Plan, the jurisdiction must create an Annual Action Plan, which serves as a one-year plan for the City's CDBG program to help address community development and low- and moderate-income community needs.

This 2024 Annual Action Plan covers the performance period of January 1, 2024, to December 31, 2024, and implements the fifth year of the City's 2020-2024 Consolidated Plan. The City's Community Development Department is responsible for implementing both the Consolidated and Annual Action Plans.

The Sacramento Housing and Redevelopment Agency (SHRA) administers and implements the HOME Consortium's annual HOME funding allocation.

The City received [\$600,000] for its 2024 allocation of CDBG funding from HUD. The City plans to use a variety of funding sources to meet its housing and community development needs, including Community Enhancement Funds and other resources as they become available.

2. Summarize the objectives and outcomes identified in the Plan

This could be a restatement of items or a table listed elsewhere in the plan or a reference to another location. It may also contain any essential items from the housing and homeless needs assessment, the housing market analysis or the strategic plan.

The Community Development Needs identified in the Needs Assessment of the City's 2020-2024 Consolidated Plan were collected through a community survey, consultations with local agencies, various outreach events, and a conglomeration of online data sources. Through this data collection and outreach, the City estimates its housing needs for the next five-year plan period. As population size,

characteristics, and needs change, public services shift to address these changes as well. The City conducted extensive outreach to residents, community leaders, community advocates, City organizations, and entities and public agencies from surrounding areas. From the feedback received from this outreach and data collection, the City shaped its priority needs for low-income and community development initiatives within Rancho Cordova. The City pulled additional data and information from various sources, such as the US Census, Community Planning and Development maps, and the California Employment Development Department, to more thoroughly identify needs for public services.

The City's CDBG program objectives and outcomes for this planning period (January 1, 2024–December 2024) are primarily directed at providing needed services for youth, individuals, and families at risk of homelessness; services for seniors in the community; improving accessibility to community facilities; enhancing conditions for existing housing through code enforcement and rental housing inspections; and supplying funding to give low-income residents a chance to make health- and safety-related repairs to their homes. These objectives align closely with the feedback that the City received from community stakeholders and past public service program participants that were interviewed during the completion of this plan. Please see **Attachment A** to view the questions and responses that were gathered during the 2024 Annual Action Plan's community engagement efforts.

On November 6, 2023, City Council approved this Annual Action Plan, as well as the activities and projects that will be funded for the 2024 program year. The City is funding 5 public services providers who will use CDBG funds to administer 5 programs and 2 Capital Improvement Projects. The 2024 public service providers and programs are as follows:

- (1) Folsom Cordova Community Partnership's Youth Rise Program, which provides health and wellness mentorship and education to middle school and high school students to foster a safe and positive school climate for improved youth development, academic performance, and career readiness.
- (2) Meals on Wheels' Senior Nutrition Services, which takes hot meals or frozen heat-and-serve meals to homebound seniors.
- (3) - (4) A collaborative team has been developed between 211, and Project Sentinel to reduce housing discrimination, promote public awareness of fair housing laws and rights, and assist persons with disabilities. This team will provide a telephone hotline, tenant education and housing assistance, and mediation services for Rancho Cordova residents in a housing crisis or dispute. 211 will deal directly with concerns about tenant/landlord disputes, while fair housing issues will be identified and referred to Project Sentinel. These organizations will provide two programs for the 2024 Annual Action Plan year: (3) Renter's helpline to offer housing counseling services, as well as helping to settle tenant/landlord disputes and housing discrimination cases; (4) Renter's helpline/fair housing services to reduce housing discrimination, promote public awareness of fair housing laws and rights, and assist persons with disabilities.

(5) USNRG, which will be providing youth mentoring to girls throughout the school year and part of summer.

The 2024 Capital Improvement Projects are as follows:

(1) Rebuilding Together Sacramento's Critical Repair Program, which provides urgently needed repairs to homes that are primarily located in the CDBG target area.

(2) ADA Sidewalk Program, in which City Public Works officials will enforce the City's code in CDBG target areas regarding sidewalk maintenance.

3. Evaluation of past performance

This is an evaluation of past performance that helped lead the grantee to choose its goals or projects.

The 2022 Consolidated Annual Performance and Evaluation Report (CAPER) was submitted to HUD in April 2023 and is still under review.

Past performance by subrecipients is taken into consideration when scoring and selecting activities to fund. Subrecipients that do not show improvement are either not funded or receive less funding over time.

4. Summary of Citizen Participation Process and consultation process

Summary from citizen participation section of plan.

The City initiated several efforts aimed at conducting community outreach and facilitating citizen participation during the drafting of this 2024 Annual Action Plan.

Outreach included local newspaper announcements for meetings and hearings, which all met proper noticing requirements; publications on the City's website for upcoming CDBG activities; interviews with recipients of CDBG-funded programs and other community stakeholders; and a public meeting to solicit community feedback (refer to **Attachment A** for full comments/results).

As mentioned above, the City conducted multiple stakeholder consultations with local service providers to solicit professional feedback in the areas of housing, homelessness, social services, senior populations, disabled populations, youth populations, and persons living with HIV/AIDS. Please refer to the Process section (AP-10) of this plan for more information on the consultations that were completed.

The following is a timeline of the citizen participation that was conducted in preparation of the 2024 Annual Action Plan:

- On August 4, 2023, the City posted a notice at City Hall, online, and in the local newspaper of a Notice of Funding Availability (NOFA) release for 2024 CDBG funds and a NOFA workshop.
- Between September 8, 2023 and September 22, 2023, CDBG staff conducted stakeholder consultations with various local service providers and nonprofits.
- On August 18, 2023, the City posted a notice at City Hall, online, and in the local newspaper for a public meeting on September 6, 2024, to solicit community feedback.
- On August 25, 2023, City staff facilitated a NOFA workshop to review scoring criteria for applicants and
- On September 6, 2023, the City held a public meeting to solicit feedback regarding community needs for the 2024 Annual Action Plan.
- On September 22, 2023, the City posted a notice at City Hall, online, and in the local newspaper of a 30-day public review and comment period that would begin October 6, 2023, for the 2024 Annual Action Plan.
- On October 6, 2023, the City released the draft 2024 Annual Action Plan for the 30-day public review and comment period.
- On October 20, 2023, the City posted a notice at City Hall, online, and in the local newspaper of a November 6, 2023 public hearing to consider adopting the draft 2024 Annual Action.
- On November 6, 2023, the City held a public hearing and adopted the draft 2024 Annual Action Plan.

5. Summary of public comments

This could be a brief narrative summary or reference an attached document from the Citizen Participation section of the Con Plan.

Public comments were received from the stakeholder consultations and the September 6 public meeting. Refer to **Attachment A** for full comments/results.

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

[All comments were accepted.]

7. Summary

This 2024 Annual Action Plan will work as a guide in implementing the priorities, activities, and goals for the CDBG program between January 1, 2024, and December 31, 2024. These priorities, activities, and goals were shaped by a conglomeration of community participatory feedback, area-focused demographical data collection and analysis, community stakeholder involvement, consideration of countywide goals and policies, and feedback solicited from Rancho Cordova's City Council.

PR-05 Lead & Responsible Agencies - 91.200(b)**1. Agency/entity responsible for preparing/administering the Consolidated Plan**

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

Agency Role	Name	Department/Agency
CDBG Administrator	RANCHO CORDOVA	Community Development Department- Housing Division

Table 1 – Responsible Agencies

Narrative

The City of Rancho Cordova's Community Development Department currently serves as the lead agency for overseeing and implementing the Consolidated Plan process as well as administering CDBG funds. The Community Development Department was initiated in 2015, and includes the Planning Department, Building and Safety Department, and the Housing Division, which manages the City's CDBG funds. The CDBG program was managed by the Housing Division under the Economic Development Department prior to 2015.

For the HOME Consortium, the County of Sacramento is the lead agency and delegates administrative responsibilities to a County agency called the Sacramento Housing and Redevelopment Agency (SHRA). SHRA implements HOME Investment Partnership funds on behalf of the City and other jurisdictions in the County.

Consolidated Plan Public Contact Information

City of Rancho Cordova
Community Development Department
2729 Prospect Park Drive
Rancho Cordova, CA 95670
(916) 851-8700

AP-10 Consultation - 91.100, 91.200(b), 91.215(l)**1. Introduction**

The City of Rancho Cordova consulted with several local service providers to help identify local needs and evaluate opportunities for partnerships and improved coordination for the 2024 Annual Action Plan (see **Attachment A**). The City also invited public comment through a 30-day public comment period and a public hearing for the approval of the draft Annual Action Plan. The following sections discuss the consultation process, the public comment process, and the planned coordination efforts for the 2024 Annual Action Plan cycle.

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

The City’s Housing Division is striving to improve the City’s affordable housing stock and continues to improve coordination for initiatives aimed at increasing the supply of affordable housing in the region. Recently, the City has focused its efforts through various programs to renovate existing structures and build new affordable units for families, senior citizens, and disabled individuals.

The City’s Homeless Outreach Team (HOT) is one of the ways in which the City helps to connect homeless individuals and at-risk homeless individuals with needed services. HOT is composed of two officers, code enforcement, and the City’s Homeless Navigator. The team also builds relationships with homeless individuals and families to assist them in finding services, education, and resources to help them become self-sufficient.

The City cooperates with SHRA in ensuring that public and voucher-supported housing in the City is safe, habitable, and fully occupied whenever possible. Other collaborative partners include City Net which works with the City, mental and general health providers, and other service agencies to help households in need find suitable housing. The City regularly looks for opportunities to improve communication and connect service providers and housing providers to help leverage services, reduce service burden due to repeat clientele, and ensure that persons with housing and service needs are directed to the correct providers.

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

Sacramento Steps Forward is the nonprofit group that manages the regional Continuum of Care. The City cooperates with Sacramento Steps Forward whenever possible, including providing support at County Board of Supervisors meetings and promptly responding to requests for data, and through

ongoing participation in the public Continuum of Care discussions. The proximity of the Mather Veterans Hospital and the Veterans Village housing project and availability of other services for veterans, such as Stand Down (which provides critical life services to homeless veterans) and the Veterans Resource Centers of America, all make the City an ideal partner in addressing the problems facing homeless veterans. Additionally, the City's lead CDBG program staff is a member of the Continuum of Care and coordinates the City's CDBG housing and community development efforts to be aligned with the Continuum's most recent updates and goals.

The City also partners with the Child Protective Services Division and the Senior and Adult Services Division of the Sacramento County Department of Child, Family and Adult Services, including providing on-site workspace for a child welfare worker in the City Police Department offices. The Folsom Cordova Unified School District and the Child Protective Services Division assist in identifying homeless families. 211, along with other services provided through the Continuum of Care, helps identify housing resources. The City has engaged in several cross-agency and cross-skill set team-building and problem-solving efforts to improve communication and identify opportunities to connect people with the available services as efficiently as possible.

Finally, the Rancho Cordova Homeless Assistance Resource Team (HART) continues to work with the city to specifically address the problem of homelessness in Rancho Cordova. Most homeless resources and assistance groups are either located in the City of Sacramento or clustered in distant parts of Sacramento County. Homeless people in Rancho Cordova must first find transportation in order to have access to these resources. HART is working to bring more resources into the Rancho Cordova community to address homelessness where it is happening.

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

Sacramento Steps Forward administers both the Continuum of Care and the Homeless Management Information System (HMIS); Sacramento County manages the available ESG funds for the Sacramento region. The City does not receive ESG funds.

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

Table 2 – Agencies, groups, organizations who participated

1	Agency/Group/Organization	FOLSOM CORDOVA COMMUNITY PARTNERSHIP
	Agency/Group/Organization Type	Services-Children
	What section of the Plan was addressed by Consultation?	Anti-poverty Strategy Non-Housing Community Development Strategy
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	CDBG staff met with Folsom Cordova Community Partnership on September 14, 2023, to discuss the needs of families in the community. The partnership indicated that more funding is needed. Specifically, for youth and senior programs. This will inform the City's priorities related to youth and seniors in the future.
2	Agency/Group/Organization	USNRG
	Agency/Group/Organization Type	Services-Children
	What section of the Plan was addressed by Consultation?	Anti-poverty Strategy Non-Housing Community Development Strategy
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	CDBG staff met with USNRG on September 8, 2023, to discuss the needs of Rancho Cordova. USNRG identified constraints of funding in general and would like to see more small non-profit organizations receive funding rather than perennial awardees year after year for 2024. This will inform the City's future priorities related to children and smaller non-profits.
3	Agency/Group/Organization	CODE ENFORCEMENT TEAM
	Agency/Group/Organization Type	Other government - Local

	What section of the Plan was addressed by Consultation?	blight
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	CDBG staff met with member of Code Enforcement on September 15, 2023, to discuss the needs of the Community. Code Enforcement identified need for education and outreach for blight and funding for pro-active enforcement for the 2024 year. This will inform the City's priorities related to Code Enforcement projects.
4	Agency/Group/Organization	REBUILDING TOGETHER SACRAMENTO
	Agency/Group/Organization Type	Housing
	What section of the Plan was addressed by Consultation?	Housing Need Assessment
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Rebuilding Together Sacramento met with CDBG staff on September 8, 2023 and provided feedback related to the housing and rehabilitation needs of the City's housing stock, and more funding. This will inform the City's CDBG priorities related to housing.

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

All agencies were included in the consultation process and many opportunities were provided for them to participate, including a public meeting and one-on-one interviews or emailed questions. No agencies were excluded from this public consultation process; however, the City focused its one-on-one interview efforts on agencies serving HUD priority populations and whose services represented the highest priority needs within the City.

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

Name of Plan	Lead Organization	How do the goals of your Strategic Plan overlap with the goals of each plan?
Continuum of Care	Sacramento Steps Forward	Both plans work to address issues leading to homelessness and to assist persons and families experiencing homelessness in the region.
Housing Element	City of Rancho Cordova	The Housing Element is intended to help identify and plan for housing needs in the City, including very low- and low-income housing.
Sacramento Valley Regional Analysis of Impediments	SHRA	The plan helps inform the needs and goals around housing and provides resident perspectives through extensive community engagement.

Table 3 - Other local / regional / federal planning efforts**Narrative**

The City will continue to coordinate with service providers, stakeholders, public agencies, and organizations that specialize in public and assisted housing sectors, as well as various other special needs services on a local and regional scale. The City aims to continuously grow its relationships and communications with local professional organizations and entities to best address the priority needs of the jurisdiction and surrounding areas.

The City did not consult with any publicly funded institutions and systems of care that may discharge persons into homelessness (such as health-care facilities, mental health facilities, foster care and other youth facilities, and corrections programs and institutions), but can reach out to an organization or two within this sector next year, the Adolfo program is one foster-youth program we can consult, Turning Point Community Programs (Alexis Bernard) is a mental health provider we can consult.

AP-12 Participation - 91.401, 91.105, 91.200(c)**1. Summary of citizen participation process/Efforts made to broaden citizen participation
Summarize citizen participation process and how it impacted goal-setting**

The City completed public meetings, outreach, and noticing as required by the City's Citizen Participation Plan. All public participation processes were made available to the public. Additionally, staff conducted community outreach with public service program recipients. Public comment received during the outreach for this Annual Action Plan can be found in the Executive Summary section (AP-05). Several stakeholder consultations were held and are summarized in the consultation section above.

Consultation responses from service providers identified the need for additional funding, more youth and senior services, and mental health services. They also identified the need for affordable and accessible housing, childcare services, senior services, and services/shelter for persons experiencing homelessness. Consultations also identified the need for more equitable community engagement and service provision as well as more detailed tracking of CDBG accomplishments (specifically by race, ethnicity, and gender/gender identity).

Citizen Participation Outreach

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (If applicable)
1	Newspaper Ad	stakeholders, service providers	public notice for NOFA workshop	no comments received.	n/a	

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (If applicable)
2	consultation with local orgs and govt bodies	stakeholders and service providers	between 9/8/23 and 9/22/23, four stakeholder organizations consulted	emphasized needs for more funding and services.	all comments were accepted	
3	NOFA Workshop	stakeholders and service providers	on 8/25/23 community stakeholders attended the NOFA workshop	no comments received	n/a	
4	Newspaper Ad	Non-targeted/broad community	public notice for public meeting	no comments received	n/a	
5	Public Meeting	Non-targeted/broad community	on 9/6/23, 0 community member attended the public meeting	No comments received.	all comments were accepted	
6	Newspaper Ad	Non-targeted/broad community	public noticing for 30-day review period	[no comments received]	n/a	

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (If applicable)
7	30-day review period	Non-targeted/broad community	30-day review period.	[no comments received]	[n/a]	https://www.cityoffranchocordova.org/departments/community-development/housing/community-development-block-grant
8	Newspaper Ad	Non-targeted/broad community	public notice for public hearing	[no comments received]	[n/a]	n/a
9	Public Hearing	Non-targeted/broad community	on 11/6/23 city council approved the 2024 Annual Action Plan	[no comments received]	[n/a]	http://www.cityoffranchocordova.org/government/city-clerk

Table 4 – Citizen Participation Outreach

Expected Resources

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

Introduction

The City of Rancho Cordova has been successful over the last several years at finding and applying for alternative funding sources to help meet affordable housing development needs. These sources have included tax credits, infrastructure infill grants, sustainable community grants, veterans housing grants, and, for the single-family owner-occupied housing rehabilitation program, CalHome funding. The City has also pursued other State of California housing funds whenever they seemed appropriate. The City will continue to expand its funding sources by researching and seeking additional funding opportunities.

The City receives approximately \$275,000 in HOME funds through lead agency County of Sacramento. The City does not currently receive ESG or other HUD funds directly from the federal government or from the State of California.

The City received [\$600,000] in CDBG funding for the 2024 plan year. This Annual Action Plan contains award amounts for each activity funded

during the 2024 program year.

Anticipated Resources

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
CDBG	public - federal	Acquisition Admin and Planning Economic Development Housing Public Improvements Public Services	[600,000]	0	0	600,000	600,000	The City receives approximately \$600,000 in CDBG funds each year of the five-year Consolidated Plan cycle (approx. \$3,000,000 total). The City received [\$600,000] for the 2024 program year. An estimated \$600,000 will be received for the remainder of the Consolidated Plan cycle. The City anticipates receiving no program income at this time.
Other	public - federal	Admin and Planning Economic Development Housing Public Improvements Public Services	0	0	0	0	0	

Table 5 - Expected Resources – Priority Table

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

Federal funds require additional regulation, labor compliance standards, and administration that can add a significant cost burden to a new affordable housing project or a rehabilitation project. Unless the available funding sufficiently offsets the additional cost and labor burden inherent in federal funds, it can actually be damaging to a project budget to include CDBG or HOME as funding sources. For new construction and large-scale rehabilitation of affordable housing, the City prefers to pursue funding that does not significantly increase the building cost, unless there are sufficient federal funds to benefit the project's bottom line. The CDBG allocation to the City does not add sufficient value to offset the increased costs for most of the City's affordable housing development efforts. Therefore, the City focuses CDBG funding either on projects that are already burdened with federal reporting requirements or on projects where there is no other viable funding source, and the project can be completed with the available CDBG funding. The City's CDBG program does not have any matching requirements.

With respect to public service projects funded with CDBG funds, to best leverage the City's available resources, the City will continue to look for opportunities to layer private and non-federal resources with federal resources and to require that CDBG subrecipients demonstrate sufficient committed non-CDBG funding, so that projects and services will have the best results for the community and the low- and very low-income residents they are intended to serve. These sources include tax credits, infrastructure infill grants, sustainable community grants, veterans housing grants, and, for the single-family owner-occupied housing rehabilitation program, CalHome funding. The City has also pursued other State of California housing funds whenever appropriate.

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

The City uses publicly owned land and property to support CDBG-funded administrative, planning, and project activities. Additionally, City Hall equipment is used to administer the day-to-day activities of planning and administration for the CDBG program.

The Folsom Cordova Community Partnership uses public school district property to hold mentor initiative classes for its youth programs, while the Meals on Wheels Senior Nutrition program uses the City's Senior Center, which is owned by the Park District, to provide hot meals to seniors. The City has several owned properties with plans on building multi-family affordable housing developments.

The city is actively investing in the development of multi-family affordable housing units, and there are currently four projects in progress, two of

which are advancing towards the predevelopment stage:

1. The Crossing at Woodberry (HOME funded)
2. Mather Veterans Village, Phase 4 & 5
3. A 7-acre parcel within the Ranch Development
4. Mills Crossing affordable housing.

These initiatives reflect the city's commitment to providing accessible and affordable housing options for our residents.

Discussion

The City intends to use CDBG funds to support programs and projects that can best benefit from the additional funding. Because the City's CDBG allocation is limited, the City plans to complete the costlier housing improvements and production through partnerships and the use of alternative funds.

Annual Goals and Objectives

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

Goals Summary Information

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
1	Child and Youth Services	2020	2024	Non-Homeless Special Needs	Citywide	Child and Youth Services and Programming	CDBG: \$52,275	Public service activities other than Low/Moderate Income Housing Benefit: Folsom Cordova Community Partnership will benefit an estimated 25 individuals through youth services. USNRG will benefit 30 individuals through its youth services.
2	Senior and Disability Services	2020	2024	Non-Homeless Special Needs	Citywide	Senior and Disability Services	CDBG: \$25,000	Public service activities other than Low/Moderate Income Housing Benefit: Meals on Wheels will benefit 185 individuals by providing food to seniors.
3	Homelessness Prevention	2020	2024	Affordable Housing Homeless Non-Homeless Special Needs	Citywide	Homelessness Prevention	CDBG: \$12,725	Public service activities for Low/Moderate Income Housing Benefit: 211 renters' helpline: 490

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
4	Public Facilities	2020	2024	Non-Housing Community Development	CDBG Target Area	Public Facilities	CDBG: \$140,000	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit: ADA Sidewalk Program will benefit 20-30 households.
5	Housing Preservation Program	2020	2024	Affordable Housing	CDBG Target Area	Acquisition & Rehabilitation	CDBG: \$297,000	Homeowner Housing Rehabilitated: Rebuilding Together Sacramento will repair 12 - 15 housing units with its critical repair program.
6	Program Administration	2020	2024	Planning and Administration	Citywide	Acquisition & Rehabilitation Homelessness Prevention Child and Youth Services and Programming Senior and Disability Services Public Facilities	CDBG: \$120,000	Other: General CDBG program administration and planning; HOME monitoring.

Table 6 – Goals Summary

Goal Descriptions

1	Goal Name	Child and Youth Services
	Goal Description	After-school programming, youth mentoring; school, health, and food supplies; other services to assist at-risk and low-income youth
2	Goal Name	Senior and Disability Services
	Goal Description	Congregate and home-deliver meals for homebound seniors; case management and outreach for accessibility improvements; other senior and disability services
3	Goal Name	Homelessness Prevention
	Goal Description	Housing counseling; tenant-landlord mediation; housing placement services
4	Goal Name	Public Facilities
	Goal Description	Senior center, youth center, neighborhood center, community center
5	Goal Name	Housing Preservation Program
	Goal Description	Emergency repairs to address health and safety issues, accessibility improvements, maintenance assistance; rental housing inspections and code enforcement in CDBG target areas
6	Goal Name	Program Administration
	Goal Description	City staff will conduct planning and administration of its CDBG and HOME grant funds, including reporting, monitoring, tracking budgets, labor compliance, environmental compliance, community engagement, and subrecipient coordination

AP-35 Projects - 91.420, 91.220(d)**Introduction**

The City received [\$600,000] in CDBG funds to the City for the 2024 program year. The funding allocations from HUD are usually announced in the spring of each year. CDBG project applications were received and reviewed by an independent group, as well as by City staff. Each application was scored according to criteria that the City established as part of the Consolidated Plan process. Criteria included the organization's capacity to successfully complete projects and programs, past project management performance, CDBG funding eligibility, how closely the project matched with the National Objectives laid out by HUD, and how thoroughly the projects addressed the community needs identified in the Consolidated Plan. Please refer to **Attachment D** for a copy of the application scoring rubric and application questions.

The City will continue funding health- and safety-related improvements to residents' homes, public infrastructure improvements for ADA accessibility, and public services activities with its CDBG funding, as there are relatively few other funding sources available to finance these activities. Within public services, the City prioritized activities serving seniors and youth, fair housing support, and homelessness prevention.

Funding amounts provided in the paragraphs and table below are only estimates, pending announcement of the final 2024 CDBG allocations in spring 2024. Once the City receives final HUD awards, the estimated amounts in the "Project Summary" table below will follow the contingency guidelines outlined in the following paragraph.

Contingency Guidelines:

The City originally estimated that it would receive \$600,000 in CDBG funds for the 2024 program year. In May 2024, HUD released the City's actual allocation of [\$600,000.] The City distributed the extra funding in the following way: Once the City receives the final allocation amount in spring 2024, 15 percent of additional funds will go towards Public Services projects, and specifically, to be split evenly between **Meals on Wheels** and **Folsom Cordova Community Partnership**. The remaining additional funds will be allocated to Housing Preservation Program, and specifically **Rebuilding Together Sacramento**. These additional funds are allocated based on higher application scores. If the final allocation is less than \$600,000, then public service and capital improvement projects will be proportionally decreased from estimated funding levels to match actual allocation amounts.

Funding amounts in the table below are based on scoring criteria from the submitted program applications, as well as staff recommendations. The Renters Helpline and Fair Housing Services activities are coordinated through a regional service contract and therefore are a high priority for

funding.

#	Project Name
1	HP-23 HOUSING PRESERVATION PROGRAM
2	PS-23 PUBLIC SERVICES
3	PF-23 PUBLIC FACILITIES
4	PA-23 PLANNING AND ADMINISTRATION

Table 7 – Project Information

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

Priorities are allocated first by priority needs identified in the consolidated plan and adjusted annually from community engagement feedback received, second by the availability of sufficient resources to support a successful program or project, and third by the availability of local service providers to respond to the needs. The primary obstacle to addressing underserved needs is a shortage of resources, primarily funding.

AP-38 Project Summary

Project Summary Information

1	Project Name	HP-23 HOUSING PRESERVATION PROGRAM
	Target Area	CDBG Target Area
	Goals Supported	Housing Preservation Program
	Needs Addressed	Acquisition & Rehabilitation
	Funding	CDBG: \$297,000
	Description	Rehabilitation of low-income owner-occupied housing to prolong housing habitability. This project is a primary referral source for the RTS Repair Program.
	Target Date	12/31/2024
	Estimate the number and type of families that will benefit from the proposed activities	12 - 15 housing units, primarily located in the CDBG target area, will receive roof and critical systems repair assistance from Rebuilding Together Sacramento.
	Location Description	
	Planned Activities	Rebuilding Together Sacramento: Critical Repair Program (14A/LMH) – \$297,000 – Roof and critical repairs to low-income households. (12 - 15 households)
2	Project Name	PS-23 PUBLIC SERVICES
	Target Area	CDBG Target Area Citywide
	Goals Supported	Homelessness Prevention Senior and Disability Services Child and Youth Services
	Needs Addressed	Homelessness Prevention Child and Youth Services and Programming Senior and Disability Services
	Funding	CDBG: \$90,000
	Description	Public services for youth, seniors, and persons and households at risk of homelessness.
	Target Date	12/31/2024

	Estimate the number and type of families that will benefit from the proposed activities	Approximately 240 individuals will benefit from youth and senior targeted public services from Folsom Cordova Community Partnership, USRNG, and Meals on Wheels; 490 individuals will benefit from housing public services from 211.
	Location Description	CITY-WIDE
	Planned Activities	Folsom Cordova Community Partnership: Youth Rise Program (05D/LMC)– \$26,137.50 – Health and Wellness – Provide youth support, development, and empowerment through health and wellness. (25 individuals) Meals on Wheels: Senior Nutrition Program (05A/LMC) – \$25,000 – Take hot meals or frozen heat-and-serve meals to homebound seniors and provide lunch to seniors at the Cordova Senior Center. (185 individuals) 211: Renters Helpline (05J/LMC) – \$12,725 – Respond to requests from Rancho Cordova residents who are in danger of becoming homeless due to conflicts with their landlord or property manager and are seeking assistance. Provide fair housing referrals for households potentially experiencing discrimination. (490 individuals) Project Sentinel: Fair Housing (21D) – \$8,019 - Accept referrals from 211 and conduct investigation on cases of allegations of housing discrimination. Including education and counseling. USNRG: Youth Mentoring (05D/LMC) - \$26,137.50 – Provide young girls with mentorship and guidance to develop resilience and well-being. (30 individuals)
3	Project Name	PF-23 PUBLIC FACILITIES
	Target Area	CDBG Target Area
	Goals Supported	Public Facilities
	Needs Addressed	Public Facilities
	Funding	CDBG: \$140,000
	Description	Improve public facilities in the CDBG target area
	Target Date	12/31/2024

	Estimate the number and type of families that will benefit from the proposed activities	20 - 30 HOUSEHOLD WILL BENEFIT FROM THE ADA SIDEWALK PROGRAM
	Location Description	CDBG TARGET AREA
	Planned Activities	ADA Sidewalk Improvement (03L/LMA) – \$140,000– Repair sidewalks within target area to bring to code with ADA regulations (20-30 households)
4	Project Name	PA-23 PLANNING AND ADMINISTRATION
	Target Area	CDBG Target Area Citywide
	Goals Supported	Homelessness Prevention Senior and Disability Services Child and Youth Services Public Facilities Housing Preservation Program Program Administration
	Needs Addressed	Acquisition & Rehabilitation Homelessness Prevention Child and Youth Services and Programming Senior and Disability Services Public Facilities
	Funding	CDBG: \$120,000
	Description	General administration of the CDBG, and HOME program, including all planning and reporting activities. Some fair housing services will also be provided.
	Target Date	12/31/2024
	Estimate the number and type of families that will benefit from the proposed activities	Provide administration and support for all CDBG and HOME programs, including all planning and reporting activities.
	Location Description	Citywide and CDBG target area

	Planned Activities	Provide general administration of the CDBG and HOME programs, including all planning and reporting activities. Planning and Administration (21A) - \$101,981 – General CDBG and program administration and planning. Project Sentinel: Fair Housing (21D) - \$8,019 Provide fair housing services to residents by responding to inquiries of illegal housing discrimination and investigating discrimination complaints. HOME Administration (21H) - \$10,000 – Complete annual compliance monitoring for HOME-funded activities.
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AP-50 Geographic Distribution - 91.420, 91.220(f)**Description of the geographic areas of the entitlement (including areas of low-income and minority concentration) where assistance will be directed**

Geographic distribution of activities is widely varied, but most take place in or near low- and moderate-income areas. As seen on the attached CDBG Target Area map (**Attachment E**), the CDBG target area is dispersed throughout the City, allowing for a spread of eligible activities. The specific location of an activity largely depends on the type of activity. Some of the City's 2024 activities, such as the programs administered by Meals on Wheels, Folsom Cordova Community Partnership, and 211, and Project Sentinel, are able to serve populations across the entire City, while other projects and programs are located in and provided to populations in the CDBG target area. Rebuilding Together Sacramento will take place in the City's designated CDBG target areas.

Geographic Distribution

Target Area	Percentage of Funds
CDBG Target Area	91%
R/ECAP Census Tract 89.11	0
Citywide	27.08%

Table 8 - Geographic Distribution**Rationale for the priorities for allocating investments geographically**

Two activities are prioritized in the CDBG target area: The Critical Repair Program use a geographic boundary to track the number of homes repaired in the CDBG target area. The ADA Sidewalk Improvement Project uses a geographic boundary to identify which areas are eligible for infrastructure repair and to track the number of homes repaired in the CDBG target area.

Discussion

The City strives to make all of its programs and activities available to eligible low- and moderate-income residents regardless of gender, race, national origin, age, source of income, familial/marital status, religious affiliation, or disability. As a result, all public service programs, including senior services and youth services, will be available to residents citywide. Significant additional funding will also be used in the low- and moderate-income areas, as needed, for capital projects and programs. Because much of the existing City is in the CDBG target area, providing capital facility improvements and housing preservation services in the CDBG target area allows a significant portion of the City to receive improvements. Similar services are provided to neighborhoods outside the target area, which are funded via other funding sources.

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

According to the 2020-2024 Sacramento Valley Analysis of Impediments, some of the most significant barriers to affordable housing across all jurisdictions are:

- Segregation, which is manifested in disproportionate housing needs and differences in economic opportunity
- An increasingly limited supply of affordable rental housing units in the area
- Disparities in the ability to access homeownership
- An increase in stricter rental policies

One obstacle specific to Rancho Cordova in meeting the needs of low-income residents is the lack of available resources for services within the City's boundaries. Many services are located in the City of Sacramento or Sacramento County unincorporated areas, which are not conveniently accessible for the residents of Rancho Cordova. Additionally, local services often do not have sufficient capacity to meet current needs. To help ameliorate this obstacle, the City plans to use its CDBG funds to promote the local provision of services for low- and moderate-income residents in Rancho Cordova. Furthermore, the City will continue to work with area service providers to offer services in the community. In the 2024 program year, several organizations (including 211, Project Sentinel, Meals on Wheels, USRNG, and Folsom Cordova Community Partnership) will provide services in Rancho Cordova.

The City has provided services and worked to offer housing opportunities to underserved groups, including individuals experiencing homelessness and veterans with disabilities. The City continues its active participation in County efforts, the Mather Veterans Administration Hospital, and service provider initiatives to locate and develop a continuum of housing opportunities for disabled veterans.

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

The City has undertaken a number of actions to reduce potential barriers and constraints to affordable housing and housing for special needs

populations. These actions include identifying funds in support of affordable housing development and offering fee reductions, regulatory incentives, density incentives, and the operation of a home rehabilitation and repair program, as well as several other options. These can be found with additional detail in the City's 2021-2029 Housing Element. The Housing Element includes a thorough analysis of governmental and regulatory barriers to affordable housing. The City has been aggressive in pursuing affordable housing development opportunities and has mitigated regulatory barriers as effectively as possible.

Discussion

The City's 2021-2029 Housing Element includes a thorough analysis of governmental and regulatory barriers to affordable housing. The City has been aggressive in pursuing affordable housing development opportunities and has mitigated or eliminated almost all regulatory barriers as effectively as possible.

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

The Community Development Department will be responsible for the management, implementation, and monitoring of the Consolidated Plan documents, including the implementation of each year's Annual Action Plan.

City staff will administer the programs and activities funded with CDBG funds. These staff members will work with the individual City departments, such as Public Works, as well as partner districts, such as the Folsom Cordova Unified School District, to develop procedures and coordinate the administration of programs that will be carried out by these departments and districts. Designated staff will also work closely with the local providers of CDBG-funded services and programs.

While there are several constraints to meeting the needs of target-income residents, the primary obstacle is the lack of available resources for services within the City's boundaries.

Actions planned to address obstacles to meeting underserved needs

The need for affordable housing for lower income households and supportive housing for persons with special needs continues to exceed available resources. The City has provided services and worked to offer housing opportunities to underserved groups, including individuals experiencing homelessness and veterans with disabilities. The City continues its active participation in County efforts, the Mather Veterans Administration Hospital, and service provider initiatives to locate and develop a continuum of housing opportunities for disabled veterans.

Following the completion of Mather Veterans Village Phases 1, 2 & 3, which were permanent supportive housing and transitional housing for homeless and/or disabled veterans, the city is not working towards two additional phases 4 & 5. Phase 4 is intended to be 70 units of permanent supportive housing for senior homeless and/or disabled veterans, and Phase 5 will be 60 units of townhomes for low-income veteran family households. Phase 4 is targeting 2025 to be under construction, with Phase 5 anticipated to be under construction in 2026.

The City also plans to use its CDBG funds to promote the local provision of services for low- and moderate-income residents in Rancho Cordova. Furthermore, the City will continue to work with area service providers to offer services in the community. In the 2024 program year, several organizations, including 211, Project Sentinel, Folsom Cordova Community Partnership, Meals on Wheels, and Rebuilding Together Sacramento, will provide CDBG-funded services in Rancho Cordova.

Actions planned to foster and maintain affordable housing

According to the City's 2021–2029 Housing Element, 19 housing developments in Rancho Cordova provide subsidized housing, with a total of 575 low- and very low-income units. Subsidized units account for approximately 2 percent of the total housing stock. The City does not have its own local housing

authority. Affordable housing initiatives and properties are largely handled directly by the SHRA. The remainder of the affordable housing units that are not operated and overseen by SHRA are operated by various local nonprofits. The most prominent of these is Volunteers of America, which operates the Mather Community Campus transitional housing program, and Mercy Housing, which operates the 100 units of permanent supportive housing at the Mather Veterans Village.

The City has undertaken a number of actions to reduce potential barriers and constraints to affordable housing and housing for special needs populations. These actions include identifying funds in support of affordable housing development and offering fee reductions, regulatory incentives, density incentives, and the operation of a home rehabilitation and repair program, as well as several other options. These can be found with additional detail in the City's 2021–2029 Housing Element. The Housing Element includes a thorough analysis of governmental and regulatory barriers to affordable housing. The City has been aggressive in pursuing affordable housing development opportunities and has mitigated regulatory barriers as effectively as possible.

Additionally, Urban Housing Communities, an affordable housing developer has applied for HOME funds from the HOME Consortium to develop a 28-unit affordable housing project called the Crossings at Woodberry. These units would be for families earning between 30 and 60 percent of the Area Median Income.

Actions planned to reduce lead-based paint hazards

The City complies with the Residential Lead-Based Paint Hazard Reduction Act of 1992 as implemented in 24 Code of Federal Regulations (CFR) 35 Subpart B. Compliance includes the following strategies:

Housing Rehabilitation: All housing rehabilitation activities funded under this plan will assess lead hazard risk before proceeding, including the planned Emergency Repair Grant Program. This applies to any work on structures constructed prior to January 1, 1978. The work will comply with the appropriate level of protection indicated in 24 CFR 35.100.

All work on homes constructed prior to January 1, 1978, will have a lead hazard risk assessment conducted as described in 24 CFR 35.110.

At the completion of any prescribed lead hazard reduction activities, a clearance examination is required as described in 24 CFR 35.110.

Actions planned to reduce the number of poverty-level families

The City continues to fund public services intended to help poverty-level families. The City's anti-poverty strategy is based on revitalizing Rancho Cordova's existing housing stock to provide safe and decent places to live, and on supporting the services of social services agencies that promote income and housing stability. The City's strategy also includes supportive services for target-income residents, including senior and youth services. For example, the City funds 211 and Project Sentinel, as both

provides vital services and resources to families who are homeless or are at risk of homelessness.

The City continues to fund other anti-poverty programs, such as the Senior Nutrition program offered by Meals on Wheels. Additionally, the City funds the Folsom Cordova Community Partnership's Group Mentoring Initiative. This program supports youth and enhances community involvement through intensive one-on-one youth mentoring to help improve economic opportunities for low-income youth in Rancho Cordova.

The City uses non-federal funds to support many programs and projects, such as job training, through the Community Enhancement fund. In the 2024 program year, multiple programs will receive funding from both CDBG funds and Community Enhancement funds; those programs include, Rebuilding Together Sacramento, and the Folsom Cordova Community Partnership Group Youth Mentoring Initiative.

Actions planned to develop institutional structure

The City has developed a monitoring system to ensure that the activities carried out in furtherance of the Annual Action Plan are done so in a timely manner in accordance with the federal monitoring requirements of 24 CFR 570.501 and 2 CFR 200 and all other applicable laws, regulations, policies, and sound management and accounting practices. The objectives of the monitoring system are described in more detail in the Consolidated Plan.

The City's Community Development Department will be responsible for the management, implementation, and monitoring of the Consolidated Plan documents, including the Annual Action Plan and all other subsequent documents related to the implementation of the CDBG program.

City staff will administer the programs and activities funded with CDBG funds. These staff members will work with the individual City divisions, such as Public Works, as well as partner districts, such as Folsom Cordova Unified School District, to develop procedures and coordinate the administration of programs that will be carried out by these divisions. Designated staff will also work closely with the providers of CDBG-funded services and programs that are not carried out by the City.

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

Staff has continually strived to provide training opportunities and technical assistance to grant subrecipients and has worked to establish "best practices," with the goal of integrating them into the day-to-day and long-term implementation of the program. In addition, the City is continuing its initiative to coordinate activities with neighboring cities, especially in regard to responding to fair housing-related efforts. Coordinated efforts include joint monitoring of common service providers, standardizing reporting requirements to encourage efficiency and consistency, and sharing information from

workshops.

During the 2024 program year, the City will implement contracts with local service organizations and City departments that provide assistance to seniors, youth populations, households at risk of homelessness, public improvements, and housing preservation.

In the 2017-2018 program year, the City and surrounding jurisdictions pursued a regional Analysis of Impediments to Fair Housing Choice (AI). The City entered a Memorandum of Understanding with the SHRA, and neighboring jurisdictions including the Cities of Citrus Heights and Elk Grove, to cost-share the fees to conduct an AI. The AI was completed in the fall of 2019 and the results are utilized by each participating agency for their respective Consolidated and Annual Action Plans, and for the SHRA's Public Housing Authority and Capital Fund Plans. The next Analysis of Impediment will be conducted in second half of 2024.

Discussion

The City will continue its work with neighboring jurisdictions, such as the County of Sacramento, City of Sacramento, City of Citrus Heights, and City of Elk Grove, and agencies such as the SHRA and the Sacramento Area Council of Governments, to address the regional issues that affect the needs of target-income persons and special needs populations. The goal in this effort is to reduce the burden of providing services within each jurisdiction through CDBG funding. The City also intends to work directly with service providers and local, state, and federal agencies (e.g., HUD and the California Department of Housing and Community Development).

Program Specific Requirements

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

Introduction

The City does not expect to receive any program income in the 2024 program year, nor does the City have any plans to participate in the Section 108 program. The City does not have any outstanding Section 108 loans and plans to fully obligate all of its CDBG funding available in the 2024 program year.

Community Development Block Grant Program (CDBG) Reference 24 CFR 91.220(I)(1)

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

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

Other CDBG Requirements

1. The amount of urgent need activities	0
2. The estimated percentage of CDBG funds that will be used for activities that benefit persons of low and moderate income. Overall Benefit - A consecutive period of one, two or three years may be used to determine that a minimum overall benefit of 70% of CDBG funds is used to benefit persons of low and moderate income. Specify the years covered that include this Annual Action Plan.	[82%]

Discussion

The City will continue to work to make the most efficient and effective use of CDBG funds to ensure that the benefit to the community, and particularly to low- and moderate-income households, is realized.

Attachment A Community Engagement Summary**NOFA Application Workshop**

No comment received.

Community Public Meeting

No comment received.

Public Review Comments

[No comment received]

Public Hearing Comments

[No comment received]

Consultation survey and interview response beings on the next page.

1. What works well about Rancho Cordova's CDBG Program?
2. Where could the program improve?
3. What would you like to see in the future for this program? Organization? Activities? Outreach?
4. Other thoughts? Comments?

Stakeholder 1

1. What works well about Rancho Cordova's CDBG Program?
 - a. Very low barrier program from RTS' perspective. City and RTS have high trust and that makes for a great working relationship that is highly communicative on both sides which has lead to great understanding of each other's needs and perspectives. RTS enjoys helping those in most need of critical repair funding through providing long lasting improvements that require little maintenance/upkeep like roof replacement, HVAC replacement, and construction ADA ramps.
2. Where could the program improve?
 - a. More funding will always allow for more accomplishments. RTS utilizes Measure R funds as well to help supplement these Critical Repair projects. If project is 50 years old or older, SHPO requirements for NEPA clearance can be a large time burden. RTS will have to submit to City for review by July/August in order to receive NEPA clearance and complete work by end of Program Year. This has been exacerbated at times due to material timelines as well as subcontractor delays. RTS is proactive by submitting qualified projects for Program Year in December to gain as much lead time as needed for projects requiring a more in-depth review.
3. What would you like to see in the future for this program? Organization? Activities? Outreach?
 - a. Collaboration with SMUD. RTS works with SMUD to handle costly HVAC repairs on qualified projects as to keep costs down. Having City involved could lessen the administrative burden on RTS. Mobile Homes have become a focus as the total cost of projects is much less than a single family residence project. Often these occupants are in the most need and receive greatest benefit from rehabilitation work.
4. Other thoughts? Comments?
 - a. CDBG is a great program and City's expectations are reasonable.

Stakeholder 2

1. What works well about Rancho Cordova's CDBG Program?
 - a. Very structure of program helping LMI and underserved populations. Great working with highly competent Program staff to have USNRG's needs met. Staff is highly responsive, supportive, and communicative. Additional funding has allowed for USNRG to scale SheBuilds up and that has been fantastic.
2. Where could the program improve?
 - a. Constraints of funding, and grants in general, is that it is for cost incurred. Sometimes difficult because USNRG is such a small and lean organization. Would like to see more grass roots organization apply and receive funding rather than the perennial awardees year after year.
3. What would you like to see in the future for this program? Organization? Activities? Outreach?
 - a. Entrepreneurial programs, maximize reach of CDBG impact by supporting and creating economic engines within City that will provide numerous benefits.
4. Other thoughts? Comments?
 - a. Grateful that insurance process was much smoother in 2023 than 2022. USNRG has built rapport with locations for its events as well as with the returning program participants. Returning participants are really connecting, opening up, and developing into complete adults so many ways. City's support and communication display that it truly cares and this has an incredible impact. Would like to see support for homelessness through permanent housing rather than temporary. Glad to hear that City is support food assistance through CDBG. Perennial awardees are complacent while grassroots organizations utilize funding much more efficiently. Rancho Cordova Schools in bad shape and need support as well.

Stakeholder 3

1. What works well about Rancho Cordova's CDBG Program?
 - a. City supports FCCP program goals as well as other programs for special populations like youth and elderly through CDBG, and it has been very beneficial. Through City's support FCCP has been able to foster changes in discipline actions through schools' adoption of restorative justice practices leading to less fighting, more confidence, greater emotional wellbeing and improved attendance.
2. Where could the program improve?
 - a. More funds to few awardees. Services can be more robust, demand is no shortage as public service programs focusing on health and wellness, like FCCP's, are in high demand. This is especially through as data is emerging on how COVID-19 exacerbated these needs. Biggest problem now is combatting absenteeism. More focused efforts, funding more to few organizations rather than less funding to more organizations, will really allow CDBG public service programs to have even greater impact by allowing established relationships with other stakeholders to be maintained in a more meaningful way. Robust programs have greatest impact.
3. What would you like to see in the future for this program? Organization? Activities? Outreach?
 - a. Senior and youth programs, again thinking deep rather than wide and fund few organizations with more funds for greater impact. Due to the nature of COVID-19, students are suffering from an increase in disabilities like mental health disorders on top of the existing high barriers, such as housing, food security, and transportation, for LMI students. These adverse childhood experiences lead to further negative outcomes for children even into their adulthood.
4. Other thoughts? Comments?
 - a. FCCP is appreciative of City's investment in FCCP. Would like to see fewer barriers for CDBG program as collecting demographic information does cause potentially eligible participants to be turned away. FCCP has lessened the likeliness of this outcome through improved marketing and strategic referrals from other community stakeholders. City is experiencing an increase in refugee population. Investing CDBG helps protect and foster equity as well as improve access to quality programs.

Stakeholder 4

1. What works well about Rancho Cordova's CDBG Program?
 - a. Through CDBG funds, Code Enforcement was able to maintain high-quality housing stock, prevent absentee landlords, address health and safety concerns through its inspection program. While it cannot prevent all issues, it strives to prevent some potential problems by ensuring compliance with local codes, regulations, and blight. The successful aspect of the CDBG program assisted in preventing these issues.
2. Where could the program improve?
 - a. In relation to neighborhood services, CDBG funds can be used towards the proactive enforcement program. Which focuses on addressing blight in every neighborhood twice a year.
3. What would you like to see in the future for this program? Organization? Activities? Outreach?
 - a. Pertaining to neighborhood services emphasizing education and outreach on preventative measures such as blight. Providing more in-depth guidance and information through various methods such as mailers can provide guidance and valuable improvement.
4. Other thoughts? Comments?
 - a. Grateful that the rental housing inspection program was able to expand using the CDBG funds to provide help to the community.

Attachment D - Scoring Rubric

Applicant:	
Proposed Project:	
Total Points Earned:	_____ out of 25 pts
Scorer Name:	

Y/N APPLICANT HAD A REPRESENTATIVE AT NOFA MEETING**Threshold Rating**

Staff:

Y / N	Activity is eligible under CDBG
Y / N	Activity meets one National Objective
Y / N	For public services, the service is new or an expansion of existing service above that which has been previously provided by the City from state/local funds
Y / N	Applicant submitted a complete application (all questions filled out and attachments)
Y / N	Applicant meets all of the threshold criteria above. If so, continue scoring.

_Y/N 1. Program Budget

_Y/N 2. Articles of Incorporation and By-laws and Amendments

_Y/N 3. Secretary of State Certification of Good Standing (Online printout/screenshot is acceptable)

Y/N 4. Organizational Chart and Agency Mission Statement

Y/N 5. Certified Audit (Most recent)

Y/N 6. Profit and Loss Statement for most recent year.

Y/N 7. Insurance Documents

Y/N 8. Other Documents

Application Rating

Rating	Scale is 1- 5 (1 is the lowest score; 5 is the highest)
	1. In regard to the HUD objective that is addressed by the proposed project: on a scale of 1-5, how closely does this project's goal(s) address this objective?
	2. On a scale of 1-5, how much of a priority is it for the City to implement this program in relation to current city objectives/goals?
	3. On a scale of 1-5, given City Staff's current capacity, how much of a priority is this project in occupying staff capacity?
	4. On a scale of 1-5, how capable is this organization in managing federal and/or state grants and completing the proposed project within the program year?
	5. On a scale of 1-5, how likely is this project to benefit the projected number of target beneficiaries?
	6. Are there any other considerations not listed above? Subtract or add 0 to 5 points.

GRAND TOTAL: _____ (Max 25 pts)

**Community Development Block Grant (CDBG)
2024 Annual Action Plan**

Application Questions

City of Rancho Cordova Applicant Name (Agency or Non-Profit):

Primary Contact:

(Please indicate the authorized signatory of your organization/agency, e.g. executive director, president, or equivalent.)

Name:

Address:

Email:

Phone Number:

Program or Project Name:

Important Note: The Performance Period for this 2024 Program Year cycle will be from January 1, 2024 to December 31, 2024.

_____ I acknowledge the above statement.

Are you able to complete this project/program by December 31, 2024? (Social Service projects must be completed by this date.):

Yes, I am able to complete the proposed project/program by December 31, 2024.

No, I am unable to complete by December 31, 2024; the estimated completion date is

_____.

Amount requested for the 2024 funding cycle (Please note that the performance period is from January 1, 2024 to December 31, 2024):

\$

Program or Project Description (3000-character limit):

ITEM 17.1.

ATTACHMENT 2

General Information: Select the category which best describes the type of activity for which funds are being requested.

- ☐ Public facilities and public improvements
- ☐ Economic development and employment training
- ☐ Real property acquisition or rehab
- ☐ Public services
- ☐ Crime prevention
- ☐ Building capacity of community resources
- ☐ Code enforcement (reduce blight)
- ☐ Homeless facilities
- ☐ Fair housing (prevent discrimination)
- ☐ Housing rehabilitation or home ownership assistance
- ☐ New housing construction (community-based development organizations only)
- ☐ Emergency repairs or assistance due to displacement
- ☐ Electrical utilities improvements
- ☐ Energy conservation and renewable resources
- ☐ Response to COVID-19
- ☐ Other, describe:

Project Eligibility: Which HUD objective does your project or program meet? (Low-income means households earning less than 80% of the area median income.)

- ☐ Benefit to low-income individuals or households
- ☐ Addresses the prevention or elimination of slums or blight
- ☐ Meets a particularly urgent community development need

Project Accomplishments: How will you report your accomplishments? (Individuals means unique persons. Households and housing units are tracked the same but are reported separately. For neighborhoods, please estimate the number of low-income residents in the neighborhood. (If you do not know the number of residents in the neighborhood, please reach out to CDBG staff for guidance.)

- ☐ Individuals
- ☐ Households
- ☐ Housing Units
- ☐ Low-Income Area

2024 CDBG Application

Project Accomplishments: About how many people/households/housing units will your project or program help?

Performance and Outcomes: What are the goals of your program or project and what community needs will they address? (3000-character limit)

Organizational Capacity: Describe your organization's experience with similar programs/project. (1000-character limit)

Grant Management Experience: Please describe your organization's experience in managing federal and/or state grants. (1000-character limit)

Program Contact: Please provide the contact information for the person directly responsible for managing the program or project on a day to day basis.

Name (if different than the contact information address on Page 1):

Address:

Email:

Phone Number:

Position or Title:

Years of Experience:

How many full-time employees will work on your project or program? (Full time is 40 hours per week (please include full-time staff that will work on this project even if they will only be working part time or a few hours a week on this specific project/program). If zero put 0. _____

How many part-time employees will work on your project or program? _____

How many volunteers will work on your project or program? _____

Partner Agencies/Non-Profits: Will your organization be partnering with any outside agencies or groups on this project/program? If so, with whom?

Could your program/project be successful if you received less than your requested grant funding?

___ Yes

___ No

___ Unsure

If you answered "Yes" to the prompt above, please describe the changes your organization will make so that the program or project is successful with reduced funding. (500-character limit)

Please ATTACH your program/project budget for the 2024 program year. (Note the program performance period is January 1, 2024 through December 31, 2024. Please attach or include a spreadsheet (Excel) budget that includes all alternative funding, in-kind donations and labor, and any other resources.)

☐ Program/Project Budget for proposed project Attached

Is your organization willing to submit any and all necessary information to CDBG administrators pursuant to the Federal Funding Accountability and Transparency Act of 2006 (FFATA) as required by 2 CFR Part 170?

☐ Yes

☐ No

Does your organization receive more than 80% of annual gross revenues from the federal government?

☐ Yes

☐ No

Does your gross revenues from the federal government exceed \$25,000,000 annually?

☐ Yes

☐ No

Are you registered with System for Award Management (SAM) at SAM.gov?

☐ Yes, my SAM Unique Entity ID is included in the packet.

☐ No, but I will register and submit once I have received it.

Please include the following additional Attachments:

☐ Articles of Incorporation and By-laws and Amendments

☐ Secretary of State Certification of Good Standing (Online printout/screenshot is acceptable)

☐ Organizational Chart and Agency Mission Statement

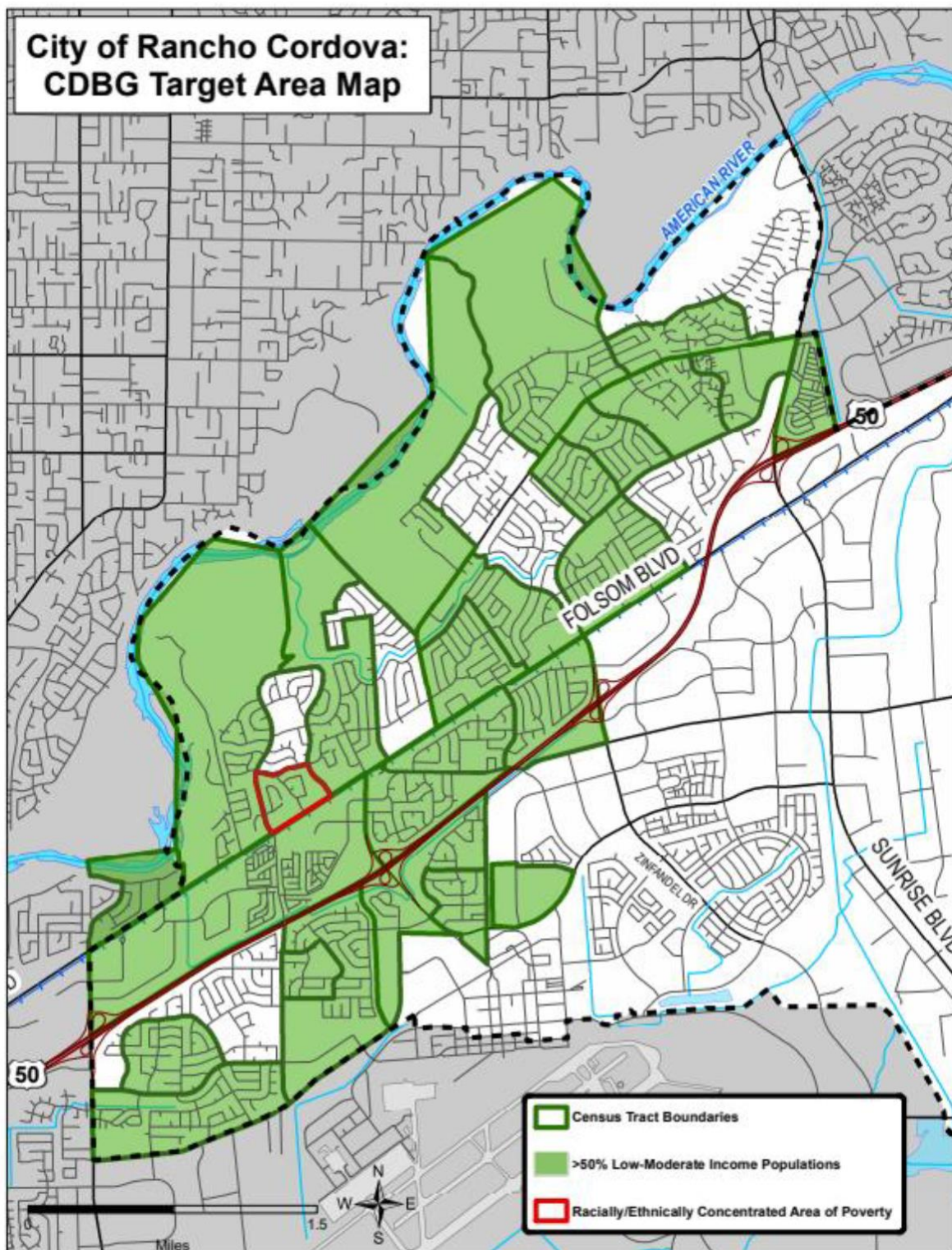
☐ Certified Audit (Most recent)

☐ Profit and Loss Statement for most recent year.

☐ Insurance Documents

☐ Other Documents

Attachment E CDBG Target Area Map



MEMORANDUM



ITEM 17.2.

DATE: November 6, 2023
TO: Honorable Mayor and Council Members
FROM: Dalia Fadl, Principal Engineer
SUBJECT: **A RESOLUTION CREATING SPECIAL TAX AREA ZONE 8 AND AN ORDINANCE ESTABLISHING A SPECIAL TAX FOR TRANSIT-RELATED SERVICES FOR THE RANCH ACTIVE ADULT PROJECT**

RECOMMENDATION

Adopt the Resolution creating special transit tax area Zone 8 and waive the first reading and introduce the Ordinance, establishing a special tax for transit-related services for the Ranch Active Adult project.

RESULT OF RECOMMENDED ACTION

Adoption of the Resolution and Ordinance would assist the City in meeting the costs of providing transit-related services by creating a special tax area Zone 8 and establishing a special tax for transit-related services for the Ranch Active Adult project.

BACKGROUND

The City Council adopted Resolution No. 141-2005 on November 7, 2005, providing for a special tax for transit-related services to be imposed upon new development within the City. Pursuant to that Resolution, a property owner approves a special tax on the parcels within a subdivision or project. The City Council then adopts a resolution creating a zone that encompasses the subdivision or project and an ordinance establishing the special tax.

The City Council, on January 6, 2020, adopted a Resolution approving The Ranch Special Planning Area, a 530 acre mixed-use community east of Rancho Cordova Parkway between Douglas Road and Kiefer Boulevard. This annexation consists of the active adult project area, currently owned by K. Hovnanian. The provision of funding to provide transit-related services by approving a special tax was made a condition of approval for the project.

This item will establish tax area Zone 8, the boundaries of which will be contiguous to the boundaries of the Ranch Active Adult project- see [Attachment 2](#). In addition to creating the special tax, the Ordinance will also set the date for the transit-related services tax election, which will be held on December 19, 2023, at which time the ballot(s) will be tabulated by the City Clerk, and the results will be declared at the City Council meeting on January 16, 2024.

FISCAL IMPACT AND FUNDING SOURCE

There is no fiscal impact to the General Fund. Funds collected by this tax will be used to fund transit-related services.

ATTACHMENT(S)

1. Resolution
2. Exhibit A to the Resolution
3. Ordinance
4. Exhibit A to the Ordinance
5. Exhibit B to the Ordinance - Property Land Use Category

CITY OF RANCHO CORDOVA

RESOLUTION NO. XX-2023

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA, STATE OF CALIFORNIA, CREATING SPECIAL TAX AREA ZONE 8 FOR THE RANCH ACTIVE ADULT PROJECT

WHEREAS, it is the intention of the City Council to create Zone 8 within the City of Rancho Cordova Transit-Related Services Special Tax Area and authorize an election; and

WHEREAS, it is the intention of the City Council to adopt an ordinance establishing a special tax for transit-related services within Zone 8; and

WHEREAS, the City recognizes the need for increased transit-related services in Zone 8 and the difficulty of funding the current or increased level of services with revenues now available; and

WHEREAS, it is the intention of the City Council to direct the City Clerk to conduct an election by mail ballot pursuant to Elections Code Section 4000 and to be held on the earliest date permitted by law; and

WHEREAS, the City Council, on January 6, 2020, adopted a Resolution approving The Ranch Special Planning Area, a 530-acre mixed-use community east of Rancho Cordova Parkway between Douglas Road and Kiefer Boulevard. This annexation consists of the active adult portion of the project, currently owned by K. Hovnanian. The provision of funding to provide transit-related services by approving a special tax was made a condition of approval for the project. This will be accomplished by the property owner(s) participation in the transit-related services special tax area.

WHEREAS, the transit-related services tax as inflated to Fiscal Year 2023-2024 is \$132.85 per low density residential dwelling unit or low density residential dwelling unit equivalent, \$106.28 per medium density residential dwelling unit or medium density residential dwelling unit equivalent, \$79.71 per high density residential dwelling unit or high density residential dwelling unit equivalent, \$3,406.27 per retail and service commercial acre, \$2,928.01 per commercial mixed use or office acre, subject to an annual inflator formula based on the Consumer Price Index for the San Francisco-Oakland-San Jose Area, or six percent, whichever is less. Multi-family residential units on a single parcel shall be assessed on a proportionately equivalent basis (e.g., a two-unit attached housing structure, such as a duplex, would be deemed to consist of two residential parcels for purposes of the transportation tax); and

WHEREAS, for the purposes of this Resolution, a “voter” entitled to vote on the creation of Zone 8 is a person who owns real property within Zone 8, as shown on the last equalized assessment role prepared by the Sacramento County Assessor’s Office, at the time that the City Council submits an ordinance authorizing the imposition of a transit-related services tax to the voters of Zone 8. At the time that the Council adopted this Resolution, there were zero (0) registered voters residing within Zone 8 and one property owners. Because the Transit-Related Services Special Tax will be imposed on property in Zone 8 and paid by the owners of the property, the Council finds that restricting the vote on the Transit-Related Services Special Tax to property owners in Zone 8 is appropriate and consistent with the principles and requirements of California Constitution article XIIC (Proposition 218).

NOW, THEREFORE, BE IT HEREBY RESOLVED BY THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA as follows:

1. That portion of the City of Rancho Cordova shown on the Map, Exhibit A hereto is established as Zone 8 of the Rancho Cordova Transit-Related Services Special Tax Area.
2. That Ordinance, reviewed and approved by the City Council on the same date as the resolution, is to be presented for approval of the voters of Zone 8 by a mail ballot election, to be held on December 19, 2023. The ballot proposition shall read as follows:

“Shall Ordinance No. XX-2023 of the City Council of the City of Rancho Cordova be approved so as to authorize a special tax on property located in Zone 8 of the Rancho Cordova Transit-Related Services Special Tax Area to maintain the present level of transit-related services and provide additional funding for increased transit-related services?”

3. The City Clerk is directed to take all steps necessary to conduct the election required by this order. Said election shall be conducted by mailed ballot pursuant to Elections Code Section 4000 and shall be held December 19, 2023.

PASSED AND ADOPTED by the City Council of the City of Rancho Cordova on the 6th day of November 2023 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Linda Budge, Mayor

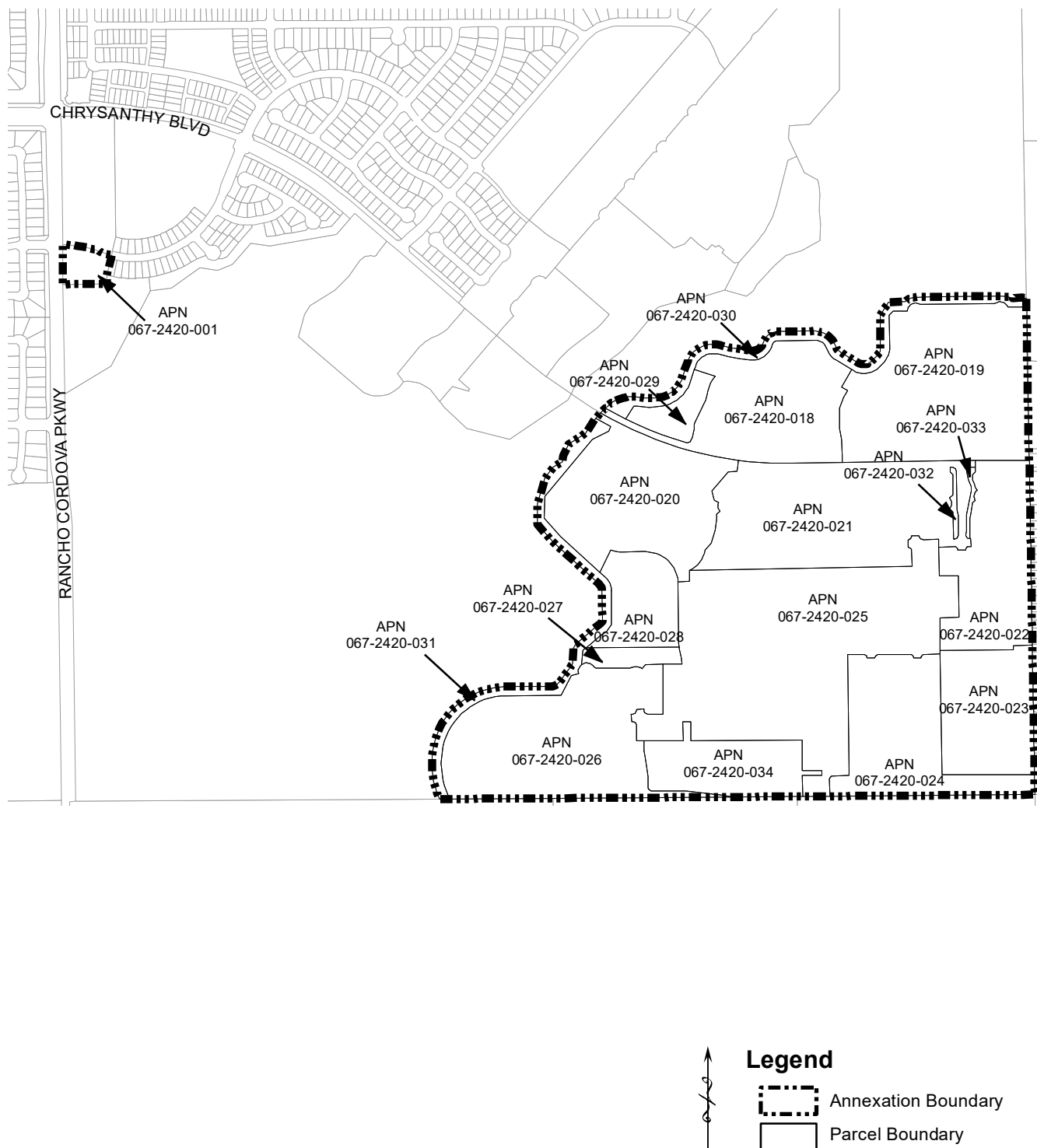
ATTEST:

Stacy Leitner, CMC
City Clerk

ITEM 17.2.

Exhibit A to the Resolution

CITY OF RANCHO CORDOVA
TRANSIT RELATED SERVICES SPECIAL TAX AREA
ANNEXATION 8
(THE RANCH ACTIVE ADULT PROJECT)



CITY OF RANCHO CORDOVA

ORDINANCE NO. XX-2023

**AN ORDINANCE OF THE CITY OF RANCHO CORDOVA, STATE OF CALIFORNIA,
ESTABLISHING A SPECIAL TAX FOR TRANSIT-RELATED SERVICES FOR THE
RANCH ACTIVE ADULT PROJECT SUBJECT TO VOTER APPROVAL****THE CITY COUNCIL OF THE CITY OF THE RANCHO CORDOVA DOES ORDAIN AS
FOLLOWS:**Section 1. Purpose, Intent and Authority.

It is of critical importance to the City Council of the City of Rancho Cordova that residents of and employees working in the City receive high quality transit-related services. In carefully reviewing the City's budget and revenue projections, it is clear to City staff that the City budget does not contain adequate funding to ensure the continued delivery of adequate high-quality transit-related services unless additional revenues are obtained.

It is the purpose and intent of this non-codified Ordinance to generate additional funds to pay for transit-related services by authorizing the levy of a tax on improved parcels of real property on the secured property tax roll of Sacramento County that are within Zone 8 of the Rancho Cordova Transit-Related Services Special Tax Area (the "Zone").

This tax is a special tax within the meaning of Section 4 of Article XIII A of the California Constitution. Because the burden of this tax falls upon property, this tax also is a property tax, but this tax is not determined according to nor in any manner based upon the value of property; this tax is levied on a parcel and use of property basis. Insofar as not inconsistent with this Ordinance or with legislation authorizing special taxes and insofar as applicable to a property tax that is not based on value, such provisions of the California Revenue and Taxation Code and of Article XIII of the California Constitution as relate to ad valorem property taxes are intended to apply to the collection and administration of this tax (Section 4 of this Ordinance), as authorized by law. This tax is not an ad valorem property tax; it is an excise tax on the use of property. Because the revenue from the tax may be used only to fund transit-related services, it is also a special tax.

The revenues raised by this tax are to be used solely for the purpose of providing transit-related services as are deemed necessary by the City Council for the benefit of the residents and/or employees of Zone 8.

At the time that the Council adopted this non-codified Ordinance, there were zero (0) registered voters residing in Zone 8 and one property owner. Because the Transit-Related Services Special Tax will be imposed on property in Zone 8 and paid by the owner of the property, the Council finds that restricting the vote on the Transit-Related Services Special Tax to property owners in Zone 8 is appropriate and consistent with the principles and requirements of California Constitution article XIII C (Proposition 218).

Section 2. Definitions.

The following definitions shall apply throughout this Ordinance.

A. "Constant first year dollars" shall mean an actual dollar amount which, in years subsequent to the first fiscal year the tax is levied, shall have the same purchasing price as the base amount in first fiscal year dollars as measured by the Consumer Price Index. The base amount shall be the amount of tax per parcel as specified in Section 3(A) herein. The adjustments from actual to constant dollars shall be made by use of the Consumer Price Index, as specified in Section 3(B) herein.

B. "Consumer Price Index" means the Consumer Price Index for all Urban Consumers (CPI-U) for the San Francisco-Oakland-San Jose Area as published by the U.S. Department of Labor, Bureau of Labor Statistics. If the Consumer Price Index is discontinued or revised, such other government index or computation with which it is replaced shall be used in order to obtain substantially the same result as would be obtained if the Consumer Price Index had not been discontinued or revised.

C. "Fiscal year" means the period of July 1 through the following June 30.

D. "Parcel" means the land and any improvements thereon, designated by an assessor's parcel map and parcel number and carried on the secured property tax roll of Sacramento County. For the purposes of this Ordinance, parcel does not include any land or improvements outside the boundaries of Zone 8, nor any land or improvements owned by any governmental entity.

E. "Rancho Cordova Transit-Related Services Special Tax Area" means all the properties within the jurisdictional limits of the City of Rancho Cordova.

F. "Rancho Cordova Transit-Related Services Special Tax Area Zone 8 (the "Zone") means that portion of the incorporated area of the City of Rancho Cordova located within the boundaries as shown on the map Exhibit A.

G. "Transit-Related Services" means providing, operating, maintaining and subsidizing transit services and all supporting facilities, infrastructure, programs and incentives that benefit the residents of the Rancho Cordova Transit-Related Services Special Tax Area, and shall be calculated and set according to the methodology described in Engineer's Report County Service Area No. 10 and Benefit Zone No. 2 County of Sacramento, November 18, 2004, which established the methodology for the original service charge for Benefit Zone No. 2.

H. "Voter" means a person who owns real property within Zone 8, as shown on the last equalized assessment role prepared by the Sacramento County Assessor's Office, at the time that the City Council adopts an ordinance authorizing the imposition of a transit-related services tax to the voters of Zone 8.

Section 3. Amount and Level of Taxes.

The tax per year on each parcel in the Zone shall not exceed the amount applicable to the parcel, as specified below.

A. For First Fiscal Year:

The tax per year for the first fiscal year (July 1, 2023 through June 30, 2024) shall be the amount of Tax per Parcel for a Land Use Code Category as set forth on Exhibit B hereto. The use code assigned to each parcel shall be reviewed and updated periodically. Rates in Exhibit B shall be calculated and set according to the methodology described in Engineer's Report County Service Area No. 10 and Benefit Zone No. 2 County of Sacramento, November 18, 2004, which established the methodology for the original service charge for Benefit Zone No. 2.

B. For Subsequent Fiscal Years:

In order to keep the tax on each parcel in constant first year dollars for each fiscal year subsequent to the first fiscal year, the tax per year shall be adjusted as set forth below to reflect any increase in the Consumer Price Index beyond the first fiscal year the tax is levied.

In June or July of each year, City Council shall determine the amount of taxes to be levied upon the parcels in Zone 8 for the then current fiscal year, as set forth below.

For each Land Use Category on Exhibit B, the tax per year on each parcel for each fiscal year subsequent to the first fiscal year shall be an amount determined as follows:

Tax Per Parcel For then Current Fiscal Year	=	Tax Per Parcel For Immediately Preceding Fiscal Year	X	Consumer Price Index from April of immediately Preceding Fiscal Year to April of then Current Fiscal Year OR 6 percent, whichever is less
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Provided, however, that in no event shall the tax per parcel for any fiscal year be less than the amount established for the first fiscal year.

C. Nature of Tax Levy.

The taxes levied on each parcel pursuant to this Article shall be a charge upon the parcel and shall be due and collectible as set forth in Section 4, below.

Section 4. Collection and Administration.A. Taxes as Liens Against the Property.

The amount of taxes for each parcel each year shall constitute a lien on such property, in accordance with Revenue and Taxation Code Section 2187, and shall have the same effect as an ad valorem real property tax lien until fully paid.

B. Collection.

The taxes on each parcel shall be billed on the secured roll tax bills for ad valorem property taxes and are to be collected in the same manner in which Sacramento County collects secured roll ad valorem property taxes. Insofar as feasible and insofar as not inconsistent with this Ordinance, the times and procedures regarding exceptions, due dates,

installment payments, corrections, cancellations, refunds, late payments, penalties, liens, and collections for secured roll ad valorem property taxes (as established by Sacramento County) shall be applicable to the collection of this tax. Notwithstanding anything to the contrary in the foregoing, as to this tax:

1. The secured roll tax bills shall be the only notices required for this tax, and
2. The homeowners and veterans exemptions shall not be applicable because such exemptions are determined by dollar amount of value.

C. Costs of Administration by County.

The reasonable costs incurred by the County officers collecting and administering this tax shall be deducted from the collected taxes.

D. Use of Tax Revenue.

The revenue collected from the tax imposed by this ordinance shall be placed into a separate account and may be used only to fund transit-related services, including the costs of administering and collecting the tax and enforcing the provisions of this ordinance. Revenue from the tax may be used for transit-related services citywide.

E. Refunds.

1. Whenever the amount of any tax, interest or penalty has been overpaid or paid more than once or has been erroneously or illegally collected or received by the City pursuant to this ordinance, it may be refunded as provided in this Section.
2. No refund may be made except upon a written claim verified by the person who paid the tax or by his or her guardian or conservator or the executor or administrator of his or her will or estate and stating the grounds upon which the claim is made. All claims filed pursuant to this subsection must be presented within one year after payment of the amount for which the claimant is seeking a refund.
3. No order of a refund may be made until a written claim therefor has been presented in accordance with this subsection. No suit for money, damages or a refund may be brought against the City until a written claim therefor has been presented to the City and has been acted upon or has been deemed rejected by the City, in accordance with this subsection. Only the person who filed the claim may bring such a suit, and if another person should do so, judgment shall not be rendered for the plaintiff.

F. Initiatives to Affect Tax.

Consistent with the California Constitution (art. XIII C, § 3) the tax imposed by this ordinance may be affected by initiative. The procedures for qualification of such an initiative and the election on a qualified initiative shall be consistent with the California Constitution (art. 2, sec. 8), the California Elections Code (Chapter 3 of Division 9), and the Municipal Code. The minimum number of signatures necessary to qualify an initiative to affect the tax approved by this ordinance shall be equal to 5 percent of the votes in the City for all

candidates for Governor at the last gubernatorial election. The election on a qualified initiative to affect the tax shall be a regular citywide election. An initiative affecting the tax shall be approved only if at least two-thirds of the votes cast on the measure are in favor of its approval.

Section 5. Severability Clause.

If any article, section, subsection, sentence, phrase or clause of this Ordinance is for any reason held to be invalid, such decision shall not affect the validity of the remaining portion of this Ordinance. The voters of Zone 8 hereby declare that they would have adopted the remainder of this Ordinance, including each article, section, subsection, sentence, phrase or clause, irrespective of the invalidity of any other article, section, subsection, sentence, phrase or clause.

Section 6. Effective Date and Posting.

This Ordinance shall take effect immediately upon its approval by two-thirds of the voters voting within the Zone in an election to be held on December 19, 2023, so that taxes shall first be collected hereunder for the tax year beginning July 1, 2024.

PASSED AND ADOPTED, by the City Council of the City of Rancho Cordova this ____ day of _____ 2023 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Linda Budge, Mayor

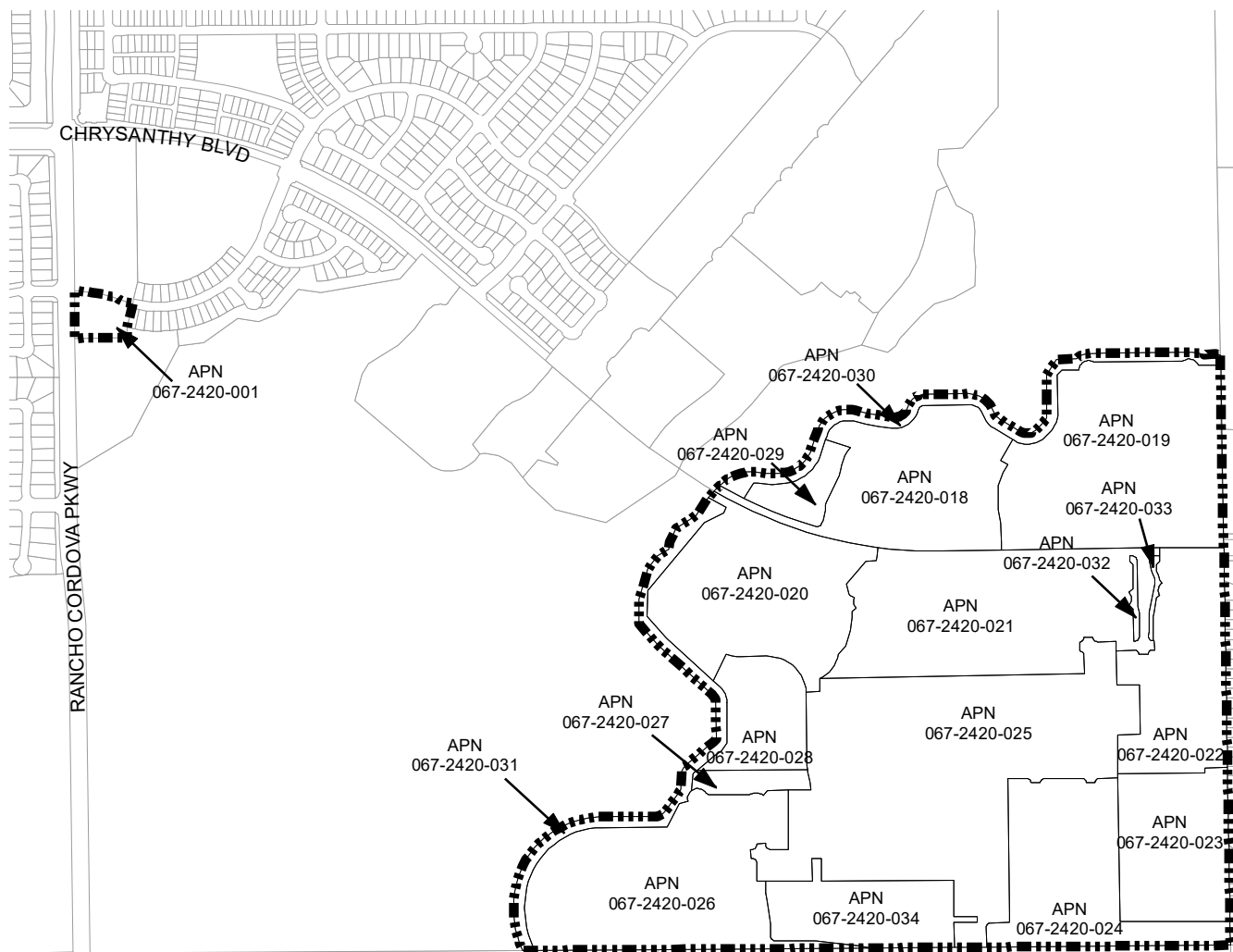
ATTEST:

Stacy Leitner, CMC
City Clerk

ITEM 17.2.

Exhibit A to the Ordinance

CITY OF RANCHO CORDOVA
TRANSIT RELATED SERVICES SPECIAL TAX AREA
ANNEXATION 8
(THE RANCH ACTIVE ADULT PROJECT)

**Legend**

-  Annexation Boundary
-  Parcel Boundary

Amount of Tax per Parcel by Land Use Category**A. Residential Dwelling Units**

As adjusted for inflation from the original base year, the amount of Tax per Parcel for fiscal year 2023-2024 for Residential Land Use Categories shall be \$132.85 per low density residential dwelling unit or low density residential dwelling unit equivalent, \$106.28 per medium density residential dwelling unit or medium density residential dwelling unit equivalent, or \$79.71 per high density residential dwelling unit or high density residential dwelling unit equivalent (Multi-family residential units on a single parcel shall be assessed on a proportionately equivalent basis (e.g., a two-unit attached housing structure, such as a duplex, would be deemed to consist of two residential parcels for purposes of the Transit-Related Services Special Tax).

B. Non-Residential

As adjusted for inflation from the original base year, the amount of Tax per Parcel for fiscal year 2023-2024 for Non-Residential Land Use Categories (except Recreational and Agricultural) shall be \$3,406.27 per retail and service commercial acre, \$2,928.01 per commercial mixed use or office commercial acre.

C. Inflator Formula

The tax is subject to an annual inflator formula based on the Consumer Price Index for all Urban Consumers (CPI-U) for the San Francisco-Oakland-San Jose Area, or six percent, whichever is less.

MEMORANDUM



ITEM 19.1.

DATE: November 6, 2023
TO: Honorable Mayor and Council Members
FROM: Kim Juran, Administrative Services Director
SUBJECT: **A RESOLUTION APPROVING A GRANT AGREEMENT BETWEEN THE CITY OF RANCHO CORDOVA AND CORDOVA COMMUNITY COUNCIL FOUNDATION FOR THE MINE SHAFT BUILDING TRANSFER OF OWNERSHIP AND RELOCATION AND A RESOLUTION APPROVING A LOAN AGREEMENT WITH THE CORDOVA COMMUNITY COUNCIL FOUNDATION FOR THE MINE SHAFT BUILDING RENOVATION AND EXPANSION PROJECT**

RECOMMENDATION

Adopt the Resolutions.

RESULT OF RECOMMENDED ACTION

Adoption of the Resolutions would allow the City to move forward with executing the grant agreement for the Mine Shaft Building transfer of ownership and relocation and loan agreement for the Mine Shaft Building renovation and expansion project.

BACKGROUND

On December 19, 2022, the City Council authorized the acquisition of property at 2300 Mine Shaft Lane, Rancho Cordova, for the future US 50/Rancho Cordova Parkway Interchange Project. The building located on the portion of the property that was acquired by the City is used extensively by the Cordova Community Council Foundation (CCC) for certain events. Rather than demolish the building as was the original intent by the City, the CCC would like to continue to use the building and has requested that the City transfer ownership back to CCC so that it can be relocated to their portion of the property, allowing for historic preservation and continued use and benefit by the community. The relocation of the building is estimated to cost \$1.3 million. The proposed grant agreement between the City and the CCC would transfer the ownership of the building back to CCC and provide a grant in an amount not to exceed \$1.3 Million for the relocation of the building to CCC's portion of the property.

In addition to its relocation, the CCC desires to expand and improve the building to increase the capacity for community events and activities. The proposed vision for the addition and "Great Space" concept would add 7,600 square feet to the Mine Shaft building, with the capacity for a 600 person auditorium and a 360 person banquet room. The total anticipated cost of these improvements is \$8.8 million.

At the City Council Budget Work Session on May 23, 2023, the City Council expressed support for the City to contribute \$8.8 million towards the Mine Shaft "Great Space" renovation. Since that time, staff from both the City and CCC have worked together on the loan agreement proposed for adoption. The proposed loan agreement would provide a total of \$8.8 million to pay for the construction of the proposed improvements to the Mine Shaft building. The agreement further states that the funds would be disbursed as construction expenses are incurred and can only be used for these improvements. It is proposed that the loan be forgiven over the course of twenty (20) years, as long as the CCC abides by the terms of the agreement, which are summarized as follows:

- **Facility Use:** The Mine Shaft facility will serve as a public event facility with amenities and capacity not currently available elsewhere in the City. The use of the facility will be focused on hosting events for community non-profit organizations and serving as a venue for the performing arts.
- **Facility Management:** CCC will be responsible for providing full building management and will develop a schedule of events for each year of this agreement.
- **Program Costs:** CCC will be responsible for any costs related to the programming of the building unless agreed upon in writing through a separate agreement.
- **Payment of Construction Costs:** CCC is responsible for managing and distributing payment for all costs of construction incurred for the project.

The loan will be secured with a lien against the Mine Shaft property until the loan is fully forgiven after a term of twenty-five (25) years. In the event of default under the terms of the agreement, all accrued and unpaid principal and interest on the loan shall be immediately due and payable.

It is recommended that the City Council adopt the resolution approving a grant agreement with the Cordova Community Council for the Mine Shaft building transfer of ownership and relocation and adopt the resolution approving a loan agreement for the Mine Shaft Building renovation and expansion project.

FISCAL IMPACT AND FUNDING SOURCE

The funding for the Mine Shaft project will come from the City's Community Enhancement and Investment Fund set-aside for legacy projects. The relocation grant and loan for renovation and expansion will be disbursed as project costs are incurred and are anticipated to be paid over the course of Fiscal Year 2023-24 and 2024-25.

ATTACHMENT(S)

1. Resolution Approving Mine Shaft Grant Agreement
2. Mine Shaft Grant Agreement
3. Resolution for Mine Shaft Loan Agreement
4. CCC Forgivable Loan Agreement
5. Presentation

CITY OF RANCHO CORDOVA

RESOLUTION NO. XX-2023

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA, STATE OF CALIFORNIA, AUTHORIZING THE CITY MANAGER TO EXECUTE THE GRANT AGREEMENT BETWEEN CITY OF RANCHO CORDOVA AND CORDOVA COMMUNITY COUNCIL FOUNDATION FOR MINE SHAFT BUILDING TRANSFER OF OWNERSHIP AND RELOCATION

WHEREAS, on December 19, 2022, the City Council approved the purchase of real property located at 2300 Mine Shaft Lane, Rancho Cordova (the "Property") from the Cordova Community Council Foundation ("CCC") for the future construction of the US50/Rancho Cordova Parkway Interchange Project; and

WHEREAS, there is a building (the "Building") that was included in the City property purchase that is located half on the City property and half on property that is still owned by Cordova Community Council Foundation that is used extensively for certain community events; and

WHEREAS, the original intent of the City was to demolish the Building as part of the onramp construction project; however, the Cordova Community Council Foundation has requested that the City transfer the ownership of the Building back to the Cordova Community Council Foundation so that they can relocate the Building to their portion of the Mine Shaft property for historic preservation and continued use and benefit by the community; and

WHEREAS, Cordova Community Council Foundation has also requested financial assistance to move the Building from its current location to a new location on their property; and

WHEREAS, on December 19, 2022, the City Council expressed their support to contribute an amount not-to-exceed \$1,300,000 for the relocation of the Building; and

WHEREAS, the City has prepared an agreement (the "Grant Agreement") that sets forth the terms under which the City will transfer ownership of the Building to CCC and provide grant funding to CCC for the relocation of the Building; and

WHEREAS, the City has determined that the transfer of the ownership of the Building to CCC and the provision of the Grant to relocate the Building to the CCC Property, pursuant to the terms of the Grant Agreement, is consistent with the interests of the health, safety, and welfare of the residents of the City.

NOW, THEREFORE, BE IT HEREBY RESOLVED BY THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA as follows:

1. The above recitals are true and are hereby incorporated into this Resolution.
2. The transfer of Ownership of the Building located partially on the Property to CCC is hereby approved.

ITEM 19.1.

ATTACHMENT 1

3. The Grant Agreement between City of Rancho Cordova and Cordova Community Council Foundation is approved in the form on file with the City Clerk with such changes as approved by the City Attorney.

4. The City Manager is hereby authorized to take such actions and execute such documents as are needed to carry out the intent of this Resolution.

PASSED AND ADOPTED by the City Council of the City of Rancho Cordova on the 6th day of November 2023, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

Linda Budge, Mayor

Stacy Leitner, CMC
City Clerk

**AGREEMENT BETWEEN CITY OF RANCHO CORDOVA
AND CORDOVA COMMUNITY COUNCIL FOUNDATION
FOR GRANT OF CITY FUNDS FOR MINE SHAFT BUILDING TRANSFER OR
OWNERSHIP AND RELOCATION**

This Agreement (this “**Agreement**”) is entered into as of November 7, 2023 (the “**Effective Date**”) by and between the City of Rancho Cordova, a California municipal corporation (“**City**”), and Cordova Community Council Foundation, a California non-profit public benefit corporation (“**CCC**”). CCC and City are collectively referred to herein as the “**Parties**.”

RECITALS

WHEREAS, the City purchased certain property from CCC located at 2300 Mine Shaft Lane, Rancho Cordova, Sacramento County (the “**County**”), California, APN 072-0231-014, as more particularly described in Exhibit A attached hereto and incorporated herein by this reference (the “**City Property**”) in order to construct a freeway onramp; and

WHEREAS, there is a building (the “**Building**”) that was included in the City property purchase that is located half on the City Property and half on property that is still owned by CCC (the “**CCC Property**”); and

WHEREAS, the original intent of the City was to demolish the Building as part of the onramp construction project; and

WHEREAS, CCC has used the Building in the past for community events and promotions that benefit the citizens of the City; and

WHEREAS, CCC would like to continue to use the Building and has requested that the City transfer the ownership of the Building back to CCC so that CCC can relocate the Building to the CCC Property and continue to use the Building for community events; and

WHEREAS, CCC has also requested financial assistance to move the Building from its current location to a new location on the CCC Property; and

WHEREAS, CCC will enter into a third-party contract (the “**Contractor**”) to move the Building; and

WHEREAS, the City has agreed to provide a grant in an amount not to exceed One Million Three Hundred Thousand Dollars (1,300,000) (the “**Grant**”) to CCC to relocate the Building to the CCC Property; and

WHEREAS, the City has determined that the transfer of the ownership of the Building to CCC and the provision of the Grant to relocate the Building to the CCC Property, pursuant to the terms of this Agreement, is consistent with the interests of the health, safety and welfare of the residents of the City.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties to this Agreement agree as follows:

1. Transfer of Ownership of Building. The City hereby transfers the ownership of the Building to CCC, together with all contents and fixtures located in and on the Building. This Agreement shall act as the bill of sale for the Building and there will be no other transfer documents for the Building. Other than the Grant provided in this Agreement, the City shall have no responsibility for the cost of ownership of the Building or the relocation of the Building. The City is not responsible for any damage to the Building as of and following the Effective Date of this Agreement or any damage to or destruction of the Building during or after relocation of the Building.

2. Grant. The City hereby agrees to provide the Grant to CCC in an amount not to exceed One Million Three Hundred Thousand Dollars (1,300,000) upon the terms and conditions and for the purposes set forth in this Agreement.

3. Disbursement of Grant Proceeds. Upon satisfaction of the conditions set forth in Section 4 herein, City shall disburse Grant proceeds to Contractor following CCC's provision to City of a written requisition, in form and substance satisfactory to City, specifying the amount and use of the requested Grant proceeds, accompanied by copies of bills and invoices and such other documentation as City may reasonably require.

4. Conditions Precedent to City's Obligation to Disburse. The obligation of City to fund and disburse the Grant Proceeds is conditioned upon the receipt by City of the following:

(a) this Agreement, fully executed by CCC;

(b) a copy of CCC's enabling operating agreement or enabling documents, certificate of good standing, corporate borrowing resolution and such other evidence satisfactory to the City that CCC is duly formed, validly existing, in good standing under the laws of the State of California, has the power and authority to enter into this Agreement, and shall be bound by their terms when executed and delivered;

(c) a copy of all of CCC's existing and proposed contract(s) with which CCC contracts, or may contract, either directly or indirectly through an affiliate, for the provision of services which will be paid from the Grant proceeds;

(d) Copies of such other documents related to the financing and development of relocation of the Building as City may reasonably request.

5. Timeliness. Grantees will have sixty (60) days following the receipt of their grant funding Agreement to provide the required insurance documents and IRS Form W-9 to the City needed to execute the Agreement. This is being done to help mitigate delay of the project and/or the inability to complete the project during the proposed Term.

6. Insurance. Prior to disbursement of the Grant proceeds, CCC shall furnish or cause to be furnished to the City duplicate originals or appropriate certificates of the following insurance policies:

(a) Workers' Compensation. During the term of this Agreement, CCC shall fully comply with the terms of the laws of the State of California concerning workers' compensation.

(b) General Liability Insurance. CCC shall obtain at its sole cost and keep in full force and effect during the term of this Agreement commercial general liability insurance in the amount of \$1,000,000 per occurrence for bodily injury, personal injury, and property damage. Said insurance shall provide (1) that the City and its officers, agents, employees and volunteers, shall be named as additional insured's under the policy, and (2) that the policy shall operate as primary insurance, and that (3) no other insurance effected by the City or other named insured's will be called upon to cover a loss covered thereunder.

(c) Automobile Liability Insurance. CCC shall obtain at its sole cost and keep in full force and effect during the term of this Agreement automobile liability insurance in the amount of \$1,000,000 per occurrence for bodily injury and property damage. Said insurance shall provide (1) that the City, and its officers, agents, employees and volunteers, shall be named as additional insureds under the policy, and (2) that the policy shall operate as primary insurance, and that (3) no other insurance effected by the City or other named insureds will be called upon to cover a loss covered thereunder.

(d) Certificates of Insurance. CCC shall file with the City, prior to commencement of construction on the Property or any portion thereof or prior to any access to or entry on the Property as authorized by this Agreement, certificates of insurance which shall provide that no cancellation, major change in coverage, expiration, or nonrenewal will be made during the term of this Agreement, without thirty (30) calendar days written notice to the City prior to the effective date of such cancellation, or change in coverage. CCC shall deliver copies of the insurance policies to the City.

(e) Other Requirements. CCC shall also furnish or cause to be furnished to the City evidence satisfactory to the City that any contractor with

whom it has contracted for the performance of work on the Property carries the same insurance required of CCC in the amounts of coverage specified above. CCC shall also require any contractor to obtain certificates of insurance from all subcontractors in scope of and in amount satisfactory to CCC.

7. Non-Discrimination. CCC agrees that in the performance of this Agreement and in the provision of any services funded in whole or in part by the grant made by City to provider pursuant to this Agreement, CCC shall not discriminate against any employee, recipient of CCC's services, or any other person, on the basis of a person's race, religion, color, national origin, age, physical or mental handicap or disability, medical condition, marital status, gender, or sexual orientation. In the event that CCC is a religious organization, CCC shall also not condition receipt of any of the services funded by the grant made pursuant to this Agreement upon participation in any religious instruction or service.

8. Prevailing Wages. CCC and all of CCC's subcontractors shall comply with California Labor Code Section 1770 et seq. and all regulations adopted pursuant thereto (referred to herein as, "**Prevailing Wage Laws**"), and be responsible for carrying out the requirements of such provisions. CCC shall, and hereby agrees to, unconditionally indemnify, reimburse, defend, protect and hold harmless the City and its elective and appointive boards, commissions, officers, agents, attorneys, consultants and employees, and all of their respective successors and assigns (collectively, the "**Indemnitees**"), from and against any and all claims, demands, suits and actions at law or in equity, and losses, liabilities, expenses, penalties, fines, orders, judgments, injunctive or other relief, and costs and damages of every kind, nature and description (including but not limited to attorneys' fees and court costs; with counsel reasonably acceptable to the City), and administrative, enforcement or judicial proceedings, whether known or unknown, and which directly or indirectly, in whole or in part, are caused by, arise from, or relate to, or are alleged to be caused by, arise from, or relate to, the payment or requirement of payment of prevailing wages or the requirement of competitive bidding in the construction of the Drainage Improvements, the failure to comply with any state or federal labor laws, regulations or standards in connection with this Agreement, including but not limited to California Labor Code Section 1770 et seq. and the Prevailing Wage Laws, or any act or omission of the City or CCC related to this Agreement with respect to the payment or requirement of payment of prevailing wages or the requirement of competitive bidding (collectively, "**Claims**"), whether or not any insurance policies shall have been determined to be applicable to any Claims; provided, however, that the foregoing shall not apply to Claims arising from any negligent act or omission or willful misconduct of any Indemnitees. It is further agreed that the City does not, and shall not, waive any rights against CCC which they may have by reason of this indemnity and hold harmless agreement because of the acceptance by the City, or the deposit with the City by CCC, of any of the insurance policies described in this Agreement.

As provided in California Labor Code Section 1770 et seq., the hourly and daily rate of wages to be paid each of the classes of mechanics and worker employed in

connection with construction of the Drainage Improvements shall not be less than the rate of such wages then prevailing in Sonoma County. If Prevailing Wages applies to any portion of this Drainage Improvements, CCC agrees to and shall forfeit, as a penalty to the City, the sums established and applicable pursuant to California Labor Code Section 1770 et seq. for each calendar day or portion thereof that each workman employed in connection with the Drainage Improvements is paid less than the rates designated in this paragraph for any work performed under this Agreement by CCC or any subcontractors or agents of CCC; or is not reported to the labor commissioner and the City as required pursuant to California Labor Code Section 1770 et seq.

9. Indemnification. CCC shall indemnify, defend with counsel selected by the City, and hold harmless the City and its officials, officers, employees, agents, and volunteers from and against any and all losses, liability, claims, suits, actions, damages, and causes of action arising out of any personal injury, bodily injury, loss of life, or damage to property, or any violation of any federal, state, or municipal law or ordinance, to the extent caused, in whole or in part, by the willful misconduct or negligent acts or omissions of CCC or its employees, subcontractors, volunteers, or agents, by acts for which they could be held strictly liable, or by the quality or character of their work. The foregoing obligation of CCC shall not apply when (1) the injury, loss of life, damage to property, or violation of law arises wholly from the gross negligence or willful misconduct of the City or its officers, employees, agents, or volunteers; and (2) the actions of CCC or its employees, subcontractor, or agents have contributed in no part to the injury, loss of life, damage to property, or violation of law. It is understood that the duty of CCC to indemnify and hold harmless includes the duty to defend as set forth in Section 2778 of the California Civil Code. Acceptance by City of insurance certificates and endorsements required under this Agreement does not relieve CCC from liability under this indemnification and hold harmless clause. This indemnification and hold harmless clause shall apply to any damages or claims for damages whether such insurance policies shall have been determined to apply. By execution of this Agreement, CCC acknowledges and agrees to the provisions of this Section and that it is a material element of consideration.

10. CCC Not an Agent. Except as City may specify in writing, CCC shall have no authority, express or implied, to act on behalf of City in any capacity whatsoever as an agent. CCC shall have no authority, express or implied, pursuant to this Agreement to bind City to any obligation whatsoever.

11. No Implied Waiver of Breach. The waiver of any breach of a specific provision of this Agreement does not constitute a waiver of any other breach of that term or any other term of this Agreement.

12. Governing Law. The laws of the State of California shall govern this Agreement.

13. Notices. Any approval, document, or other notice which either party may desire to give to the other party under this Agreement must be made in writing and may

ITEM 19.1.

ATTACHMENT 2
CONTRACT NO.: 2023-236

be given by first class mail, postage prepaid, or reputable overnight delivery service or personal delivery addressed to the party to whom the notice is directed as set forth below, or at any other address as that party may later designate:

City of Rancho Cordova: City of Rancho Cordova
2729 Prospect Park Drive
Rancho Cordova, California 95670
Attn: City Manager

To CCC: Shelly Blanchard
2729 Propect Park Drive, STE 117
Rancho Cordova, CA 95670

Any written notice, demand or communication shall be deemed received immediately if delivered by hand or upon the third day from the date it is postmarked if delivered by first class, registered or certified mail.

14. Interpretation. This Agreement will be performed entirely within California and shall be construed in accordance with the laws of the State of California and any action to enforce the terms of this Agreement must be brought in the court of competent jurisdiction for the County of Sacramento, State of California.

15. Attorneys' Fees. In the event any proceeding or action is brought in connection with the enforcement of this Agreement, the prevailing Party shall be entitled to recover reasonable attorneys' fees and costs, including those on appeal.

16. Amendments. The Parties may amend this agreement only by a writing signed by all Parties.

17. Integration. This Agreement, including Exhibits A, attached hereto, and incorporated herein, represents the entire and integrated agreement between the Parties and supersedes all prior negotiations, representations, or agreements, either written or oral.

18. IRS Form W-9. CCC shall complete and submit Internal Revenue Form W-9 to the City before execution of this Agreement. The City's Administrative Services Director shall have the ability to waive this requirement.

Signatures on the following page.

ITEM 19.1.

ATTACHMENT 2
CONTRACT NO.: 2023-236

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the day and year first set forth above, which date shall be considered by the Parties to be the effective date of this Agreement.

CITY OF RANCHO CORDOVA:

CORDOVA COMMUNITY COUNCIL
FOUNDATION:

Micah Runner
City Manager

By: _____

Date: _____

Date: _____

Attest:

Stacy Leitner, CMC
City Clerk

Date: _____

Approved as to Form:

Adam U. Lindgren, City Attorney

EXHIBIT A

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF RANCHO CORDOVA, IN THE COUNTY OF SACRAMENTO, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

The land described herein is situated in the state of California, County of Sacramento, City of Rancho Cordova, described as follows: All that portion of Section 20, Township 9 North, Range 7 East, lying Southerly of the right of way of the Southern Pacific Railroad Company and lying Northwesterly of the following described line: Beginning at a point on the Southeasterly line of the Southern Pacific Company's Placerville Branch railroad right of way, from which point a 2" iron pipe monument stamped "A-G Corp. re 2675", as shown in Book 12 of Surveys, Page 29, bears North 63° 52' 49" East 1541.40 feet; thence from said point of beginning along the arc of a 5000.00 foot radius curve to the left, said arc being subtended by a chord bearing South 60° 18' 27" West 605.86 feet; thence South 56° 50' 03" West 1582.40 feet; thence along the arc of a 2825.00 foot radius curve to the right, said arc being subtended by a chord bearing South 65° 16' 31" West 829.39 feet; thence South 73° 43' 00" West 669.20 feet; thence along the arc of a 3375.00 foot radius curve to the left, said arc being subtended by a chord bearing South 68° 27' 40" West 618.30 feet to a point on said Southeasterly line of the Southern Pacific Company's Placerville Branch railroad and the point of ending.

EXCLUDING real property described in that certain Grant Deed recorded June 01, 2023 in Document Number 202306010218 for lands granted to the City of Rancho Cordova, County of Sacramento, State of California, being a portion of the Lands of Cordova Community Council Foundation (a nonprofit corporation), said portion being more particularly described as follows: Beginning at a point on the northwesterly line of said Lands of Cordova Community Council Foundation, said point being South 63°52'53" East 3226.36 feet from the northeast corner of said Lands; thence into said Lands of the Cordova Community Council Foundation along a non-tangent curve to the right, concave to the southwest, whose center bears South 77°00'22" West, having a radius of 3368.33 feet, an included angle of 02°54'21", an arc length of 170.83 feet to the southeasterly line of said Lands of Cordova Community Council Foundation; thence along said southeasterly line South 73°43'17" West, 201.49 feet; thence into said Lands of the Cordova Community Council Foundation along a non-tangent curve to the left, concave to the southwest, whose center bears South 80°18'18" West, having a radius of 3168.09 feet, having an included angle of 02°27'10", an arc length of 135.63 feet to the northwesterly line of said Lands of Cordova Community Council Foundation; thence along said northwesterly line North 63°52'53" East, 205.97 feet to the Point of Beginning.

APN: 072-0231-014-0000

CITY OF RANCHO CORDOVA

RESOLUTION NO. XX-2023

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA, STATE OF CALIFORNIA, AUTHORIZING THE CITY MANAGER TO EXECUTE THE LOAN AGREEMENT BETWEEN THE CITY OF RANCHO CORDOVA AND THE CORDOVA COMMUNITY COUNCIL FOUNDATION FOR THE MINE SHAFT BUILDING RENOVATION AND EXPANSION

WHEREAS, on December 19, 2022, the City Council approved the purchase of real property located at 2300 Mine Shaft Lane, Rancho Cordova, from the Cordova Community Council Foundation for the future construction of the US50/Rancho Cordova Parkway Interchange Project; and

WHEREAS, the building located on the portion of the property that was acquired by the City is used extensively by the Cordova Community Council Foundation for certain events; and

WHEREAS, it is the intent of the Cordova Community Council Foundation to relocate the building to their portion of the Mine Shaft property as well as expand and improve the building to increase the capacity for community events and activities; and

WHEREAS, the proposed vision for the "Great Space" concept would add 7,600 square feet to the Mine Shaft building, with the capacity for a 600 person auditorium and a 360 person banquet room; and

WHEREAS, at the City Council Budget Work Session on May 23, 2023, the City Council expressed support for the City to contribute \$8.8 million towards the Mine Shaft "Great Space" renovation; and

WHEREAS, the proposed loan agreement would provide a total of \$8.8 Million to pay for the construction of the proposed improvements to the Mine Shaft building and further states that the funds would be dispersed as construction expenses are incurred; and

WHEREAS, it is proposed that the loan be forgiven over the course of twenty-five (25) years, as long as the Mine Shaft building serves as a public event facility with amenities and capacity not currently available elsewhere in the City and is focused on hosting events for community non-profit organizations and serving as a venue for the performing arts, among other conditions outlined in the loan agreement; and

WHEREAS, the loan will be secured with a lien against the Mine Shaft property until the loan is fully forgiven after a term of twenty-five (25) years. In the event of default under the terms of the agreement, all accrued and unpaid principal and interest on the loan shall be immediately due and payable.

NOW, THEREFORE, BE IT HEREBY RESOLVED BY THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA as follows:

1. The above recitals are true and are hereby incorporated into this Resolution.

ITEM 19.1.

ATTACHMENT 3

2. The Loan Agreement between City of Rancho Cordova and Cordova Community Council Foundation is approved in the form on file with the City Clerk with such changes as approved by the City Attorney.

3. The City Manager is hereby authorized to take such actions and execute such documents as are needed to carry out the intent of this Resolution.

PASSED AND ADOPTED by the City Council of the City of Rancho Cordova on the 6th day of November 2023, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Linda Budge, Mayor

ATTEST:

Stacy Leitner, CMC
City Clerk

LOAN AGREEMENT

THIS LOAN AGREEMENT (this “**Agreement**”) is entered into as of November _____, 2023 (the “**Agreement Date**”) between the City of Rancho Cordova (the “**City**”), a California municipal corporation and Cordova Community Council Foundation, a California non-profit public benefit corporation (“**Borrower**”). Borrower and the City are hereinafter collectively referred to as the “**Parties**.”

RECITALS

A. Borrower is the owner of fee title to a portion of real property located at 2300 Mine Shaft Lane, Rancho Cordova, Sacramento County (the “**County**”), California, APN 072-0231-014, as more particularly described in Exhibit A attached hereto and incorporated herein by this reference (the “**Property**”).

B. Borrower owns a building on the Property that it uses for community purposes and desires to expand and improve (the “**Project**”).

C. Borrower has requested a loan from the City in the amount of Eight Million Eight Hundred Dollars (\$8,800,000.00) to pay for construction of the Improvements (the “**Loan**”).

D. The City is willing to provide the Loan subject to the terms of this Agreement.

E. Concurrently with the execution of this Agreement, Borrower shall execute (i) a promissory note, substantially in the form attached as Exhibit B attached hereto and incorporated herein by this reference (the “**Note**”), evidencing the Loan, and (ii) a deed of trust security agreement and fixture filing (the “**Deed of Trust**”) securing the Loan substantially in the form attached as Exhibit C attached hereto and incorporated herein by this reference. This Agreement, the Note and the Deed of Trust are hereinafter collectively referred to as the “**Loan Documents**.”

F. The City has determined that the provision of the Loan to Borrower pursuant to the terms of this Agreement will benefit the health, safety and welfare of the residents of the City.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties to this Agreement agree as follows:

**ARTICLE 1.
LOAN PROVISIONS**

1.1 Loan.

(a) Loan Terms.

(1) Loan Amount. The City agrees to lend to Borrower the amount of Eight Million Eight Hundred Thousand Dollars (\$8,800,000.00) (the “**Loan Proceeds**”). The Loan shall be evidenced by the Note executed by Borrower.

(2) Loan Interest. Commencing on the date of initial disbursement of all or a portion of Loan Proceeds and continuing through the date that all indebtedness and other amounts payable under this Agreement and the Note are paid in full, interest on the Loan shall accrue at the rate of three percent (3%) per annum on the unpaid and outstanding principal.

(b) Term. All unpaid principal, accrued and unpaid interest, and any other amounts payable under this Agreement is due and payable on November 06, 2048 (the “**Loan Maturity Date**”).

(c) Repayment

(i) Principal. Commencing on the first day of the month following the date of the issuance of a certificate of occupancy by the City for completion of the Project and continuing on each annual anniversary thereafter through the Loan Maturity Date (each, a “**Loan Repayment Date**”), provided that Borrower is not in default under this Agreement, the City shall forgive Three Hundred Fifty-Two Thousand Dollars (\$352,000.00) of Loan principal annually (each, a “**Loan Repayment Amount**”).

(ii) Interest. Provided Borrower is not in default under this Agreement, on each Loan Repayment Date, upon receipt of all principal amounts required to be paid or credited pursuant to this Section 1.1(c), all accrued interest to such Loan Repayment Date shall be forgiven by the City and deemed to have been paid by Borrower.

(iii) Default. **In the event of a default under this Agreement, all accrued and unpaid principal and interest on the Loan shall be immediately due and payable.**

(d) Loan Prepayment. Provided Borrower is not in default under this Agreement, the Loan, or any portion of the outstanding principal balance due under the Loan together with interest accrued thereon, may be prepaid at any time, and from time to time, without penalty or premium.

1.2 Due on Sale or Transfer of Property. Unless the City agrees otherwise in writing, the outstanding principal balance and all interest and other sums accrued under the Loan Documents shall be due and payable upon the sale or transfer of the Property for any reason (“**Termination**”).

1.3 Security. As security for repayment of the Note, Borrower shall execute the Deed of Trust pursuant to which Borrower shall provide the City a lien against the Property. The Deed of Trust shall be dated as of the Agreement Date and shall be recorded in the official records of Sacramento County.

1.4 Conditions Precedent to the City’s Obligation to Disburse. The obligation of the City to fund the Loan and disburse the proceeds thereof is conditioned upon the receipt by the City of the following:

(a) The executed Loan Documents, acknowledged where appropriate;

(b) A copy of Borrower’s enabling operating agreement or enabling documents, certificate of good standing, corporate borrowing resolution and such other evidence satisfactory to the City that Borrower is duly formed, validly existing, in good standing under the laws of the State of California, has the power and authority to enter into the Loan Documents, and shall be bound by their terms when executed and delivered;

(c) Borrower’s delivery to the City of a signed copy of the contract with the general contractor that will construct the Project.

1.5 No Obligation to Disburse Proceeds upon Default. Notwithstanding any other provision of this Agreement, the City shall have no obligation to disburse any portion of the Loan Proceeds or Rent Payment Loan Proceeds if Borrower’s representations and warranties fail to be true and correct in all material respects.

1.6 Use of Funds. Borrower agrees to use the Loan Proceeds solely to pay for cost of construction of the Project.

1.7 Disbursement of Loan Proceeds. Upon satisfaction of the conditions set forth in Section 1.4 herein together with execution of this Agreement and the Note, the City shall disburse the Loan Proceeds following Borrower’s provision to the City of a written requisition, in form and substance satisfactory to the City, specifying the amount and use of the requested Loan Proceeds, accompanied by copies of bills and invoices and such other documentation as the City may reasonably require. Subsequent disbursements shall be made to Borrower no more than once per calendar month, upon the City’s receipt of written requisitions and supporting documentation as described in this Section. The City will disburse Loan Proceeds requested within 14 business days of receipt of the requisition described above.

**ARTICLE 2.
LOAN REQUIREMENTS**

2.1 Facility Use. In each 12 month period during the term of this Agreement, Borrower will comply with the following requirements:

(a) make available a public event facility with amenities and capacity not currently available in the City capable of meeting a wide range of public space needs;

(b) provide a facility that is focused on events of non-profit public benefit organizations in the City;

(c) make available a venue for the performance of musical, theatrical and other arts-oriented activities in keeping with the City's Arts Strategic Plan;

(d) provide for space for fundraising activities for non-profit organizations in the City;

(e) provide space to nurture the growth of audiences, which will in turn provide on-going support for a wide range of artful activities in the City;

(f) provide for a stabilizing income stream supporting the broad range of on-going public benefit activities of the Cordova Community Council Foundation; and

(g) comply with any other requirements set forth in the City's conditions of approval for the construction of the Project.

2.2 Facility Management. Borrower shall provide full building management and will develop a schedule of events for each year during the term of this Agreement. Borrower is solely responsible for the cost to maintain the facility on an ongoing basis, as set forth in Section 4.8.

2.3 Program Costs. City is not responsible for any costs related to Borrower's programming of the building unless agreed upon in writing through a separate agreement approved and signed by both the City and Borrower.

2.4 Payment of Construction Costs. Borrower is responsible for managing and distributing payment for all costs of construction of the Project, including but not limited to, permit fees, impact fees, inspection fees, payments due to contractors and subcontractors.

2.5 Outcomes Report. Following completion of the construction of the Improvements, Borrower will provide a report (the "**Outcomes Report**") to the City annually. The Outcomes Report will set forth a description of the services and programs provided during the past year.

**ARTICLE 3.
BORROWER REPRESENTATIONS AND WARRANTIES**

3.1 Duly Organized. Borrower warrants that it is duly organized under applicable laws of the State of California, is qualified to do business in the City, and is in compliance in all material respects with all laws and regulations necessary to lease the Property and construct the Improvements.

3.2 Authority. Borrower warrants that it has authority, and has completed all proceedings and obtained all approvals necessary to execute, deliver, and perform its obligations under the Loan Documents and the transactions contemplated thereby.

3.3 No Contravening Agreements. Borrower warrants that the execution, delivery, and performance of the Loan Documents will not contravene, or constitute a default under or result in a lien upon assets of Borrower pursuant to any applicable law or regulation, any charter document of Borrower, or any instrument binding upon or affecting Borrower, or any contract, agreement, judgment, order, decree, or other instrument binding upon or affecting Borrower.

3.4 Valid and Binding Obligations. Borrower warrants that, when duly executed by Borrower, this Agreement and the Note shall constitute the valid and binding obligations of Borrower enforceable in accordance with their respective terms. Borrower hereby waives any defense to the enforcement of the terms of the Loan Documents related to alleged invalidity of any provisions or conditions contained therein.

3.5 No Adverse Action. Borrower warrants that there is no action, suit or proceeding pending or threatened against it which might adversely affect Borrower in any material respect.

**ARTICLE 4.
BORROWER COVENANTS**

4.1 Use of Proceeds. Borrower covenants that it shall use the Loan Proceeds solely for the purpose of financing the cost of construction of the Project.

4.2 Punctual Payment. Borrower covenants to punctually pay the principal on the Loan, and interest accrued thereon, at the times and place and in the manner specified herein and in the Note.

4.3 Taxes and Other Liabilities. Borrower shall pay and discharge when due any and all indebtedness, obligations, assessments, taxes, including federal and state income taxes, property taxes, and special taxes or assessments due which are the obligations of Borrower in relation to the Property except those that Borrower may in good faith contest or as to which a bona fide dispute may arise, provided provision is

make to the satisfaction of the City for eventual payment thereof in the event that it is found that the same is an obligation of Borrower.

4.4 Compliance with Laws. Borrower covenants to comply with all federal, state and local laws, regulations, ordinances and rules applicable to the Property and the Construction of the Improvements. Without limiting the generality of the foregoing, Borrower shall comply with all applicable requirements of state and local building codes and regulations, and all applicable statutes and regulations relating to accessibility for the disabled.

4.5 Assignment. Borrower shall not cause or permit any voluntary transfer, assignment or conveyance of this Agreement. Any transfer, assignment or conveyance shall be voidable and shall constitute a default under Section 6 of this Agreement.

4.6 Insurance. Borrower covenants to maintain insurance equivalent to a commercial general liability policy in the amount of One Million Dollars (\$1,000,000) combined single limit, including contractual liability coverage. Such insurance shall be written on an occurrence basis and shall name the City as loss payee as its interests may appear. Borrower covenants to maintain and keep the Property insured against loss or damage by earthquake, fire and such other hazards, casualties and contingencies and by such companies on such forms and in the amount of the replacement cost of the Property and any improvements thereon, and shall deliver a copy of all such policies to the City, together with receipts satisfactory to the City evidencing payment of the premiums. Borrower shall provide the City not less than thirty (30) days advance written notice of the cancellation, expiration or termination of any such policy or any material change in the coverage afforded by it. Renewal policies and any replacement policies, together with premium receipts satisfactory to the City, shall be delivered to the City at least thirty (30) calendar days prior to the expiration of existing policies. Neither Borrower nor the City shall by reason of accepting, rejecting, approving or obtaining insurance incur any liability for the existence, nonexistence, form or legal sufficiency of such insurance, or solvency of any insurer for payment of losses. All insurance proceeds for such losses must be utilized for the repair or restoration of the Property and Improvements.

4.7 Accounting Records; Property Inspection. Borrower covenants to maintain accurate books and records in accordance with standard accounting principles consistently applied, and to permit the City, during business hours and upon reasonable notice to inspect, audit and examine such books and records with respect to the Project, the Property and the Loan Documents and to inspect the Property and Improvements during normal business hours upon reasonable notice.

4.8 Maintenance. At the Borrower's sole cost and expense throughout the Term, the Borrower shall operate, maintain and manage the Property including all landscaping and improvements thereon in good order and repair and in neat, clean sanitary and safe condition in compliance with all local, state and federal laws, statutes

and regulations relating to the use, occupancy or operation of the Property. The Borrower shall ensure that the Property is served by adequate lighting in accordance with applicable building codes. The Borrower shall promptly, at the Borrower's own cost and expense, make all necessary repairs, including replacements or renewals when necessary, and all such repairs shall be at least equal in quality to the original work, reasonable wear and tear accepted. The Borrower shall keep and maintain all portions of the Property in a clean and orderly condition, free of accumulation of dirt, rubbish, and graffiti. If there arises a condition in contravention of this requirement, and if Borrower has not cured such condition within thirty (30) days after receiving notice of such a condition, then in addition to any other rights available to the City, the City shall have the right to perform all acts necessary to cure such condition. In the event that City must cure such condition, Borrower shall reimburse City for costs incurred by the City within thirty (30) days of receipt of an invoice setting forth the amount due from Borrower. Notwithstanding the foregoing, if such condition shall reasonably require more than thirty (30) days to cure, Borrower shall remain in compliance if it commences a cure within such thirty (30) days and thereafter diligently prosecutes the same to completion.

4.9 Indemnification. Borrower shall indemnify, defend (with counsel reasonably acceptable to the City), and hold harmless the City and its elected and appointed officials, officers, agents, and employees (collectively the "**Indemnitees**"), from and against, and shall pay on demand, any and all losses, liabilities, damages, costs, claims, demands, penalties, fines, orders, judgments, injunctive or other relief, expenses and charges (including attorneys' fees and expenses of attorneys) (collectively "**Liabilities**") arising directly or indirectly in any manner in connection with or as a result of (a) any breach of Borrower's covenants under the Loan Documents, (b) any failure of Borrower's representations and warranties to be true and correct in all material respects when made, (c) any injury or death to persons or damage to property or other loss occurring on the Property, whether caused by the negligence or any other act or omission of Borrower or any other person or by negligent, faulty, inadequate or defective design, building, construction or maintenance or any other condition or otherwise, or (d) any claim, demand or cause of action, or any action or other proceeding, whether meritorious or not, brought or asserted against any Indemnatee which relates to or arises out of the Loan, the Loan Documents, or any transaction contemplated thereby, or any failure of Borrower to comply with all applicable state, federal and local laws and regulations, provided that no Indemnatee shall be entitled to indemnification under this Section for matters caused by such Indemnatee's gross negligence or willful misconduct. The obligations of Borrower under this Section shall survive the expiration or termination of this Agreement.

4.10 Notice to the City. Within three business days after any of the following shall occur, Borrower shall provide written notice thereof to the City: (1) the occurrence of any Event of Default hereunder of which Borrower acquires knowledge; (2) any change in name, identity, legal structure, business location, or address of Borrower; (3) any uninsured or partially uninsured loss affecting the Property or the Improvements

through fire, theft, liability, or property damage in excess of an aggregate of Fifty Thousand Dollars (\$50,000); and (4) Borrower's receipt of a notice of default under any other financing document affecting the Property or the Improvements.

Until the Loan is repaid or forgiven in full, Borrower covenants that it will promptly notify the City in writing of the occurrence of any event which might materially and adversely affect its ability to perform its obligations under the Note, or which constitutes, or with the giving of notice or passage of time or both would constitute, an Event of Default under this Agreement. Such occurrences include, but are not limited to, the threat or initiation of lawsuits or administrative proceedings against Borrower that results in a final judgment, order or decree that has a materially adverse effect on the business of Borrower and its ability to perform its obligations under this Agreement or the Note, the revocation of material operating licenses, or problems with vendors, suppliers, or customers that has a materially adverse effect on the business of Borrower and its ability to perform its obligations herein.

4.11 Sublease of Property. Unless the City agrees and approves tenants in writing, Borrower shall not convey all or any part of the Property by sublease.

4.12 Expenses of Collection or Enforcement. If at any time Borrower defaults under any provision of the Loan Documents, Borrower shall pay to the City in addition to any other sums that may be due to the City, an amount equal to the costs and expenses (including without limitation, attorneys' fees and expenses) the City incurs in connection with the collection, enforcement, or correction of the default, and such amounts shall be a part of the indebtedness secured by the Deed of Trust.

4.13 Non-Discrimination. Borrower covenants by and for itself, and any successors in interest, that there shall be no discrimination against or segregation of, any person, or group of persons on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the Property, nor shall Borrower itself or any person claiming under or through it establish or permit any practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees, or vendees of Borrower. The foregoing covenants shall run with the land.

4.14 Prevailing Wages. Borrower and all of Borrower's contractors shall comply with California Labor Code Section 1720 et seq. and all regulations adopted pursuant thereto (collectively, "**Prevailing Wage Laws**"), and be responsible for carrying out the requirements of such provisions. Borrower shall, and hereby agrees to, unconditionally indemnify, reimburse, defend, protect and hold harmless the City and its elective and appointive boards, commissions, officers, agents, attorneys, consultants and employees, and all of their respective successors and assigns, from and against

any and all claims, demands, suits and actions at law or in equity, and losses, liabilities, expenses, penalties, fines, orders, judgments, injunctive or other relief, and costs and damages of every kind, nature and description (including but not limited to attorneys' fees and court costs; with counsel reasonably acceptable to the City), and administrative, enforcement or judicial proceedings, whether known or unknown, and which directly or indirectly, in whole or in part, are caused by, arise from, or relate to, or are alleged to be caused by, arise from, or relate to, the payment or requirement of payment of prevailing wages or the requirement of competitive bidding in the construction of the Project, the failure to comply with any state or federal labor laws, regulations or standards in connection with this Agreement, including but not limited to California Labor Code Section 1720 et seq. and the Prevailing Wage Laws, or any act or omission of the City or Borrower related to this Agreement with respect to the payment or requirement of payment of prevailing wages or the requirement of competitive bidding, whether or not any insurance policies shall have been determined to be applicable to any such claims, demands, suits, actions, losses, liabilities, expenses, penalties, fines, orders, judgments, injunctive or other relief, costs, damages, or administrative, enforcement or judicial proceedings. It is further agreed that the City does not, and shall not, waive any rights against Borrower which they may have by reason of this indemnity and hold harmless agreement because of the acceptance by the City, or the deposit with the City by Borrower, of any of the insurance policies described in this Agreement.

If applicable, as provided in California Labor Code Section 1720 et seq., the hourly and daily rate of wages to be paid each of the classes of mechanics and worker employed in connection with construction of the Improvements shall not be less than the rate of such wages then prevailing in Sacramento County. If Prevailing Wages applies to construction of Improvements, Borrower agrees to and shall forfeit, as a penalty to the City, the sums established and applicable pursuant to California Labor Code Section 1720 et seq. for each calendar day or portion thereof that each workman employed in connection with the Improvements is paid less than the rates designated in this paragraph for any work performed under this Agreement by Borrower or any contractors or agents of Borrower; or is not reported to the labor commissioner and the City as required pursuant to California Labor Code Section 1720 et seq.

ARTICLE 5. ENVIRONMENTAL REQUIREMENTS

5.1 Hazardous Materials. Borrower shall not cause or permit any Hazardous Materials (as defined in below) to be brought upon, kept, stored or used in, on, or about the Property by Borrower, or the agents, employees, contractors or invitees of Borrower except for materials commonly used in construction activities similar to those related to the Improvements, or in the operation and maintenance of the Property and the Improvements, in each case in compliance with all applicable laws, and shall not cause any release of Hazardous Materials into, onto, under or through the Property. If any Hazardous Material is discharged, released, dumped, or spilled in, on, under, or about

the Property and results in any contamination of the Property or adjacent property, or otherwise results in the release or discharge of Hazardous Materials in, on, under or from the Property, Borrower shall promptly take all actions at Borrower's sole expense as are necessary to comply with all Hazardous Materials Laws (as defined below).

5.2 Definitions.

5.2.1 Hazardous Materials. As used in this Agreement, "**Hazardous Materials**" means any substance, material, or waste which is or becomes regulated by any local, state or federal authority, agency or governmental body, including any material or substance which is: (i) defined as a "hazardous waste," "hazardous material," "hazardous substance," "extremely hazardous waste," "restricted hazardous waste," "pollutant," or any other terms comparable to the foregoing terms under any provision of California law or federal law as any such statutes and regulations now exist or may hereafter be amended, (ii) petroleum or petroleum products; (iii) asbestos; (iv) polychlorinated biphenyls, (v) radioactive chemicals, (vi) any material determined to be hazardous based on deleterious properties such as ignitability, corrosivity, reactivity, carcinogenicity or toxicity, (vii) designated as a "hazardous substance" pursuant to Section 311 of the Clean Water Act (33 U.S.C. §1317); (viii) defined as a "hazardous waste" pursuant to Section 1004 of the Resource Conservation and Recovery Act, 42 U.S.C. §6901, et seq. (42 U.S.C. §6903); (ix) defined as "hazardous substances" pursuant to Section 101 of the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. §9601, et seq; or (x) determined by California, federal or local governmental authority to be capable of posing a risk of injury to health, safety or property.

5.2.2 Hazardous Materials Laws. As used in this Agreement, "**Hazardous Materials Laws**" means all federal, state and local laws, ordinances, regulations, orders and directives pertaining to Hazardous Materials, including without limitation, the laws, statutes and regulations cited in the preceding Section 4.1.1, as they may be amended from time to time.

5.3 Indemnification. Borrower shall indemnify, defend (with counsel reasonably acceptable to the City), and hold the Indemnitees harmless from and against liabilities arising directly or indirectly in any manner in connection with or as a result of the breach of Borrower's covenants set forth in Section 5.1 or the actual or alleged release or presence of any Hazardous Materials on, under, in or about the Property, whether known or unknown, foreseeable or unforeseeable, regardless of the source of such release or when such release occurred or such presence is discovered. The foregoing indemnity includes, without limitation, all costs of investigation, assessment, containment, removal, remediation of any kind, and disposal of such Hazardous Materials, all costs of determining whether the Property is in compliance with Hazardous Materials Laws, all costs associated with bringing the Property into compliance with all applicable Hazardous Materials Laws, and all costs associated with claims for damages or injury to persons, property, or natural resources. The indemnity described in this Section shall survive the expiration or termination of this Agreement, the making and

repayment of the Loan, the release or reconveyance of the Deed of Trust, and any foreclosure proceeding, foreclosure sale or delivery of deed in lieu of foreclosure. Borrower's indemnity obligations under this Section will not extend to claims resulting solely from Indemnitees' gross negligence or willful misconduct.

ARTICLE 6. DEFAULT AND REMEDIES

6.1 Events of Default. Each of the following events will constitute an event of default ("**Event of Default**") under this Agreement:

(a) Failure to Make Payments. If Borrower fails to pay when due the principal and interest payable under the Note and such failure continues for ten (10) calendar days after the City notifies Borrower thereof in writing.

(b) Failure to Comply with Loan Requirements. Borrower's failure, neglect, or refusal to comply with the Loan requirements set forth in Article 2 of this Agreement.

(c) Noncompliance with Loan Documents. Borrower's failure, neglect or refusal to perform any promise, agreement, covenant or obligation contained in the Loan Documents after any applicable cure periods.

(d) Noncompliance with Governmental Requirements. Borrower's failure to timely comply with any governmental requirements, including but not limited to obtaining licenses and permits.

(e) False Representations. If any material representation or disclosure made to the City by Borrower in connection with the Loan Documents proves to be false or misleading in any material adverse respect when made.

(f) Bankruptcy. The filing by or against Borrower of a voluntary or involuntary petition in bankruptcy or the adjudication of Borrower as bankrupt or insolvent, or the filing of any petition or answer seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution, or similar relief under present or any future federal bankruptcy act or any other present or future applicable federal, state or other statute or law, or the seeking or consenting to or acquiescing in the appointment of any trustee, receiver, liquidator of Borrower or any substantial part of or all of the property of Borrower, and if any such proceeding is not dismissed within sixty (60) days; Borrower is named in any such proceeding and the same is not dismissed within one hundred twenty (120) days.

(g) Sublease. Conveyance of all or a portion of the Property by sublease without the prior written consent of such conveyance the City. Short term agreements for vendors and other businesses related to events or programs promoted by Borrower shall not be considered subleases for purposes of this section.

(h) Occurrence of an Event of Default in Other Loan Documents. An event of default under any Loan Document, or any other loan agreement and related documents by and between Borrower and the City other than the Loan Documents, if any, subject to the expiration of any applicable cure period set forth in such documents.

6.2 Declaring Default. Whenever any Event of Default has occurred, other than failure to pay any sums due under this Agreement, the City shall give written notice of default to Borrower. If the default is not cured within thirty (30) business days after the Date of Default (defined herein), or any extension approved in writing by the City, the City may enforce its rights and remedies under Section 6.3 below. Notwithstanding the foregoing, if such Event of Default shall reasonably require more than thirty (30) days to cure, Borrower shall remain in compliance if it commences a cure within thirty (30) days after the Date of Default and thereafter diligently prosecutes the same to completion.

6.3 Remedies. Upon the occurrence of any Event of Default, in addition to its other rights in this Agreement, and the Note, at law, or in equity, the City may exercise any one or more of the following rights and remedies:

(a) accelerate and declare the entire unpaid principal balance of the Note together with all accrued interest thereon, and all other sums owing to the City immediately due and payable; and

(b) proceed at law, or in equity, to require Borrower to perform its obligations and covenants under the Loan Documents; and

(c) foreclose on the Property under the Deed of Trust.

The remedies provided herein are cumulative and not exclusive of, and shall not prejudice any other remedy provided in any Loan Document.

6.4 Costs and Expenses. Borrower shall pay all reasonable costs and expenses incurred by or on behalf of the City including, without limitation, reasonable attorneys' fees, incurred in connection with the City's enforcement of the Loan Documents and the exercise of any or all of its rights and remedies hereunder and all such sums shall be a part of the indebtedness secured by the Deed of Trust.

**ARTICLE 7.
MISCELLANEOUS**

7.1 Relationship of Parties. Nothing contained in this Agreement shall be construed as creating the relationship of employer and employee or principal and agent between the City and Borrower or Borrower's agents or employees, and Borrower shall at all times be deemed a borrower and shall be wholly responsible for the manner in which it or its agents, or both, perform under this Agreement.

7.2 No Third Party Claims. Nothing contained in this Agreement shall create or justify any claim against the City by any third person whom Borrower may have employed or contracted or may employ or contract relative to the purchase of any material, supplies or equipment, or the furnishing or the performance of any work or services with respect to any programs or projects being undertaken by Borrower.

7.3 Conflict of Interest. Except for approved eligible administrative or personnel costs, no employee, agent, consultant, officer or official of the City or Borrower who exercises or has exercised any function or responsibilities with respect to activities assisted by the City, or who is in a position to participate in a decision-making process or gain inside information with regard to such activities assisted under this Agreement, may obtain a personal or financial interest in or benefit from the activities assisted under this Agreement, or have an interest, direct or indirect, in any contract, subcontract or agreement with respect thereto, or in the proceeds thereunder either for himself/herself or for those with whom he/she has family or business ties, during his/her tenure and for one year thereafter.

7.4 Notices. Any notice, request or consent required pursuant to this Agreement shall be deemed delivered upon receipt when delivered personally, or three (3) business days after being deposited in the U.S. mail, first class postage prepaid, return receipt requested, or one (1) day after deposit with a nationally recognized overnight carrier addressed as follows:

City: City of Rancho Cordova
 2729 Prospect Park Drive
 Rancho Cordova, CA 95670
 Attn: City Manager

Borrower: Cordova Community Council Foundation
 2729 Prospect Park Drive, Suite 117
 Rancho Cordova, CA 95670
 Attn: Executive Director

or to such other addresses as the parties may designate by notice as set forth above.

7.5 Successors and Assigns. All of the terms of this Agreement shall apply to and be binding upon, and inure to the benefit of, the successors and permitted assigns of the City and Borrower, respectively, and all persons claiming under or through them.

7.6 Attorneys' Fees. If any action is instituted by any Party to this Agreement to enforce this Agreement, the Loan or the Note, or to collect any sums due hereunder or pursuant to the Loan or the Note, the prevailing Party in such action shall be entitled to recover its costs and reasonable attorneys' fees as awarded by the court in that action.

7.7 Severability. If one or more provisions of this Agreement are found invalid, illegal or unenforceable in any respect by a court of competent jurisdiction, the remaining provisions shall not in any way be affected, prejudiced, disturbed or impaired thereby, and all other provisions of this Agreement shall remain in full force and effect.

7.8 Amendments/Entire Agreement. The City and Borrower reserve the right to amend this Agreement by mutual consent. It is mutually understood and agreed that no amendment, modification, alteration or variation of the terms of this Agreement shall be valid unless in writing and signed and acknowledged and approved by both parties. This Agreement constitutes the entire agreement of the parties and no oral understandings or agreement not incorporated herein shall be binding on either Party.

7.9 Joint and Several Liability. If Borrower consists of more than one person or entity, each shall be jointly and severally liable to the City for the performance of this Agreement.

7.10 Time. Time is of the essence in the performance of the terms and conditions of this Agreement.

7.11 Governing Law. The laws of the State of California shall govern this Agreement.

7.12 Non-Liability of City Officials, Employees and Agents. No member, official, employee or agent of the City shall be personally liable to Borrower, or any successor in interest to Borrower, in the event of any default or breach by the City or for any amount which may become due to Borrower or any successor under the terms of this Agreement.

7.13 City's Rights and Consent. No forbearance, failure or delay by the City in exercising any right, power or remedy, nor any single or partial exercise by the City of any right or remedy hereunder shall preclude the further exercise of such right, power or remedy.

The City's consent to any act or omission by Borrower may not be construed as the City's consent to any other or subsequent act or omission or as a waiver of the requirement to obtain the City's consent in any other instance. All of the City's rights, powers and remedies are cumulative and shall continue in full force and effect until specifically waived in writing by the City.

7.14 Duration/Survival. This Agreement shall continue in full force and effect until the obligations due under this Agreement and the Note have been paid in full. Notwithstanding the foregoing, the indemnification provisions of Section 4.9, Section 4.14 and Section 5.3 of this Agreement shall survive the expiration of this Agreement and the making and repayment of the Loan.

7.15 Assignment or Assumption. This Agreement and the Loan Documents may not be assigned to, or assumed by, a third party. Any attempt to assign or assume the Loan Documents shall be void.

7.16 Headings. The headings within this Agreement are for the purpose of reference only and shall not limit or otherwise affect any of the terms of this Agreement.

7.17 Counterparts, Facsimile Copies. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same agreement. This Agreement shall be effective upon transmission by any Party to the other parties of a fully signed facsimile copy of the Agreement after the formal approval by the governing body of the City, so long as a copy of the Agreement signed by the transmitting Party is delivered to the other parties within five (5) business days thereafter. In case of any conflict, the counterpart maintained by the City shall be deemed to be determinative.

SIGNATURES ON FOLLOWING PAGE

ITEM 19.1.

ATTACHMENT 4

IN WITNESS WHEREOF, the City and Borrower have executed this Agreement as of the date first above written.

City of Rancho Cordova

**Cordova Community Council
Foundation**

By: _____
Micah Runner
City Manager

By _____
Shelly Blanchard
Executive Director

ATTEST:

By: _____
Stacy Leitner
City Clerk

Approved as to Form

By: _____
Adam Lindgren
City Attorney

5488160.2

5488160.1

EXHIBIT "A"

PROPERTY DESCRIPTION

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF RANCHO CORDOVA, IN THE COUNTY OF SACRAMENTO, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

The land described herein is situated in the state of California, County of Sacramento, City of Rancho Cordova, described as follows: All that portion of Section 20, Township 9 North, Range 7 East, lying Southerly of the right of way of the Southern Pacific Railroad Company and lying Northwesterly of the following described line: Beginning at a point on the Southeasterly line of the Southern Pacific Company's Placerville Branch railroad right of way, from which point a 2" iron pipe monument stamped "A-G Corp. re 2675", as shown in Book 12 of Surveys, Page 29, bears North 63° 52' 49" East 1541.40 feet; thence from said point of beginning along the arc of a 5000.00 foot radius curve to the left, said arc being subtended by a chord bearing South 60° 18' 27" West 605.86 feet; thence South 56° 50' 03" West 1582.40 feet; thence along the arc of a 2825.00 foot radius curve to the right, said arc being subtended by a chord bearing South 65° 16' 31" West 829.39 feet; thence South 73° 43' 00" West 669.20 feet; thence along the arc of a 3375.00 foot radius curve to the left, said arc being subtended by a chord bearing South 68° 27' 40" West 618.30 feet to a point on said Southeasterly line of the Southern Pacific Company's Placerville Branch railroad and the point of ending.

EXCLUDING real property described in that certain Grant Deed recorded June 01, 2023 in Document Number 202306010218 for lands granted to the City of Rancho Cordova, County of Sacramento, State of California, being a portion of the Lands of Cordova Community Council Foundation (a nonprofit corporation), said portion being more particularly described as follows: Beginning at a point on the northwesterly line of said Lands of Cordova Community Council Foundation, said point being South 63°52'53" East 3226.36 feet from the northeast corner of said Lands; thence into said Lands of the Cordova Community Council Foundation along a non-tangent curve to the right, concave to the southwest, whose center bears South 77°00'22" West, having a radius of 3368.33 feet, an included angle of 02°54'21", an arc length of 170.83 feet to the southeasterly line of said Lands of Cordova Community Council Foundation; thence along said southeasterly line South 73°43'17" West, 201.49 feet; thence into said Lands of the Cordova Community Council Foundation along a non-tangent curve to the left, concave to the southwest, whose center bears South 80°18'18" West, having a radius of 3168.09 feet, having an included angle of 02°27'10", an arc length of 135.63 feet to the northwesterly line of said Lands of Cordova Community Council Foundation; thence along said northwesterly line North 63°52'53" East, 205.97 feet to the Point of Beginning.

APN: 072-0231-014-0000

EXHIBIT "B"

FORM OF PROMISSORY NOTE
CONSTRUCTION PROMISSORY NOTE

Rancho Cordova, California

November 06, 2023

FOR VALUE RECEIVED, the undersigned Cordova Community Council Foundation, a California non-profit public benefit company, ("**Maker**" or "**Borrower**"), promises to pay to the City of Rancho Cordova, a California municipal corporation (the "**City**" or "**Holder**"), in lawful money of the United States the principal sum of Eight Million Eight Hundred Thousand Dollars (\$8,800,000.00) (the "**Loan**"), or so much thereof as may be advanced by the City pursuant to the loan agreement described in Paragraph 1 below, together with interest on the outstanding principal balance in accordance with the terms and conditions described herein.

1. This Promissory Note ("**Note**") has been executed and delivered pursuant to the terms of (i) a Loan Agreement dated as of November __, 2023 ("**Loan Agreement**") between Borrower and the City, which details the terms and conditions under which Holder agrees to lend to Maker and Maker agrees to borrow up to Eight Million Eight Hundred Thousand Dollars (\$8,800,000.00) to fund certain construction costs of the Improvements, and (ii) a Deed of Trust executed by Borrower for the benefit of the City to secure this Note (the "**Deed of Trust**"). The rights and obligations of Maker under this Note shall be governed by the Loan Agreement and by the terms set forth in this Note. Capitalized terms used but not defined herein shall have the same meaning as set forth in the Loan Agreement.

2. Loan Terms.

(a) Term. All unpaid principal, accrued and unpaid interest, and any other amounts payable under this Note is due and payable on October 1, 2048 (the "**Loan Maturity Date**").

(b) Interest Rate. Commencing on the date of initial disbursement of all or a portion of Loan Proceeds and continuing through the date that all indebtedness and other amounts payable under this Note are paid in full, interest on the Loan shall accrue at the rate of three percent (3%) per annum on the unpaid and outstanding principal.

3. Terms of Repayment.

(a) Principal. Commencing on the first day of the month following the date of the issuance of a certificate of occupancy by the City for completion of the Project and continuing on each annual anniversary thereafter through the Loan Maturity Date (each, a “**Loan Repayment Date**”), provided that Borrower is not in default under the Loan Agreement, the City shall forgive Three Hundred Fifty-Two Thousand Dollars (\$352,000.00) annually (“**Loan Repayment Amount**”).

(b) Interest. Provided Borrower is not in default under the Loan Agreement, on each Loan Repayment Date, upon receipt of all principal amounts required to be paid or credited pursuant to this Section 3(b), all accrued interest to such Loan Repayment Date shall be forgiven by the City and deemed to have been paid by Borrower.

(c) Default. **In the event of a default under the Loan Agreement, all accrued and unpaid principal and interest on the Loan shall be immediately due and payable.**

(d) Place and Manner of Payment. Payment shall be made in lawful money of the United States at Holder's address for notices set forth in Section 7.4 of the Loan Agreement, or to any other addresses as Holder may hereafter designate, in accordance with Section 7.4.

(e) Lawful Interest. Notwithstanding any other provisions of this Note, or any instrument securing the obligations of Maker under this Note, if, for any reason whatsoever, the payment of any sums by Maker pursuant to the terms of this Note would result in the payment of interest which would exceed the amount that Holder may legally charge under the laws of the State of California, then the amount by which payment exceeds the lawful interest rate shall automatically be deducted from the principal balance owing on this Note, so that in no event shall Maker be obligated under the terms of this Note to pay any interest which would exceed the lawful rate.

(f) Loan Prepayment. Provided Borrower is not in default under Article 6 of the Loan Agreement, this Note, or any portion of the outstanding principal balance due under Loan, may be prepaid at any time, and from time to time, without penalty or premium.

(g) Security. As security for repayment of this Note, Borrower shall execute the Deed of Trust in favor of the City as beneficiary pursuant to which the City shall be provided a lien against the Property and the Project. The Deed of Trust shall be dated as of the Agreement Date and shall be recorded in the official records of Sacramento County. The Deed of Trust may be subordinated only to such liens and encumbrances as the City shall approve in writing.

(f) Due on Sale or Transfer of Property. Unless the City agrees otherwise in writing, the outstanding principal balance and all interest and other sums accrued under the Loan Documents shall be due and payable upon the sale or transfer of the Property for any reason ("**Termination**").

4. Events of Default. Each of the following events will constitute an event of default ("**Event of Default**") under this Note:

(a) Failure to Make Payments. If Borrower fails to pay when due the principal and interest payable under this Note and such failure continues for ten (10) calendar days after the City notifies Borrower thereof in writing.

(b) Failure to Comply with Loan Requirements. Borrower's failure, neglect, or refusal to comply with the Loan requirements set forth in Article 2 of this Agreement.

(c) Noncompliance with Loan Documents. Borrower's failure, neglect or refusal to perform any promise, agreement, covenant or obligation contained in the Loan Documents after any applicable cure periods.

(d) Noncompliance with Governmental Requirements. Borrower's failure to timely comply with any governmental requirements, including but not limited to obtaining licenses and permits.

(e) False Representations. If any material representation or disclosure made to the City by Borrower in connection with the Loan Documents proves to be false or misleading in any material adverse respect when made.

(f) Bankruptcy. The filing by or against Borrower of a voluntary or involuntary petition in bankruptcy or the adjudication of Borrower as bankrupt or insolvent, or the filing of any petition or answer seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution, or similar relief under present or any future federal bankruptcy act or any other present or future applicable federal, state or other statute or law, or the seeking or consenting to or acquiescing in the appointment of any trustee, receiver, liquidator of Borrower or any substantial part of or all of the property of Borrower, and if any such proceeding is not dismissed within sixty (60) days; Borrower is named in any such proceeding and the same is not dismissed within one hundred twenty (120) days.

(g) Sublease. Conveyance of all or a portion of the Property by sublease without the prior written consent of such conveyance the City.

(h) Occurrence of an Event of Default in Other Loan Documents. An event of default under any Loan Document, or any other loan agreement and related

documents by and between Borrower and the City other than the Loan Documents, if any, subject to the expiration of any applicable cure period set forth in such documents.

5. No Waiver or Consent. The failure by Holder to assert its rights upon the occurrence of an Event of Default, or the waiver by Holder of its rights upon any Event of Default, shall not constitute a consent to or waiver of Holder's rights with respect to any other Event of Default.

6. Default Interest. Upon the occurrence of any Event of Default, all principal and accrued interest thereon owing under this Note will become immediately due and payable, and interest will accrue at the rate of eight and one-half percent (8.5%) per annum, compounded annually on each anniversary of the Agreement Date.

7. Remedies. Upon the occurrence of any Event of Default, in addition to its other rights in this Note and the Loan Agreement, at law, or in equity, Holder may exercise any one or more of the following rights and remedies without prior demand:

(a) accelerate and declare the entire unpaid principal balance of this Note together with all accrued interest thereon, and all other sums owing to the City immediately due and payable; and

(b) proceed at law, or in equity, to require Borrower to perform its obligations and covenants under the Loan Documents; and

(c) proceed as authorized at law or in equity with respect to the Event of Default, and in connection with that, pursue any and all other remedies available under law to enforce the terms of this Agreement, any other Loan Document.

The remedies provided herein are cumulative and not exclusive of, and shall not prejudice any other remedy provided in any Loan Document.

8. Maker's Waivers.

(a) Additional Security. Maker expressly agrees that Holder may accept further security for this Note, all without in any way affecting the obligations of Maker under this Note.

(b) Original Liability. No extension of time for payment of this Note or any installment hereof made by agreement by Holder with any person now or hereafter liable for the payment of this Note shall operate to release, discharge, modify, change or affect the original liability of Maker under this Note, either in whole or in part.

(c) Obligations Absolute. The obligations of Maker under this Note shall be absolute and Maker waives any and all rights to offset, deduct or withhold any payments or charges due under this Note for any reasons whatsoever.

(d) Waivers. Maker hereby waives (i) any notice of default or delinquency in addition to any notice expressly required by this Note; (ii) notice of acceleration; (iii) any notice of nonpayment in addition to any notice required by this Note; (iv) notice of costs, expenses, losses and interest thereon; (v) notice of interest on interest and late fees; (vi) diligence in taking any action to collect any sums owing under this Note or in proceeding against any of the rights and interest in and to properties securing payment of this Note; and (vii) presentment for payment, demand, protest, and notices of dishonor and/or protest.

9. Holder Forbearance. No waiver of any breach, default or failure of condition under the terms of this Note or the Loan Agreement or the obligations secured thereby shall be implied from any failure of Holder to take, or any delay by Holder in taking, action with respect to such breach, default or failure or from any previous waiver of any similar or unrelated breach, default or failure; and a waiver of any term of this Note or the Loan Agreement must be made in writing and shall be limited to the express written terms of such waiver.

10. Miscellaneous Provisions.

(a) Notices. All notices to Holder or Maker shall be given in the manner and at the addresses set forth in the Loan Agreement, or to such addresses as Holder and Maker may hereafter designate, in accordance with the Loan Agreement.

(b) Successors and Assigns. This Note (i) shall not be assigned by Maker, (ii) can be assigned by Holder, at its sole option, and (iii) shall be binding on all successors and assigns of Holder and Maker.

(c) Attorneys' Fees. If the City elects to employ any of the remedies available to it in connection with any Event of Default, Borrower shall pay all reasonable costs and expenses incurred by or on behalf of the City including, without limitation, reasonable attorneys' fees, incurred in connection with the City's enforcement of this Note and the exercise of any or all of its rights and remedies.

(d) Severability. If a court of competent jurisdiction finds any provisions of this Note invalid or unenforceable, the remaining provisions shall not in any way be affected or impaired thereby, and all other provisions of this Note shall remain in full force and effect.

(e) Time. Time is of the essence in the performance of the terms and conditions of this Note.

(f) Governing Law. The laws of the State of California shall govern this Note.

(g) Amendment. This Note may not be changed orally, but only by an amendment in writing signed by Maker and approved by Holder.

(h) Headings. The headings within this Note are for the purpose of reference only and shall not limit or otherwise affect any of the terms of this Note.

(i) Assumptions. The Loan, including this Note, may not be assumed in whole or in part without the prior written consent of Holder, which consent shall be given or withheld at the sole discretion of Holder. Holder may condition its consent to an assumption of the Loan on the satisfaction of conditions reasonably required by Holder at the time of the assumption. Conditions may include, but not be limited to, Holder's satisfaction, in its sole discretion, with the proposed assuming party's ability to meet the Loan obligations, modifications to the Loan and the Loan Documents, the payment of an assumption fee and reimbursement of Holder's fees and costs incurred by reason of the assumption.

Executed in Rancho Cordova, California on _____ 2023.

FORM DO NOT SIGN

By: _____

Its: _____

ITEM 19.1.

ATTACHMENT 4

DRAFT 10-27-23

Contract No. 2023-235

EXHIBIT C

FORM OF DEED OF TRUST

5488160.1

C-1

**Loan Agreement
Cordova Community Council**

Exhibit C**RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:**

City of Rancho Cordova
2729 Prospect Park Drive
Rancho Cordova, CA 95670
Attention: City Clerk

EXEMPT FROM RECORDING FEES PER
GOVERNMENT CODE §§6103, 27383

APN: 072-0231-014 (portion)

Space above this line for Recorder's use.

**DEED OF TRUST, ASSIGNMENT OF RENTS,
SECURITY AGREEMENT AND FIXTURE FILING**

THIS DEED OF TRUST, ASSIGNMENT OF RENTS, SECURITY AGREEMENT AND FIXTURE FILING (“**Deed of Trust**”) is made as of _____, 2023, by Cordova Community Council Foundation (“**Trustor**”) to _____ Title Company as trustee (“**Trustee**”), for the benefit of the City of Rancho Cordova, a California municipal corporation (“**Beneficiary**”).

RECITALS

A. Trustor owns fee simple title to the land located at 2300 Mineshaft Lane, Rancho Cordova, known as a portion of Sacramento County Assessor's Parcel 072-0231-014, and more particularly described in Exhibit A attached hereto and incorporated herein by this reference (the “**Land**”). Trustor intends to improve and expand a building located on the Land (the “**Project**”).

B. Beneficiary and Trustor have entered into a Loan Agreement dated as of the date hereof (the “**Loan Agreement**”) pursuant to which Beneficiary will provide a loan to Trustor in the amount of Eight Million Eight Hundred Thousand Dollars (\$8,800,000) for the construction of the Project (the “**Loan**”). Trustor has issued to Beneficiary a secured promissory note dated as of the date hereof in the amount of the Loan to evidence Trustor's obligation to repay the Loan (“**Note**”). Terms used but not defined herein shall have the meaning ascribed to such terms in the Loan Agreement. This Deed of Trust will be recorded in the Official Records of Sacramento County (the “**Official Records**”).

C. As a condition precedent to the making of the Loan, Beneficiary has required that Trustor enter into this Deed of Trust and grant to Trustee for the benefit of Beneficiary, a lien and security interest in the Property (defined below) to secure repayment of the Note and performance of Trustor's obligations under the Loan Agreement and the other City Documents

(defined below).

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, it is agreed as follows.

1. **Grant in Trust.** In consideration of the foregoing and for the purpose of securing payment and performance of the Secured Obligations defined and described in Section 2, Trustor hereby irrevocably and unconditionally grants, conveys, transfers and assigns to Trustee, in trust for the benefit of Beneficiary, with power of sale and right of entry and possession, all estate, right, title and interest which Trustor now has or may later acquire in and to the Land, and all of the following, whether presently owned or hereafter acquired:

a. All buildings, structures, and improvements, now or hereafter located or constructed on the Land ("**Improvements**");

b. All appurtenances, easements, rights of way, pipes, transmission lines or wires and other rights used in connection with the Land or the Improvements or as a means of access thereto, whether now or hereafter owned or constructed or placed upon or in the Land or Improvements and all existing and future privileges, rights, franchises and tenements of the Land, including all minerals, oils, gas and other commercially valuable substances which may be in, under or produced from any part of the Land, and all water rights, rights of way, gores or strips of land, and any land lying in the streets, ways, and alleys, open or proposed, in front of or adjoining the Land and Improvements (collectively, "**Appurtenances**");

c. All machinery, equipment, fixtures, goods and other personal property of the Trustor, whether moveable or not, now owned or hereafter acquired by the Trustor and now or hereafter located at or used in connection with the Land, the Improvements or Appurtenances, and all improvements, restorations, replacements, repairs, additions or substitutions thereto (collectively, "**Equipment**");

d. All amendments, extensions, renewals or modifications thereof, and all rent, royalties, or other payments which may now or hereafter accrue or otherwise become payable thereunder to or for the benefit of Trustor, including but not limited to security deposits (collectively, "**Rents**");

e. All insurance proceeds and any other proceeds from the Land, Improvements, Appurtenances, Equipment, Leases, and Rents, including without limitation, all deposits made with or other security deposits given to utility companies, all claims or demands relating to insurance awards which the Trustor now has or may hereafter acquire, including all advance payments of insurance premiums made by Trustor, and all condemnation awards or payments now or later made in connection with any condemnation or eminent domain proceeding ("**Proceeds**");

f. All revenues, income, rents, royalties, payments and profits produced by the Land, Improvements, Appurtenances and Equipment, whether now owned or hereafter acquired by Trustor ("**Gross Revenues**");

g. All architectural, structural and mechanical plans, specifications, design

documents and studies produced in connection with development of the Land and construction of the Improvements (collectively, “**Plans**”); and

h. All interests and rights in any private or governmental grants, subsidies, loans or other financing provided in connection with development of the Land and construction of the Improvements (collectively, “**Financing**”).

All of the above-referenced interests of Trustor in the Land, Improvements, Appurtenances, Equipment, Leases, Rents, Proceeds, Gross Revenues, Plans and Financing as hereby conveyed to Trustee or made subject to the security interest herein described are collectively referred to herein as the “**Property**.”

2. Obligations Secured. This Deed of Trust is given for the purpose of securing payment and performance of the following (collectively, the “**Secured Obligations**”): (i) all present and future indebtedness evidenced by the Note and any amendment thereof, including principal, interest and all other amounts payable under the terms of the Note; (ii) all present and future obligations of Trustor to Beneficiary under the City Documents (defined below); (iii) all additional present and future obligations of Trustor to Beneficiary under any other agreement or instrument acknowledged by Trustor (whether existing now or in the future) which states that it is or such obligations are, secured by this Deed of Trust; (iv) all obligations of Trustor to Beneficiary under all modifications, supplements, amendments, renewals, or extensions of any of the foregoing, whether evidenced by new or additional documents; and (v) reimbursement of all amounts advanced by or on behalf of Beneficiary to protect Beneficiary’s interests under this Deed of Trust or any other City Document as such may be modified, supplemented, amended, renewed or extended. The Note, the Loan Agreement and this Deed of Trust, all dated as of the date hereof are collectively referred to herein as the “**City Documents**.”

3. Assignment of Rents, Issues, and Profits. Trustor hereby irrevocably, absolutely, presently and unconditionally assigns to Beneficiary the Rents, royalties, issues, profits, revenue, income and proceeds of the Property. This is an absolute assignment and not an assignment for security only. Beneficiary hereby confers upon Trustor a license to collect and retain such Rents, royalties, issues, profits, revenue, income and proceeds as they become due and payable prior to any Event of Default hereunder. Upon the occurrence of any such Event of Default, Beneficiary may terminate such license without notice to or demand upon Trustor and without regard to the adequacy of any security for the indebtedness hereby secured, and may either in person, by agent, or by a receiver to be appointed by a court, enter upon and take possession of the Property or any part thereof, and sue for or otherwise collect such rents, issues, and profits, including those past due and unpaid, and apply the same, less costs and expenses of operation and collection, including reasonable attorneys’ fees, to any indebtedness secured hereby, and in such order as Beneficiary may determine. Beneficiary’s right to the rents, royalties, issues, profits, revenue, income and proceeds of the Property does not depend upon whether or not Beneficiary takes possession of the Property. The entering upon and taking possession of the Property, the collection of such rents, issues, and profits, and the application thereof as aforesaid, shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice. If an Event of Default occurs while Beneficiary is in possession of all or part of the Property and/or is collecting and applying Rents as permitted under this Deed of Trust, Beneficiary, Trustee and any receiver shall nevertheless be entitled to exercise and invoke every

right and remedy afforded any of them under this Deed of Trust and at law or in equity, including the right to exercise the power of sale granted hereunder. Regardless of whether or not Beneficiary, in person or by agent, takes actual possession of the Land or the Improvements, Beneficiary shall not be deemed to be a "mortgagee in possession," shall not be responsible for performing any obligation of Trustor under any Lease, shall not be liable in any manner for the Property, or the use, occupancy, enjoyment or operation of any part of it, and shall not be responsible for any waste committed by Trustor, lessees or any third parties, or for dangerous or defective condition of the Property or any negligence in the management, repair or control of the Property. Absent Beneficiary's written consent, Trustor shall not accept prepayment of Rents for any rental period exceeding one month.

4. Security Agreement. The parties intend for this Deed of Trust to create a lien on the Property, and an absolute assignment of the Rents and Leases, all in favor of Beneficiary. The parties acknowledge that some of the Property may be determined under applicable law to be personal property or fixtures. To the extent that any Property may be or be determined to be personal property, Trustor as debtor hereby grants to Beneficiary as secured party a security interest in all such Property to secure payment and performance of the Secured Obligations. This Deed of Trust constitutes a security agreement under the California Uniform Commercial Code, as amended or recodified from time to time (the "UCC"), covering all such Property. To the extent such Property is not real property encumbered by the lien granted above, and is not absolutely assigned by the assignment set forth above, it is the intention of the parties that such Property shall constitute "proceeds, products, offspring, rents, or profits" (as defined in and for the purposes of Section 552(b) of the United States Bankruptcy Code, as such section may be modified or supplemented) of the Land and Improvements.

5. Financing Statements. Pursuant to the UCC, Trustor, as debtor, hereby authorizes Beneficiary, as secured party, to file such financing statements and amendments thereof and such continuation statements with respect thereto as Beneficiary may deem appropriate to perfect and preserve Beneficiary's security interest in the Property and Rents, without requiring any signature or further authorization by Trustor. If requested by Beneficiary, Trustor shall pay all fees and costs that Beneficiary may incur in filing such documents in public offices and in obtaining such record searches as Beneficiary may reasonably require. If any financing statement or other document is filed in the records normally pertaining to personal property, that filing shall not be construed as in any way derogating from or impairing this Deed of Trust or the rights or obligations of the parties under it.

Everything used in connection with the Property and/or adapted for use therein and/or which is described or reflected in this Deed of Trust is, and at all times and for all purposes and in all proceedings both legal or equitable shall be regarded as part of the estate encumbered by this Deed of Trust irrespective of whether (i) any such item is physically attached to the Improvements, (ii) serial numbers are used for the better identification of certain equipment items capable of being thus identified in a recital contained herein or in any list filed with Beneficiary, or (iii) any such item is referred to or reflected in any such financing statement so filed at any time. Similarly, the mention in any such financing statement of (1) rights in or to the proceeds of any fire and/or hazard insurance policy, or (2) any award in eminent domain proceedings for a taking or for lessening of value, or (3) Trustor's interest as lessor in any present or future lease or rights to income growing out of the use and/or occupancy of the property

conveyed hereby, whether pursuant to lease or otherwise, shall not be construed as in any way altering any of the rights of Beneficiary as determined by this instrument or impugning the priority of Beneficiary's lien granted hereby or by any other recorded document. Such mention in any financing statement is declared to be solely for the protection of Beneficiary in the event any court or judge shall at any time hold, with respect to the matters set forth in the foregoing clauses (1), (2), and (3), that notice of Beneficiary's priority of interest is required in order to be effective against a particular class of persons, including but not limited to the federal government and any subdivisions or entity of the federal government.

6. Fixture Filing. This Deed of Trust is intended to be and constitutes a fixture filing pursuant to the provisions of the UCC with respect to all of the Property constituting fixtures, is being recorded as a fixture financing statement and filing under the UCC, and covers property, goods and equipment which are or are to become fixtures related to the Land and the Improvements. Trustor covenants and agrees that this Deed of Trust is to be filed in the Official Records of Sacramento County and shall also operate from the date of such filing as a fixture filing in accordance with Section 9502 and other applicable provisions of the UCC. This Deed of Trust shall also be effective as a financing statement covering minerals or the like (including oil and gas) and accounts subject to the UCC, as amended. Trustor shall be deemed to be the "debtor" and Beneficiary shall be deemed to be the "secured party" for all purposes under the UCC.

7. Trustor's Representations, Warranties and Covenants; Rights and Duties of the Parties.

7.1 Representations and Warranties. Trustor represents and warrants that: (i) Trustor lawfully possesses and holds a fee simple interest in the Land and the Improvements, (ii) Trustor has good and marketable title to all of the Property; (iii) other than as limited by the City Documents, Trustor has the full and unlimited power, right and authority to encumber the Property and assign the Rents; (iv) subject only to encumbrances of record permitted pursuant to the City Documents or otherwise approved in writing by Beneficiary ("**Permitted Encumbrances**"), this Deed of Trust creates a valid lien on Trustor's entire interest in the Property; (v) except with respect to Permitted Encumbrances, Trustor owns the Property free and clear of all deeds of trust, mortgages, security agreements, reservations of title or conditional sales contracts, (vi) there is no financing statement affecting the Property on file in any public office other than as disclosed in writing to Beneficiary; and (vii) the correct address of Trustor's chief executive office is specified in Section 10.2. Beneficiary agrees that it will not withhold consent to reasonable requests for subordination of this Deed of Trust to deeds of trust provided for the benefit of lenders identified in the Financing Plan approved in connection with the Loan Agreement provided that the subordination agreement includes reasonable protections to the Beneficiary in the event of default.

7.2 Condition of Property. Trustor represents and warrants that except as disclosed to Beneficiary in writing, as of the date hereof: (i) Trustor has not received any notice from any governmental authority of any threatened or pending zoning, building, fire, or health code violation or violation of other governmental regulations concerning the Property that has not previously been corrected, and no condition on the Land violates any health, safety, fire, environmental, sewage, building, or other federal, state or local law, ordinance or regulation; (ii) no contracts, licenses, leases or commitments regarding the maintenance or use of the Property

or allowing any third party rights to use the Property are in force; (iii) there are no threatened or pending actions, suits, or administrative proceedings against or affecting the Property or any portion thereof or the interest of Trustor in the Property; (iv) there are no threatened or pending condemnation, eminent domain, or similar proceedings affecting the Property or any portion thereof; (v) Trustor has not received any notice from any insurer of defects of the Property which have not been corrected; (vi) there are no natural or artificial conditions upon the Land or any part thereof that could result in a material and adverse change in the condition of the Land; (vii) all information that Trustor has delivered to Beneficiary, either directly or through Trustor's agents, is accurate and complete; and (viii) Trustor or Trustor's agents have disclosed to Beneficiary all material facts concerning the Property.

7.3 Authority. Trustor represents and warrants that this Deed of Trust and all other documents delivered or to be delivered by Trustor in connection herewith: (a) have been duly authorized, executed, and delivered by Trustor; (b) are binding obligations of Trustor; and (c) do not violate the provisions of any agreement to which Trustor is a party or which affects the Property. Trustor further represents and warrants that there are no pending, or to Trustor's knowledge, threatened actions or proceedings before any court or administrative agency which may adversely affect Trustor's ownership of the Property.

7.4 Payment and Performance of Secured Obligations. Trustor shall promptly pay when due the principal and any interest due on the indebtedness evidenced by the Note, and shall promptly pay and perform all other obligations of Trustor arising in connection with the Secured Obligations or the City Documents in accordance with the respective terms thereof.

7.5 Use of Loan Proceeds; Preservation and Maintenance of Property; Compliance with Laws. Trustor covenants that it shall use the proceeds of the Loan solely for purposes authorized by the City Documents. Trustor covenants that it shall keep the Land and Improvements in good repair and condition, and from time to time shall make necessary repairs, renewals and replacements thereto so that the Property shall be preserved and maintained. Trustor covenants to comply with all federal, state and local laws, regulations, ordinances and rules applicable to the Property and the Project, including without limitation all applicable requirements of state and local building codes and regulations, and all applicable statutes and regulations relating to accessibility for the disabled. Trustor shall not remove, demolish or materially alter any Improvement without Beneficiary's consent, shall complete or restore promptly and in good and workmanlike manner any building, fixture or other improvement which may be constructed, damaged, or destroyed thereon, and shall pay when due all claims for labor performed and materials furnished therefor. Trustor shall use the Land and the Improvements solely for purposes authorized by the City Documents, shall not commit or allow waste of the Property, and shall not commit or allow any act upon or use of the Property which would violate any applicable law or order of any governmental authority, nor shall Trustor bring on or keep any article on the Property or cause or allow any condition to exist thereon which could invalidate or which would be prohibited by any insurance coverage required to be maintained on the Property pursuant to the City Documents.

7.6 Restrictions on Conveyance and Encumbrance; Acceleration. It shall be an Event of Default hereunder if the Property, any part thereof, or interest therein is sold, assigned, conveyed, transferred, hypothecated, leased, licensed, or encumbered in violation of the City

Documents or if any other Transfer (as defined in the Loan Agreement) occurs in violation of the City Documents. If any such Transfer shall occur in violation of such requirements, without limiting the provisions of Section 8 hereof, all obligations secured by this Deed of Trust, irrespective of the maturity dates of such obligations, shall at the option of Beneficiary, and without demand, immediately become due and payable, subject to any applicable cure period.

7.7 Inspections; Books and Records. Beneficiary and its agents and representatives shall have the right at any reasonable time upon reasonable notice to enter upon the Land and inspect the Property to ensure compliance with the City Documents. Trustor shall maintain complete and accurate books of account and other records (including copies of supporting bills and invoices) adequate to document the use of the proceeds of the Loan and the operation of the Property, together with copies of all written contracts, Leases and other instruments which affect the Property. The books, records, contracts, Leases and other instruments shall be subject to examination and inspection by Beneficiary at any reasonable time following two business days prior notice.

7.8 Charges, Liens, Taxes and Assessments. Trustor shall pay before delinquency all taxes, levies, assessments and other charges affecting the Property that are (or if not paid may become) a lien on all or part of the Property. Trustor may, at Trustor's expense, contest the validity or application of any tax, levy, assessment or charge affecting the Property by appropriate legal proceedings promptly initiated and conducted in good faith and with due diligence, provided that (i) Beneficiary is reasonably satisfied that neither the Property nor any part thereof or interest therein will be in danger of being sold, forfeited, or lost as a result of such contest, and (ii) Trustor shall have posted a bond or furnished other security as may reasonably be required from time to time by Beneficiary; and provided further that Trustor shall timely make any payment necessary to prevent a lien, foreclosure, sale, forfeiture or loss of the Property.

7.9 Subrogation. Beneficiary shall be subrogated to the liens of all encumbrances, whether released of record or not, which are discharged in whole or in part by Beneficiary in accordance with this Deed of Trust.

7.10 Hazard, Liability and Workers' Compensation Insurance. At all times during the term hereof, at Trustor's expense, Trustor shall keep the Improvements and personal property now existing or hereafter located on the Property insured against loss by fire, vandalism and malicious mischief by a policy of standard fire and extended all-risk insurance. The policy shall be written on a full replacement value basis and shall name Beneficiary as loss payee as its interest may appear. The full replacement value of the improvements to be insured shall be determined by the company issuing the policy at the time the policy is initially obtained. Not more frequently than once every two (2) years, either the Trustor or the Beneficiary shall have the right to notify the other party that it elects to have the replacement value redetermined by the insurance company. Subject to the rights of any senior lienholder, the proceeds collected under any insurance policy may be applied by Beneficiary to any indebtedness secured hereby and in such order as Beneficiary may determine, or at the option of Beneficiary, the entire amount so collected or any part thereof may be released to Trustor. Such application or release shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice. Notwithstanding anything to the contrary set forth herein, provided that Trustor is

not in default under any City Document, Trustor shall be permitted to use the proceeds of insurance to rebuild the Improvements.

7.10.1 Trustor shall at all times during the term hereof, maintain a comprehensive general liability insurance policy in an amount not less than Two Million Dollars (\$2,000,000) combined single limit per occurrence, or such other policy limits as City may require in its reasonable discretion, including coverage for bodily injury, property damage, products, completed operations and contractual liability coverage. Such policy or policies shall be written on an occurrence basis and shall name the Beneficiary as an additional insured. Trustor shall maintain workers' compensation insurance as required by law.

7.10.2 Trustor shall file with Beneficiary prior to the commencement of the term hereof, certificates (or such other proof as Beneficiary may require, including without limitation, copies of the required insurance policies) evidencing each of the insurance policies and endorsements thereto as required by this Section, and such certificates (or policies) shall provide that at least thirty (30) days' prior written notice shall be provided to Beneficiary prior to the expiration, cancellation or change in coverage under each such policy.

7.10.3 If any insurance policy required hereunder is canceled or the coverage provided thereunder is reduced, Trustor shall, within fifteen (15) days after receipt of written notice of such cancellation or reduction in coverage, but in no event later than the effective date of cancellation or reduction, file with Beneficiary a certificate showing that the required insurance has been reinstated or provided through another insurance company or companies. Upon failure to so file such certificate, Beneficiary may, without further notice and at its option, procure such insurance coverage at Trustor's expense, and Trustor shall promptly reimburse Beneficiary for such expense upon receipt of billing from Beneficiary.

7.10.4 The insurance policies required hereunder shall be issued by insurance companies authorized to do business in the State of California with a financial rating of at least A VII status as rated in the most recent edition of Best's Key Rating Guide and who are either "admitted" by the California Department of Insurance or who are listed on the "List of Eligible Surplus Line Insurers" as maintained by the California Department of Insurance. (Note: The List of Eligible Surplus Line Insurers is also known as the "LESLI List"). Each policy of insurance shall contain an endorsement requiring the insurer to provide at least thirty (30) days written notice to Beneficiary prior to change in coverage, cancellation or expiration thereof. If any insurance policy required pursuant to the City Documents is canceled or the coverage provided thereunder is reduced, Trustor shall, within ten (10) days after receipt of written notice of such cancellation or reduction in coverage, but in no event later than the effective date of cancellation or reduction, file with Beneficiary a certificate showing that the required insurance has been reinstated or provided through another insurance company or companies. Upon failure to so file such certificate, Beneficiary may, without further notice and at its option, procure such insurance coverage at Trustor's expense, and Trustor shall promptly reimburse Beneficiary for such expense upon receipt of billing from Beneficiary.

7.11 Hazardous Materials. Trustor represents and warrants that except as disclosed to Beneficiary in writing, as of the date hereof to the best knowledge of Trustor: (i) the Land is free and has always been free of Hazardous Materials (as defined below) and is not and has never

been in violation of any Environmental Law (as defined below); (ii) there are no buried or partially buried storage tanks located on the Land; (iii) Trustor has received no notice, warning, notice of violation, administrative complaint, judicial complaint, or other formal or informal notice alleging that conditions on the Land are or have ever been in violation of any Environmental Law or informing Trustor that the Land is subject to investigation or inquiry regarding Hazardous Materials on the Land or the potential violation of any Environmental Law; (iv) there is no monitoring program required by the Environmental Protection Agency or any other governmental agency concerning the Land; (v) no toxic or hazardous chemicals, waste, or substances of any kind have ever been spilled, disposed of, or stored on, under or at the Land, whether by accident, burying, drainage, or storage in containers, tanks, holding areas, or any other means; (vi) the Land has never been used as a dump or landfill; and (vii) Trustor has disclosed to Beneficiary all information, records, and studies in Trustor's possession or reasonably available to Trustor relating to the Land concerning Hazardous Materials.

Trustor shall not cause or permit any Hazardous Material (as defined below) to be brought upon, kept, stored or used in, on, under, or about the Land by Trustor, its agents, employees, contractors or invitees except for incidental supplies ordinarily used in connection with the construction, rehabilitation, repair, and operation of residential developments and in compliance with all applicable laws, and shall not cause any release of Hazardous Materials into, onto, under or through the Land. If any Hazardous Material is discharged, released, dumped, or spilled in, on, under, or about the Land and results in any contamination of the Land or adjacent property, or otherwise results in the release or discharge of Hazardous Materials in, on, under or from the Land, Trustor shall promptly take all actions at its sole expense as are necessary to comply with all Environmental Laws (as defined below).

To the fullest extent permitted by law, Trustor shall indemnify, defend (with counsel reasonably acceptable to Beneficiary), and hold Beneficiary and its elected and appointed officials, officers, agents and employees (collectively, "**Indemnitees**") harmless from and against any and all loss, claim, liability, damage, demand, judgment, order, penalty, fine, injunctive or other relief, cost, expense (including reasonable fees and expenses of attorneys, expert witnesses, and other professionals advising or assisting Beneficiary), action, or cause of action (all of the foregoing, hereafter individually "**Claim**" and collectively "**Claims**") arising in connection with the breach of Trustor's covenants and obligations set forth in this Section 7.11 or otherwise arising in connection with the presence or release of Hazardous Materials in, on, under, or from the Property. The foregoing indemnity includes, without limitation, all costs of investigation, assessment, containment, removal, remediation of any kind, and disposal of Hazardous Materials, all costs of determining whether the Land is in compliance with Environmental Laws, all costs associated with bringing the Land into compliance with all applicable Environmental Laws, and all costs associated with claims for damages or injury to persons, property, or natural resources.

Without limiting the generality of the foregoing, Trustor shall, at Trustor's own cost and expense, do all of the following:

a. pay or satisfy any judgment or decree that may be entered against any Indemnitee or Indemnitees in any legal or administrative proceeding incident to any matters against which Indemnitees are entitled to be indemnified under this Deed of Trust;

b. reimburse Indemnitees for any expenses paid or incurred in connection with any matters against which Indemnitees are entitled to be indemnified under this Deed of Trust; and

c. reimburse Indemnitees for any and all expenses, including without limitation out-of-pocket expenses and fees of attorneys and expert witnesses, paid or incurred in connection with the enforcement by Indemnitees of their rights under this Deed of Trust, or in monitoring and participating in any legal or administrative proceeding.

Trustor's obligation to indemnify the Indemnitees shall not be limited or impaired by any of the following, or by any failure of Trustor to receive notice of or consideration for any of the following: (i) any amendment or modification of any City Document; (ii) any extensions of time for performance required by any City Document; (iii) any provision in any of the City Documents limiting Beneficiary's recourse to property securing the Secured Obligations, or limiting the personal liability of Trustor, or any other party for payment of all or any part of the Secured Obligations; (iv) the accuracy or inaccuracy of any representation and warranty made by Trustor under this Deed of Trust or by Trustor or any other party under any City Document, (v) the release of Trustor or any other person, by Beneficiary or by operation of law, from performance of any obligation under any City Document; (vi) the release or substitution in whole or in part of any security for the Secured Obligations; and (vii) Beneficiary's failure to properly perfect any lien or security interest given as security for the Secured Obligations.

The provisions of this Section 7.11 shall be in addition to any and all other obligations and liabilities that Trustor may have under applicable law, and each Indemnitee shall be entitled to indemnification under this Section without regard to whether Beneficiary or that Indemnitee has exercised any rights against the Property or any other security, pursued any rights against any guarantor or other party, or pursued any other rights available under the City Documents or applicable law. The obligations of Trustor to indemnify the Indemnitees under this Section shall survive any repayment or discharge of the Secured Obligations, any foreclosure proceeding, any foreclosure sale, any delivery of any deed in lieu of foreclosure, and any release of record of the lien of this Deed of Trust.

Without limiting any of the remedies provided in this Deed of Trust, Trustor acknowledges and agrees that each of the provisions in this Section 7.11 is an environmental provision (as defined in Section 736(f)(2) of the California Code of Civil Procedure) made by Trustor relating to real property security (the "**Environmental Provisions**"), and that Trustor's failure to comply with any of the Environmental Provisions will be a breach of contract that will entitle Beneficiary to pursue the remedies provided by Section 736 of the California Code of Civil Procedure ("**Section 736**") for the recovery of damages and for the enforcement of the Environmental Provisions. Pursuant to Section 736, Beneficiary's action for recovery of damages or enforcement of the Environmental Provisions shall not constitute an action within the meaning of Section 726(a) of the California Code of Civil Procedure or constitute a money judgment for a deficiency or a deficiency judgment within the meaning of Sections 580a, 580b, 580d, or 726(b) of the California Code of Civil Procedure.

"**Hazardous Materials**" means any substance, material or waste which is or becomes regulated by any federal, state or local governmental authority, and includes without limitation (i) petroleum or oil or gas or any direct or indirect product or by-product thereof; (ii) asbestos

and any material containing asbestos; (iii) any substance, material or waste regulated by or listed (directly or by reference) as a “hazardous substance”, “hazardous material”, “hazardous waste”, “toxic waste”, “toxic pollutant”, “toxic substance”, “solid waste” or “pollutant or contaminant” in or pursuant to, or similarly identified as hazardous to human health or the environment in or pursuant to, the Toxic Substances Control Act [15 U.S.C. Section 2601 *et seq.*]; the Comprehensive Environmental Response, Compensation and Liability Act [42 U.S.C. Section 9601 *et seq.*], the Hazardous Materials Transportation Authorization Act [49 U.S.C. Section 5101 *et seq.*], the Resource Conservation and Recovery Act [42 U.S.C. Section 6901 *et seq.*], the Federal Water Pollution Control Act [33 U.S.C. Section 1251], the Clean Air Act [42 U.S.C. Section 7401, *et seq.*], the California Underground Storage of Hazardous Substances Act [California Health and Safety Code Section 25280 *et seq.*], the California Hazardous Substances Account Act [California Health and Safety Code Section 25300 *et seq.*], the California Hazardous Waste Act [California Health and Safety Code Section 25100 *et seq.*], the California Safe Drinking Water and Toxic Enforcement Act [California Health and Safety Code Section 25249.5 *et seq.*], and the Porter-Cologne Water Quality Control Act [California Water Code Section 13000 *et seq.*], as they now exist or are hereafter amended, together with any regulations promulgated thereunder; (iv) any substance, material or waste which is defined as such or regulated by any “Superfund” or “Superlien” law, or any Environmental Law; or (v) any other substance, material, chemical, waste or pollutant identified as hazardous or toxic and regulated under any other federal, state or local environmental law, including without limitation, asbestos, polychlorinated biphenyls, petroleum, natural gas and synthetic fuel products and by-products.

“Environmental Law” means all federal, state or local statutes, ordinances, rules, regulations, orders, decrees, judgments or common law doctrines, and provisions and conditions of permits, licenses and other operating authorizations regulating, or relating to, or imposing liability or standards of conduct concerning (i) pollution or protection of the environment, including natural resources; (ii) exposure of persons, including employees and agents, to any Hazardous Material (as defined above) or other products, raw materials, chemicals or other substances; (iii) protection of the public health or welfare from the effects of by-products, wastes, emissions, discharges or releases of chemical substances from industrial or commercial activities; (iv) the manufacture, use or introduction into commerce of chemical substances, including without limitation, their manufacture, formulation, labeling, distribution, transportation, handling, storage and disposal; or (iv) the use, release or disposal of toxic or hazardous substances or Hazardous Materials or the remediation of air, surface waters, groundwaters or soil, as now or may at any later time be in effect, including but not limited to the Toxic Substances Control Act [15 U.S.C. 2601 *et seq.*]; the Comprehensive Environmental Response, Compensation and Liability Act [42 U.S.C. Section 9601 *et seq.*], the Hazardous Materials Transportation Authorization Act [49 U.S.C. Section 5101 *et seq.*], the Resource Conservation and Recovery Act [42 U.S.C. 6901 *et seq.*], the Federal Water Pollution Control Act [33 U.S.C. Section 1251], the Clean Air Act [42 U.S.C. Section 7401 *et seq.*], the California Underground Storage of Hazardous Substances Act [California Health and Safety Code Section 25280 *et seq.*], the California Hazardous Substances Account Act [California Health and Safety Code Section 25300 *et seq.*], the California Hazardous Waste Act [California Health and Safety Code Section 25100 *et seq.*], the California Safe Drinking Water and Toxic Enforcement Act [California Health and Safety Code Section 25249.5 *et seq.*], and the Porter-Cologne Water Quality Control Act [California Water Code Section 13000 *et seq.*], as they now exist or are hereafter amended, together with any regulations promulgated thereunder.

7.12 Notice of Claims; Defense of Security; Reimbursement of Costs.

a. Notice of Claims. Trustor shall provide written notice to Beneficiary of any uninsured or partially uninsured loss affecting the Property through fire, theft, liability, or property damage in excess of an aggregate of One Hundred Thousand Dollars (\$100,000) within three (3) business days of the occurrence of such loss. Trustor shall ensure that Beneficiary shall receive timely notice of, and shall have a right to cure, any default under any other financing document or other lien affecting the Property and shall use best efforts to ensure that provisions mandating such notice and allowing such right to cure shall be included in all such documents. Within three business days of Trustor's receipt thereof, Trustor shall provide Beneficiary with a copy of any notice of default Trustor receives in connection with any financing document secured by the Property or any part thereof.

b. Defense of Security. At Trustor's sole expense, Trustor shall protect, preserve and defend the Property and title to and right of possession of the Property, the security of this Deed of Trust and the rights and powers of Beneficiary and Trustee created under it, against all adverse claims.

c. Compensation; Reimbursement of Costs. Trustor agrees to pay all reasonable fees, costs and expenses charged by Beneficiary or Trustee for any service that Beneficiary or Trustee may render in connection with this Deed of Trust, including without limitation, fees and expenses related to provision of a statement of obligations or related to a reconveyance. Trustor further agrees to pay or reimburse Beneficiary for all costs, expenses and other advances which may be incurred or made by Beneficiary or Trustee in any efforts to enforce any terms of this Deed of Trust, including without limitation any rights or remedies afforded to Beneficiary or Trustee or both of them under Sections 7.18 and 8.2, whether or not any lawsuit is filed, or in defending any action or proceeding arising under or relating to this Deed of Trust, including reasonable attorneys' fees and other legal costs, costs of any disposition of the Property under the power of sale granted hereunder or any judicial foreclosure, and any cost of evidence of title.

d. Notice of Changes. Trustor shall give Beneficiary prior written notice of any change in the address of Trustor and the location of any Property, including books and records pertaining to the Property.

7.13 Indemnification. To the fullest extent permitted by law, Trustor shall indemnify, defend (with counsel reasonably acceptable to Beneficiary), and hold harmless the Trustee and the Indemnitees (as defined in Section 7.11) from and against all Claims arising directly or indirectly in any manner in connection with or as a result of (a) any breach of Trustor's covenants under any City Document, (b) any representation by Trustor in any City Document which proves to be false or misleading in any material respect when made, (c) injury or death to persons or damage to property or other loss occurring on the Land or in any improvement located thereon, whether caused by the negligence or any other act or omission of Trustor or any other person or by negligent, faulty, inadequate or defective design, building, construction or maintenance or any other condition or otherwise, (d) any claim, demand or cause of action, or any action or other proceeding, whether meritorious or not, brought or asserted against any Indemnitee which relates to or arises out of the Property, or any City Document or any transaction contemplated thereby, or any failure of Trustor to comply with all applicable state,

federal and local laws and regulations applicable to the Property, provided that no Indemnatee shall be entitled to indemnification under this Section for matters caused by such Indemnatee's gross negligence or willful misconduct. The obligations of Trustor under this Section shall survive the repayment of the Loan and shall be secured by this Deed of Trust. Notwithstanding any contrary provision contained herein, the obligations of Trustor under this Section shall survive any foreclosure proceeding, any foreclosure sale, any delivery of a deed in lieu of foreclosure, and any release or reconveyance of this Deed of Trust.

7.14. Limitation of Liability. Beneficiary shall not be directly or indirectly liable to Trustor or any other person as a consequence of any of the following: (i) Beneficiary's exercise of or failure to exercise any rights, remedies or powers granted to Beneficiary in this Deed of Trust; (ii) Beneficiary's failure or refusal to perform or discharge any obligation or liability of Trustor under any agreement related to the Property or under this Deed of Trust; (iii) any waste committed by Trustor, the lessees of the Property or any third parties, or any dangerous or defective condition of the Property; or (iv) any loss sustained by Trustor or any third party resulting from any act or omission of Beneficiary in managing the Property after an Event of Default, unless the loss is caused by the willful misconduct, gross negligence, or bad faith of Beneficiary. Trustor hereby expressly waives and releases all liability of the types described in this Section 7.14 and agrees that Trustor shall assert no claim related to any of the foregoing against Beneficiary.

7.15 Insurance and Condemnation Proceeds. Subject to the rights of any senior lienholders, any award of damages in connection with any condemnation for public use of, or injury to the Property or any part thereof is hereby assigned and shall be paid to Beneficiary who may apply such moneys to any indebtedness secured hereby in such order as Beneficiary may determine, or at the option of Beneficiary the entire amount so collected or any part thereof may be released to Trustor. Such application or release shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice. Notwithstanding the foregoing, so long as the value of Beneficiary's lien is not impaired, insurance and/or condemnation proceeds may be used to repair and/or restore the Project.

7.16 Release, Extension, Modification. At any time and from time to time, without liability therefor and without notice, upon written request of Beneficiary and presentation of this Deed of Trust and the Note for endorsement, Trustee may release or reconvey all or any part of the Property, consent to the making of any map or plat of the Land or part thereof, join in granting any easement or creating any restriction affecting the Property, or join in any extension agreement or other agreement affecting the lien or charge hereof. At any time and from time to time, without liability therefor and without notice, Beneficiary may (i) release any person liable for payment of any Secured Obligation, (ii) extend the time for payment or otherwise alter the terms of payment of any Secured Obligation; (iii) accept additional real or personal property of any kind as security for any Secured Obligation, or (iv) substitute or release any property securing the Secured Obligations.

7.17 Reconveyance. Upon written request of Beneficiary stating that all of the Secured Obligations have been paid and performed in full, and upon surrender of this Deed of Trust, and the Note, Trustee shall reconvey, without warranty, the Property or so much of it as is then held under this Deed of Trust. The recitals in any reconveyance executed under this Deed of Trust of

any matters or facts shall be conclusive proof of the truthfulness thereof. Trustor shall pay all fees of Trustee and all recordation fees related to such reconveyance.

7.18 Cure; Protection of Security. Either Beneficiary or Trustee may cure any breach or default of Trustor, and if it chooses to do so in connection with any such cure, Beneficiary or Trustee may also enter the Property and/or do any and all other things which it may in its sole discretion consider necessary and appropriate to protect the security of this Deed of Trust. Such other things may include: appearing in and/or defending any action or proceeding which purports to affect the security of, or the rights or powers of Beneficiary or Trustee under, this Deed of Trust; paying, purchasing, contesting or compromising any encumbrance, charge, lien or claim of lien which in Beneficiary's or Trustee's sole judgment is or may be senior in priority to this Deed of Trust, such judgment of Beneficiary or Trustee to be conclusive as among Beneficiary, Trustee and Trustor; obtaining insurance and/or paying any premiums or charges for insurance required to be carried hereunder; otherwise caring for and protecting any and all of the Property; and/or employing counsel, accountants, contractors and other appropriate persons to assist Beneficiary or Trustee. Beneficiary and Trustee may take any of the actions permitted under this Section 7.18 either with or without giving notice, except for notices required under applicable law. Any amounts disbursed by Beneficiary pursuant to this paragraph shall become additional indebtedness secured by this Deed of Trust.

8. Default and Remedies.

8.1 Events of Default. Trustor acknowledges and agrees that an Event of Default shall occur under this Deed of Trust upon the occurrence of any one or more of the following events:

- a. Beneficiary's declaration of an Event of Default under any City Document, subject to the expiration of any applicable cure period set forth in such document;
- b. Trustor fails to perform any monetary obligation which arises under this Deed of Trust, and does not cure that failure within ten (10) days following written notice from Beneficiary or Trustee;
- c. If Trustor's interest in the Property or any part thereof is voluntarily or involuntarily sold, transferred, leased, encumbered, or otherwise conveyed in violation of Section 7.6 hereof or if any other Transfer occurs in violation of the Loan Agreement and Trustor fails to rescind such conveyance or otherwise cure such breach within the time period specified in paragraph j below;
- d. Trustor fails to maintain the insurance coverage required hereunder or otherwise fails to comply with the requirements of Section 7.10 hereof and Trustor fails to cure such default within the time specified in Section 7.10;
- e. Subject to Trustor's right to contest such charges as provided herein, Trustor fails to pay taxes or assessments due on the Land or the Improvements or fails to pay any other charge that may result in a lien on the Land or the Improvements, and Trustor fails to cure such default within ten (10) days.

f. Any representation or warranty of Trustor contained in or made in connection with the execution and delivery of this Deed of Trust or in any certificate or statement furnished pursuant hereto or in any other City Document proves to have been false or misleading in any material adverse respect when made;

g. If, pursuant to or within the meaning of the United States Bankruptcy Code or any other federal or state law relating to insolvency or relief of debtors (“**Bankruptcy Law**”), Trustor (i) commences a voluntary case or proceeding; (ii) consents to the entry of an order for relief against Trustor or any general partner thereof in an involuntary case; (iii) consents to the appointment of a trustee, receiver, assignee, liquidator or similar official for Trustor or any general partner thereof; (iv) makes an assignment for the benefit of its creditors; or (v) admits in writing its inability to pay its debts as they become due.

h. If a court of competent jurisdiction enters an order or decree under any Bankruptcy Law that (i) is for relief against Trustor or any general partner thereof in an involuntary case, (ii) appoints a trustee, receiver, assignee, liquidator or similar official for Trustor or any general partner thereof or substantially all of such entity’s assets, (iii) orders the liquidation of Trustor or any general partner thereof, or (iv) issues or levies a judgment, writ, warrant of attachment or similar process against the Property or the Project, and in each case the order or decree is not released, vacated, dismissed or fully bonded within sixty (60) days after its issuance.

i. The holder of any other debt instrument secured by a mortgage or deed of trust on the Property or part thereof declares an event of default thereunder and exercises a right to declare all amounts due under that debt instrument immediately due and payable, subject to the expiration of any applicable cure period set forth in such holder’s documents; or

j. Trustor fails to perform any obligation arising under this Deed of Trust other than one enumerated in this Section 8.1, and does not cure that failure either within ten (10) days after written notice from Beneficiary or Trustee in the event of a monetary default, or within thirty (30) days after such written notice in the event of a nonmonetary default, provided that in the case of a nonmonetary default that in Beneficiary’s reasonable judgment cannot reasonably be cured within thirty (30) days, an Event of Default shall not arise hereunder if Trustor commences to cure such default within thirty (30) days and thereafter prosecutes such cure to completion with due diligence and in good faith and in no event later than sixty (60) days following receipt of notice of default.

8.2 Remedies. Subject to the applicable notice and cure provisions set forth herein, at any time after an Event of Default, Beneficiary and Trustee shall be entitled to invoke any and all of the rights and remedies described below, and may exercise any one or more or all, of the remedies set forth in any City Document, and any other remedy existing at law or in equity or by statute. All of Beneficiary’s rights and remedies shall be cumulative, and the exercise of any one or more of them shall not constitute an election of remedies. Beneficiary shall be entitled to collect all expenses incurred in pursuing the remedies provided hereunder, including without limitation reasonable attorneys’ fees and costs.

a. Acceleration. Beneficiary may declare any or all of the Secured

Obligations, including without limitation all sums payable under the Note and this Deed of Trust, to be due and payable immediately.

b. Receiver. Beneficiary may apply to any court of competent jurisdiction for, and obtain appointment of, a receiver for the Property.

c. Entry. Beneficiary, in person, by agent or by court-appointed receiver, may enter, take possession of, manage and operate all or any part of the Property, and may also do any and all other things in connection with those actions that Beneficiary may in its sole discretion consider necessary and appropriate to protect the security of this Deed of Trust. Such other things may include: taking and possessing copies of all of Trustor's or the then owner's books and records concerning the Property; entering into, enforcing, modifying, or canceling Leases on such terms and conditions as Beneficiary may consider proper; obtaining and evicting tenants; fixing or modifying Rents; collecting and receiving any payment of money owing to Trustor; completing any unfinished construction; and/or contracting for and making repairs and alterations. If Beneficiary so requests, Trustor shall assemble all of the Property that has been removed from the Land and make all of it available to Beneficiary at the site of the Land. Trustor hereby irrevocably constitutes and appoints Beneficiary as Trustor's attorney-in-fact to perform such acts and execute such documents as Beneficiary in its sole discretion may consider to be appropriate in connection with taking these measures, including endorsement of Trustor's name on any instruments.

d. UCC Remedies. Beneficiary may exercise any or all of the remedies granted to a secured party under the UCC.

e. Judicial Action. Beneficiary may bring an action in any court of competent jurisdiction to foreclose this Deed of Trust in the manner provided by law for foreclosure of mortgages on real property and/or to obtain specific enforcement of any of the covenants or agreements of this Deed of Trust.

f. Power of Sale. Under the power of sale hereby granted, Beneficiary shall have the discretionary right to cause some or all of the Property, including any Property which constitutes personal property, to be sold or otherwise disposed of in any combination and in any manner permitted by applicable law.

8.3 Power of Sale. If Beneficiary elects to invoke the power of sale hereby granted, Beneficiary shall execute or cause the Trustee to execute a written notice of such default and of its election to cause the Property to be sold to satisfy the obligations hereof, and shall cause such notice to be recorded in the office of the Recorder of each County wherein the Property or some part thereof is situated as required by law and this Deed of Trust.

Prior to publication of the notice of sale, Beneficiary shall deliver to Trustee this Deed of Trust and the Note or other evidence of indebtedness which is secured hereby, together with a written request for the Trustee to proceed with a sale of the Property, pursuant to the provisions of law and this Deed of Trust.

Notice of sale having been given as then required by law, and not less than the time then required by law having elapsed after recordation of such notice of default, Trustee, without

demand on Trustor, shall sell the Property at the time and place fixed by it in the notice of sale, either as a whole or in separate parcels and in such order as it may determine, at public auction to the highest bidder for cash in lawful money of the United States, payable at time of sale. Trustee may, and at Beneficiary's request shall, postpone sale of all or any portion of the Property by public announcement at such time and place of sale, and from time to time thereafter may postpone such sale by public announcement at the time and place fixed by the preceding postponement. Trustee shall deliver to the purchaser its deed conveying the property so sold, but without any covenant or warranty, express or implied. The recitals in such deed of any matters or facts shall be conclusive proof of the truthfulness thereof. Any person, including Trustor, Trustee, or Beneficiary, may purchase at such sale.

After deducting all costs, fees, and expenses of Trustee and of the trust hereby created, including reasonable attorneys' fees in connection with sale, Trustee shall apply the proceeds of sale to payment of all sums advanced or expended by Beneficiary or Trustee under the terms hereof and all outstanding sums then secured hereby, and the remainder, if any, to the person or persons legally entitled thereto.

Without limiting the generality of the foregoing, Trustor acknowledges and agrees that regardless of whether or not a default has occurred hereunder, if an Event of Default has occurred under the City Documents, and if in connection with such Event of Default Beneficiary exercises its right to foreclose on the Property, then: (i) Beneficiary shall be entitled to declare all amounts due under the Note immediately due and payable, and (ii) the proceeds of any sale of the Property in connection with such foreclosure shall be used to pay all Secured Obligations, including without limitation, the outstanding principal balance and all other amounts due under the Note.

At any foreclosure sale, any person, including Trustor, Trustee or Beneficiary, may bid for and acquire the Property or any part of it to the extent permitted by then applicable law. Instead of paying cash for such property, Beneficiary may settle for the purchase price by crediting the sales price of the property against the following obligations:

a. First, the portion of the Secured Obligations attributable to the expenses of sale, costs of any action and any other sums for which Trustor is obligated to pay or reimburse Beneficiary or Trustee under Section 7.12(c); and

b. Second, the remaining balance of all other Secured Obligations in any order and proportions as Beneficiary in its sole discretion may choose.

8.4 Trustor's Right to Reinstate. Notwithstanding Beneficiary's acceleration of the sums secured by this Deed of Trust, Trustor shall have the right to have any proceedings begun by Beneficiary to enforce this Deed of Trust discontinued at any time prior to five days before sale of the Property pursuant to the power of sale contained in this Deed of Trust or at any time prior to entry of a judgment enforcing this Deed of Trust if: (a) Trustor pays Beneficiary all sums which would be then due under the City Documents if the Secured Obligations had no acceleration provision; (b) Trustor cures all breaches of any other covenants or agreements of Trustor contained in this Deed of Trust; (c) Trustor pays all reasonable expenses incurred by Beneficiary and Trustee in enforcing the covenants and agreements of Trustor contained in this

Deed of Trust, and in enforcing Beneficiary's and Trustee's remedies as provided herein, including, but not limited to, reasonable attorney's fees; and (d) Trustor takes such action as Beneficiary may reasonably require to assure that the lien of this Deed of Trust, Beneficiary's interest in the Property and Trustor's obligation to pay the sums secured by this Deed of Trust shall continue unimpaired. Upon such payment and cure by Trustor, this Deed of Trust and the obligations secured hereby shall remain in full force and effect as if no acceleration had occurred.

9. Trustor's Waivers. To the fullest extent permitted by law, Trustor waives: (a) all statutes of limitations as a defense to any action or proceeding brought against Trustor by Beneficiary; (b) the benefit of all laws now existing or which may hereafter be enacted providing for any appraisal, valuation, stay, extension, redemption or moratorium; (c) all rights of marshalling in the event of foreclosure; and (d) all presentments, demands for performance, notices of nonperformance, protests, notices of protest, notices of dishonor, notices of acceptance of this Deed of Trust and of the existence, creation, or incurring of new or additional indebtedness, and demands and notices of every kind.

10. Miscellaneous Provisions.

10.1 Additional Provisions. The City Documents grant further rights to Beneficiary and contain further agreements and affirmative and negative covenants by Trustor which apply to this Deed of Trust and the Property.

10.2 Notices. Trustor requests that a copy of notice of default and notice of sale be mailed to Trustor at the address set forth below. That address is also the mailing address of Trustor as debtor under the UCC. Beneficiary's address set forth below is the address for Beneficiary as secured party under the UCC. Except for any notice required under applicable law to be given in another manner, all notices to be sent pursuant to this Deed of Trust shall be made in writing, and sent to the parties at their respective addresses specified below or to such other address as a party may designate by written notice delivered to the other parties in accordance with this Section. All such notices shall be sent by:

- a. personal delivery, in which case notice shall be deemed delivered upon receipt;
- b. certified or registered mail, return receipt requested, in which case notice shall be deemed delivered two (2) business days after deposit, postage prepaid in the United States mail;
- c. nationally recognized overnight courier, in which case notice shall be deemed delivered one (1) day after deposit with such courier; or
- d. facsimile transmission, in which case notice shall be deemed delivered on transmittal, provided that a transmission report is generated reflecting the accurate transmission thereof.

Beneficiary:

City of Rancho Cordova
 2729 Prospect Park Drive
 Rancho Cordova, CA 95670
 Attention: City Manager

Trustor: Cordova Community Council Foundation
 2729 Prospect Park Drive, STE 117
 Rancho Cordova, CA 95670
 Attention: _____

Trustee: _____

10.3 Binding on Successors. The terms, covenants and conditions of this Deed of Trust shall be binding upon and inure to the benefit of the heirs, administrators, executors, successors in interest, transferees, and assigns of the Trustor, Beneficiary and Trustee; provided however this Section 10.3 does not waive the provisions of Section 7.6.

10.4 Substitution of Trustee. Beneficiary may from time to time or at any time substitute a trustee or trustees to execute the trust hereby created, and when any such substitution has been filed for record in the office of the Recorder of Sacramento County, it shall be conclusive evidence of the appointment of such trustee or trustees, and such new trustee or trustees shall succeed to all of the powers and duties of the Trustee named herein.

10.5 Attorneys' Fees and Costs. In any action or proceeding to foreclose this Deed of Trust or to enforce any right of Beneficiary or of Trustee, Trustor shall pay to Beneficiary and Trustee all costs of such action or proceeding, including reasonable attorneys' fees.

10.6 Governing Law; Severability; Interpretation. This Deed of Trust shall be governed by the laws of the State of California without regard to principles of conflicts of laws. Trustor agrees that any controversy arising under or in relation to this Deed of Trust shall be litigated exclusively in the jurisdiction where the Land is located (the "**Property Jurisdiction**"). The state and federal courts and authorities with jurisdiction in the Property Jurisdiction shall have exclusive jurisdiction over all controversies which shall arise under or in relation to the City Documents. Trustor irrevocably consents to service, jurisdiction, and venue of such courts for any such litigation, and waives any other venue to which it might be entitled by virtue of domicile, habitual residence or otherwise. If any provision of this Deed of Trust is held unenforceable or void, that provision shall be deemed severable from the remaining provisions, and shall in no way affect the validity of this Deed of Trust. The captions used in this Deed of Trust are for convenience only and are not intended to affect the interpretation or construction of the provisions herein contained. In this Deed of Trust, whenever the context so requires, the singular number includes the plural.

10.7 Waiver, Modification and Amendment. Any waiver by Beneficiary of any obligation of Trustor hereunder must be in writing, and no waiver shall be construed as a

continuing waiver. No waiver shall be implied from any delay or failure by Beneficiary or Trustee to take action on account of any default of Trustor. Consent by Beneficiary or Trustee to any act or omission by Trustor shall not be construed as a consent to any other or subsequent act or omission or to waive the requirement for Beneficiary's or Trustee's consent to be obtained in any future or other instance. No amendment to or modification of this Deed of Trust shall be effective unless and until such amendment or modification is in writing, executed by Trustor and Beneficiary. Without limiting the generality of the foregoing, Beneficiary's acceptance of payment of any sum secured hereby after its due date shall not constitute a waiver by Beneficiary of its right either to require prompt payment when due of all other sums so secured or to declare default for failure so to pay.

10.8 Action by Beneficiary. Except as may be otherwise specifically provided herein, whenever any approval, notice, direction, or consent by the Beneficiary is required or permitted under this Agreement, such action shall be in writing, and such action may be given, made or taken by Beneficiary's City Manager or by any person who shall have been designated by Beneficiary's City Manager, without further approval by the City Council of Beneficiary.

10.9 Joint and Several Liability. If Trustor consists of more than one person or entity, each shall be jointly and severally liable for the faithful performance of all of Trustor's obligations under this Deed of Trust.

10.10 Time is of the Essence. Time is of the essence for each provision of this Deed of Trust.

SIGNATURES ON FOLLOWING PAGE.

ITEM 19.1.

ATTACHMENT 4

IN WITNESS WHEREOF, Trustor has executed this Deed of Trust as of the date first written above.

TRUSTOR:

Cordova Community Council Foundation

By: _____

Its: _____

SIGNATURES MUST BE NOTARIZED.

ITEM 19.1.

ATTACHMENT 4

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

[illegible]

On _____, 20__, before me, _____, (here insert name and title of the officer), personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ (Seal)

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA)
)
 COUNTY OF SACRAMENTO)

On _____, 20__, before me, _____, (here insert name and title of the officer), personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ (Seal)

Exhibit A**LAND**

Real property in the City of Rancho Cordova, County of Sacramento, State of California, described as follows:

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF RANCHO CORDOVA, IN THE COUNTY OF SACRAMENTO, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

The land described herein is situated in the state of California, County of Sacramento, City of Rancho Cordova, described as follows: All that portion of Section 20, Township 9 North, Range 7 East, lying Southerly of the right of way of the Southern Pacific Railroad Company and lying Northwesterly of the following described line: Beginning at a point on the Southeasterly line of the Southern Pacific Company's Placerville Branch railroad right of way, from which point a 2" iron pipe monument stamped "A-G Corp. re 2675", as shown in Book 12 of Surveys, Page 29, bears North 63° 52' 49" East 1541.40 feet; thence from said point of beginning along the arc of a 5000.00 foot radius curve to the left, said arc being subtended by a chord bearing South 60° 18' 27" West 605.86 feet; thence South 56° 50' 03" West 1582.40 feet; thence along the arc of a 2825.00 foot radius curve to the right, said arc being subtended by a chord bearing South 65° 16' 31" West 829.39 feet; thence South 73° 43' 00" West 669.20 feet; thence along the arc of a 3375.00 foot radius curve to the left, said arc being subtended by a chord bearing South 68° 27' 40" West 618.30 feet to a point on said Southeasterly line of the Southern Pacific Company's Placerville Branch railroad and the point of ending.

EXCLUDING real property described in that certain Grant Deed recorded June 01, 2023 in Document Number 202306010218 for lands granted to the City of Rancho Cordova, County of Sacramento, State of California, being a portion of the Lands of Cordova Community Council Foundation (a nonprofit corporation), said portion being more particularly described as follows: Beginning at a point on the northwesterly line of said Lands of Cordova Community Council Foundation, said point being South 63°52'53" East 3226.36 feet from the northeast corner of said Lands; thence into said Lands of the Cordova Community Council Foundation along a non-tangent curve to the right, concave to the southwest, whose center bears South 77°00'22" West, having a radius of 3368.33 feet, an included angle of 02°54'21", an arc length of 170.83 feet to the southeasterly line of said Lands of Cordova Community Council Foundation; thence along said southeasterly line South 73°43'17" West, 201.49 feet; thence into said Lands of the Cordova Community Council Foundation along a non-tangent curve to the left, concave to the southwest, whose center bears South 80°18'18" West, having a radius of 3168.09 feet, having an included angle of 02°27'10", an arc length of 135.63 feet to the northwesterly line of said Lands of Cordova Community Council Foundation; thence along said northwesterly line North 63°52'53" East, 205.97 feet to the Point of Beginning.

APN: 072-0231-014-0000

Mine Shaft Building Agreements

November 6, 2023



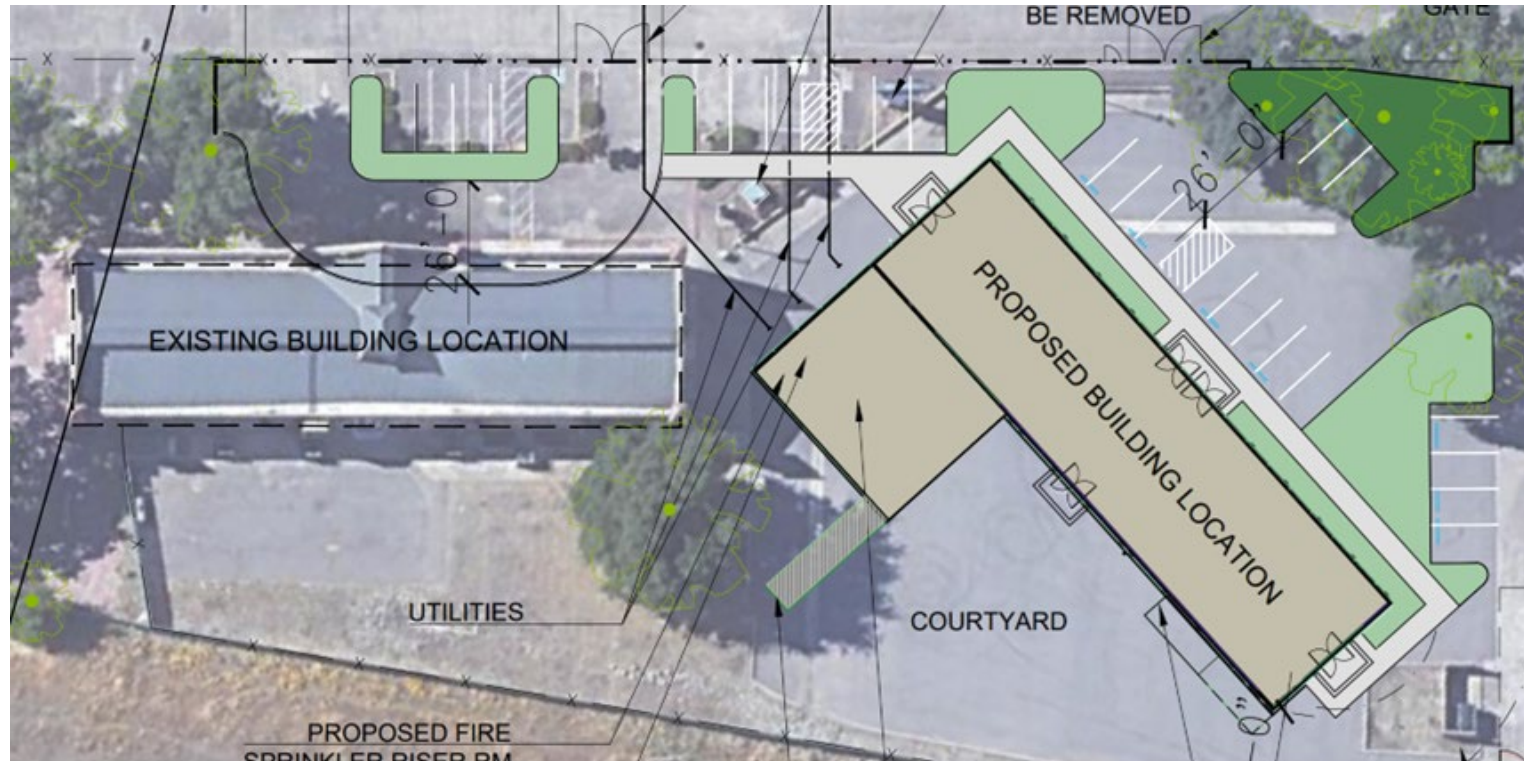
Background

- On December 19, 2022, the City Council authorized the acquisition of property at 2300 Mine Shaft Lane, Rancho Cordova, for the future US 50/Rancho Cordova Parkway Interchange Project
- Rather than demolish the building that is located on a portion of the property acquired by the City, the Cordova Community Council (CCC) proposed that the City transfer ownership of the building back to CCC so that it can be relocated, allowing for historic preservation and continued use and benefit by the community



Proposed Grant Agreement

- Transfer ownership of the Mine Shaft Building back to CCC
- Provide financial assistance in the form of a grant in an amount not-to-exceed \$1.3 Million for relocation of the building



Mine Shaft Renovation and Expansion

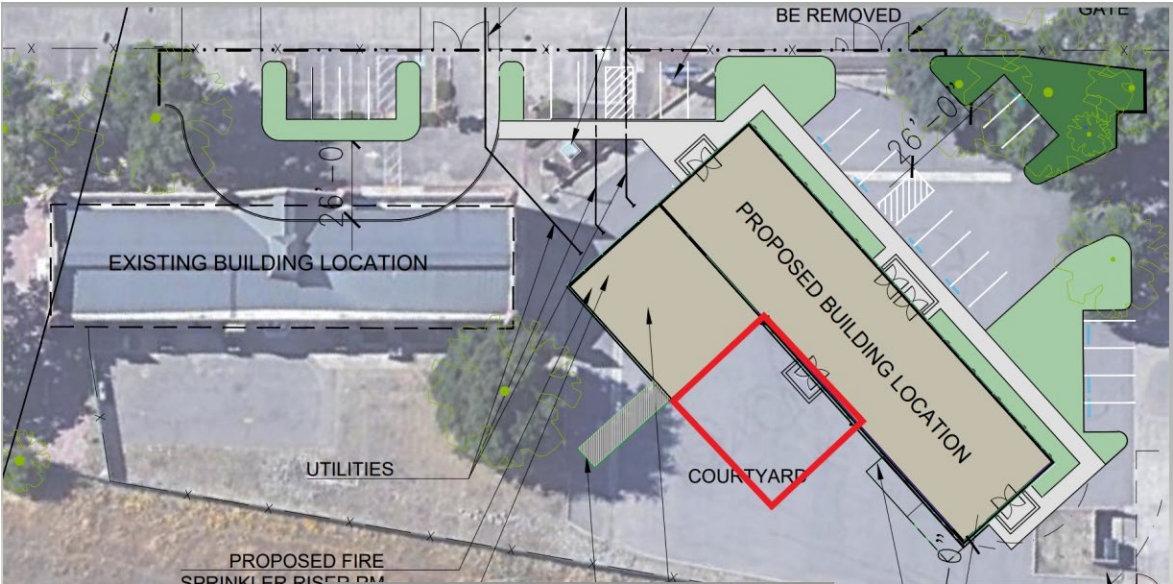
- Proposed Addition I: \$5.4 Million
 - Add 2-story 4,000 square foot addition
 - Add greater capacity elevator
 - Relocate restrooms and elevator to addition
 - Add a Box Office/Ticket Booth
 - Add catering kitchen
 - Add office space, Green Room
 - Work room and storage



American River Room	Mine Shaft Addition I
3,800 square feet	6,000 square feet
300 auditorium	489 auditorium
180 banquet	293 banquet
	2,000 square fee balcony x 2

Mine Shaft “Great Space” Addition

- Proposed Addition II: \$3.4 Million
 - Add 1,600 sq. ft. open space
 - Add two story open space to the central hall
 - Expanding view lines for performances
 - Expanding event capacity



American River Room	Mine Shaft Addition I	The Great Space
3,800 square feet	6,000 square feet	7,600 square feet
300 auditorium	489 auditorium	600 auditorium
180 banquet	293 banquet	360 banquet
	2,000 square ft balcony x 2	2,000 square ft balcony x2

Mine Shaft “Great Space” Addition

The Mine Shaft



Inspiration -
Glacier Hotel @
Glacier National
Park



Proposed Loan Agreement

- Total loan amount of \$8.8 Million
 - *Funds will be disbursed as construction expenses are incurred*
 - *Loan amount would be forgiven over a term of twenty-five (25) years*
 - *Loan will be secured with a lien against the property until fully forgiven*
- Terms of the loan agreement
 - ***Facility Use** - serve as a public event facility with amenities and capacity not currently available elsewhere in the City with a focus on hosting events for community non-profit organizations and serving as a venue for the performing arts*
 - ***Facility Management** - CCC will be responsible for providing full building management*
 - ***Program Costs** - CCC will be responsible for any costs related to the programming of the building*
 - ***Payment of Construction Costs** - CCC is responsible for managing and distributing payment for all costs of construction incurred for the project.*

Recommendation

- **Adopt Resolution Authorizing the City Manager to Execute the Grant Agreement Between the City and Cordova Community Council Foundation for Mine Shaft Building Transfer of Ownership and Relocation**
- **Adopt Resolution Authorizing the City Manager to Execute the Loan Agreement Between the City and Cordova Community Council Foundation for Mine Shaft Building Renovation and Expansion**

MEMORANDUM



ITEM 19.2.

DATE: November 6, 2023
TO: Honorable Mayor and Council Members
FROM: Albert Stricker, Public Works Director
Dalia Fadl, Principal Engineer
SUBJECT: **A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA DESIGNATING A TIME AND PLACE FOR HEARING PROTESTS IN CONNECTION WITH A PROPOSED STORMWATER UTILITY 1 FEE INCREASE, APPROVING PROCEDURES IN CONNECTION THEREWITH AND TAKING CERTAIN OTHER ACTIONS**

RECOMMENDATION

Adopt the Resolution.

RESULT OF RECOMMENDED ACTION

Adoption of the Resolution would declare the Council's intention to increase the Stormwater Utility 1 Fee and state the Council's intention to levy the fee to pay for storm drainage and flood protection services in developing areas, and set 5:30 p.m., or as soon thereafter as the matter may be heard, on January 2, 2024, as the time and date for a protest hearing on the matter.

BACKGROUND

The City's stormwater infrastructure includes the following facilities:

- 6 pump stations
- 6 regional detention basins
- 254 miles of drainage pipes
- 7740 drainage inlets
- 4370 manholes
- 70 acres of creek channels and tributaries

The Stormwater Utility 1 Fee (SWU1) was created in 1995 in order to provide for the safety of the residents of the City, protect property in the City from the damage associated with flooding, and meet the requirements of the NPDES permit. It is necessary to design, construct, operate, maintain, improve and replace storm drainage facilities which collect storm and surface water runoff and convey and treat such runoff in a safe manner. It is also necessary to inspect, monitor, and take enforcement action related to illegal dumping, trash, and illicit discharges into the City's storm drain system.

The City of Rancho Cordova has over \$50 million in deferred maintenance, including outdated pump stations, local flooding, and damaged and aging infrastructure. Delay in addressing deferred maintenance will result in a growing maintenance backlog and an increased need to reactively address emergency conditions. Furthermore, the effort needed to comply with state and federal regulations continues to grow.

DISCUSSION

The SWU1 revenue is not adequate to support the City's stormwater enterprise and, as a result, the stormwater utility fund has a growing deficit. In addition, inadequate revenues generated by the current SWU1 fee have necessitated the deferral of capital improvements to the storm drain system. Staff recommends an increase to the SWU1 fee to provide adequate funding for maintenance and capital improvements of stormwater infrastructure, addressing deferred maintenance, staying in compliance with state and federal regulations, and reducing the potential for future flooding.

A "Rate Analysis Report" was prepared by Harris & Associates and found that revenue generated by the current rate is not adequate to support the City's stormwater enterprise ([Attachment 2](#)). The analysis completed by the City found that the annual costs to maintain, replace, and improve the stormwater infrastructure in the SWU1 area is \$8.9 million per year. The current SWU1 fee collects about \$3.5-\$4 million per year, a shortfall of approximately \$5 million per year. Increasing the rate would close this gap and allow the City to provide a higher level of service to address deferred maintenance, decrease the potential for flooding, and comply with growing federal and state regulations. In addition, attached is a boundary map ([Attachment 3](#)) that depicts the boundaries of the SWU1 Fee area.

In tonight's action, staff will present multiple options for the proposed fee increase for City Council's consideration. Staff is also seeking City Council approval of a resolution to designate a time and place for hearing protests in connection with the proposed SWU1 Fee increase (January 2, 2024) and authorizing the City Clerk's office to give notice of the above-described protest hearing. [Attachment 4](#) includes a sample protest hearing notice.

Sample fee calculations for various land uses based on a proposed annual rate of \$156.79/SFR, are summarized in the following table:

Land Use Description	Total Area (Acres)	Impervious Area (Acre)	DMUs	Existing Annual Fee	Sample Annual Fee
LDR1 parcels 0.167 acres or Less	0.16	--	1.000	\$70.09	\$156.79
LDR2 parcels greater than 0.167 but less than or equal to 0.250 acres	0.22	--	1.100	\$77.10	\$172.47
LDR3 parcels greater than 0.250 but less than or equal to 0.333 acres	0.30	--	1.175	\$82.36	\$184.23
LDR4 parcels greater than 0.333 but less than or equal to 0.500 acres	0.40	--	1.250	\$87.61	\$195.99
LDR5 parcels greater than 0.500 acres	1.00	--	1.563	\$109.52	\$244.98
Medium Density Residential 10 - 18 DU/AC	5.00	3.75	43.750	\$3,066.44	\$6,859.50
High Density Residential Greater than 18 DU/AC	5.00	3.75	46.875	\$3,285.47	\$7,349.47
Office	1.00	0.75	9.375	\$657.09	\$1,469.89
Commercial	1.00	0.70	8.750	\$613.29	\$1,371.90
Industrial	1.00	0.80	10.000	\$700.90	\$1,567.89
Private Recreation	1.00	0.25	3.125	\$219.03	\$489.96
Parks/Greenbelts	2.00	0.25	6.250	\$438.06	\$979.93
Public/Quasi Public	2.00	0.25	6.250	\$438.06	\$979.93

FISCAL IMPACT AND FUNDING SOURCE

The proposed action would have no impact on the City's General Fund.

ATTACHMENT(S)

1. Resolution
2. Preliminary Stormwater Utility 1 Rate and Analysis Report
3. Drainage Districts Map
4. Sample Protest Hearing Notice
5. SWU I Rate Increase Presentation

CITY OF RANCHO CORDOVA

RESOLUTION NO. XX-2023

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA
DESIGNATING A TIME AND PLACE FOR HEARING PROTESTS IN CONNECTION WITH A
PROPOSED STORMWATER UTILITY 1 FEE INCREASE, APPROVING PROCEDURES IN
CONNECTION THEREWITH AND TAKING CERTAIN OTHER ACTIONS**

WHEREAS, this Council is considering a proposal to increase the annual Stormwater Utility 1 Fee ("SWU 1") (the "Stormwater Utility Fee 1") for services and facilities furnished by the City in connection with its storm drain and flood protection system.

WHEREAS, this Council has caused a written report entitled, "Rate Analysis Report (Stormwater Utility Fee 1)", dated August 2023, (the "Written Report") to be prepared by Harris & Associates and filed with the City Clerk containing a description of each parcel of real property within the City to which the Stormwater Utility Fee 1 is applicable (collectively, the "Identified Parcels") and the amount of the proposed increase for Stormwater Utility Fee 1 for each such Identified Parcel for Fiscal Year 2024-25. The Written Report is on file in the office of the City Clerk and is available for public review.

WHEREAS, Article XIII D of the California Constitution and the Proposition 218 Omnibus Implementation Act (Government Code Section 53750, et seq.) (the "Implementation Act") imposes certain procedural and substantive requirements relating to the increase of property-related fees and charges (as defined in Article XIII D), such as the proposed increase to Stormwater Utility Fee 1, including the requirement to conduct a protest hearing and balloting for consideration of the proposed increase to Stormwater Utility Fee 1. In accordance with Article XIII D and the Implementation Act, the City Council hereby approves the "Procedures for the Conduct of a Protest Hearing and Balloting Relating to a proposed increase to Stormwater Utility Fee 1" as set forth in Exhibit "A," attached hereto and incorporated herein by reference (the "Procedures").

NOW, THEREFORE, BE IT HEREBY RESOLVED BY THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA as follows:

1. The foregoing recitals are true and correct.
2. NOTICE IS HEREBY GIVEN THAT THE CITY COUNCIL DESIGNATES MONDAY, JANUARY 2, 2024, AT THE HOUR OF 5:30 P.M. OR AS SOON THEREAFTER AS THE MATTER MAY BE HEARD, IN THE COUNCIL CHAMBERS, CITY HALL, 2729 PROSPECT DRIVE, RANCHO CORDOVA, CALIFORNIA, AS THE TIME AND PLACE FOR A PROTEST HEARING ON THE ABOVE-DESCRIBED WRITTEN REPORT AND PROTESTS OR OBJECTIONS TO THE PROPOSED INCREASE OF THE STORMWATER UTILITY FEE 1.

At the above-described public hearing, all interested persons shall be afforded the opportunity to hear and be heard, and the City Council shall consider all protests against the increase to the Stormwater Utility Fee 1. If written protests against the increase in the Stormwater Utility Fee 1 are presented by a majority of owners of the Identified Parcels, the City shall not impose the increase to the Stormwater Utility Fee 1. In the absence of a majority protest, the City Council may submit the increase to the Stormwater Utility Fee 1 to a vote of the property owners in accordance with Article XIII D of the California Constitution.

ITEM 19.2.

ATTACHMENT 1

3. The City Clerk is hereby authorized and directed to give notice of the above-described protest hearing in accordance with law and the Procedures.

4. Reference is hereby made to the Written Report described in Section 2 hereof, which is on file in the office of the City Clerk, for a full and detailed description of the proposed increase to the Stormwater Utility Fee 1 upon parcels of land within the City.

5. The City Council hereby designates Dalia Fadl, Principal Engineer, telephone number, (916) 851-8718 to answer inquiries regarding the public hearing, protest proceedings and procedural or technical matters.

PASSED AND ADOPTED by the City Council of the City of Rancho Cordova this 6th day of November 2023, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Linda Budge, Mayor

ATTEST:

Stacy Leitner, CMC
City Clerk

EXHIBIT "A"

**PROCEDURES FOR THE CONDUCT OF A
PROTEST HEARING AND VOTE RELATING TO A PROPOSED
INCREASE TO THE STORMWATER UTILITY FEE 1**

The following Procedures have been adopted by the City Council of the City of Rancho Cordova for the purpose of conducting a protest hearing required by Article XIII D of the California Constitution for consideration of the proposed increase to the Stormwater Utility Fee 1 (the "Stormwater Utility Fee 1").

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B. Notice of the Protest Hearing on the Proposed Increase to the Stormwater Utility Fee 1	Page 1
C. Eligibility to File a Protest	Page 2
D. Submission of Written Protests	Page 3
E. Conduct of the Public Hearing; Determination of A Majority Protest	Page 3
F. Conduct Property Owner Vote; Determination of a Majority Protest	Page 4

A. Written Report

The City shall cause to be prepared a written report ("Written Report"), which shall contain a list of all parcels to which the proposed increase to the Stormwater Utility Fee 1 will apply (the "Identified Parcels") and the amount of the proposed increase for each Identified Parcel for Fiscal Year 2024-25.

The Written Report shall be placed on file in the office of the City Clerk prior to the mailing of the Notice of Public Hearing on the Proposed Stormwater Utility Fee 1 and shall remain available for public inspection.

B. Notice of the Protest Hearing on the Proposed Stormwater Utility Fee 1

Notice of the protest hearing on the proposed increase to the Stormwater Utility Fee 1 shall be sent, postage prepaid, by first class mail at least forty-five (45) days prior to the date set for the protest hearing to the Record Owner of each Identified Parcel. The forty-five (45) day requirement may be waived with the unanimous consent of the property owners.

"Record Owner" means the owner of an Identified Parcel whose name and address appears on the last Sacramento County equalized secured property tax assessment roll (the "Assessment Roll"), or in the case of any public entity, the State of California, or the United States, means the representative of that public entity at the address of that entity known to the City.

Notices shall be mailed to the Record Owners of the Identified Parcels, addressed to the names and addresses as they appear on the Assessment Roll, and, in the case of any public entity, the State of California, or the United States, addressed to the public entity at the address of that entity known to the City. In addition, notices shall be mailed to owners of the Identified Parcels, addressed to the names and addresses known to the City Clerk, if different than shown on the Assessment Roll.

Each mailed notice shall contain all of the following:

- A reference to filing of the Written Report;
- A reference to the proposed ordinance imposing the proposed increase to the Stormwater Utility Fee 1;
- The amount of the proposed increase to the Stormwater Utility Fee 1 to be imposed upon the Identified Parcel covered by the notice;
- The basis upon which the amount of the proposed increase to the Stormwater Utility Fee 1 was calculated;
- The reason for the proposed increase to the Stormwater Utility Fee 1;
- The effect of a majority protest; and
- The date, time and location of a public hearing on the proposed increase to the Stormwater Utility Fee 1.

The City Clerk, or the designee of the City Clerk, may certify the proper mailing of notices by an affidavit, which shall constitute conclusive proof of mailing in the absence of fraud.

Failure of any person to receive notice shall not invalidate the proceedings.

Notice of the filing of the Written Report and the public hearing shall be published once a week for two successive weeks in the Grapevine Independent, with the first publication at least fourteen (14) days prior to the date of the public hearing, and with at least five (5) days intervening between the first and second publications.

C. Eligibility to File a Protest

The Assessment Roll shall be presumptive evidence of ownership of an Identified Parcel for protest purposes.

If the owner of any Identified Parcel is not shown on the Assessment Roll, such owner may file a protest for such parcel by filing with the City Clerk a proxy from the Record Owner in a form satisfactory to the City Attorney or evidence of ownership satisfactory to the City Attorney. Any such proxy or evidence must be received by the City Clerk prior to the conclusion of the public hearing.

When an Identified Parcel is held by a partnership, as community property, in joint tenancy, or as a tenancy in common, any partner, spouse, joint tenant, or tenant in common, as the case may be, may file a protest for such parcel.

An executor, administrator, or guardian may file a protest for an Identified Parcel on behalf of the estate it represents. If such representative is shown on the Assessment Roll as paying taxes and assessments levied against the parcel, that fact shall establish the right of such representative to file the protest. If such representative is not shown on the Assessment Roll, the representative must file with the City Clerk written documentation satisfactory to the City Attorney establishing the legal representation. Any such documentation must be filed with the City Clerk prior to the conclusion of the public hearing.

When an Identified Parcel is held by a corporation or unincorporated association, a protest may be filed by any person authorized in writing by the board of directors or trustees or other managing body thereof to take such actions. The corporation or unincorporated association must file with the City Clerk written authorization satisfactory to the City Attorney. Any such written authorization must be filed with the City Clerk prior to the conclusion of the public hearing.

D. Submission of Written Protests

Written protests may be mailed (via U.S. mail) to the City Clerk at City Hall or delivered in person to the City Clerk at City Hall or at the public hearing.

No protests delivered via e-mail will be counted for purposes of determining whether a majority protest exists, but the City Council may, in its discretion, consider such protests in making determinations regarding the Proposed Stormwater Utility Fee 1.

Each written protest must identify the property covered by the protest and be signed.

No protest received after the close of the public hearing shall be counted in determining the existence of a majority protest. The last pick up by the City Clerk of protests mailed or delivered to City Hall will occur at 4:30 p.m. on the date scheduled for the protest hearing. To ensure that protests which are mailed or delivered to City Hall are received by the City Clerk prior to the close of the protest hearing, such protests must be received by the City Clerk at City Hall prior to 4:30 p.m. on the date scheduled for the protest hearing. The City Clerk shall endorse on each written protest the date it is filed with the City. The City Clerk shall identify any protests which are received after the close of the protest hearing.

Written protests may be withdrawn in writing at any time before the conclusion of the protest hearing by the person who submitted the written protest.

For purposes of determining whether a majority protest exists, only one protest for each Identified Parcel will be counted.

All written protests shall be considered public records.

E. Conduct of the Protest Hearing; Determination of a Majority Protest

1. At the time, date and place fixed for the protest hearing, the City Council shall:
 - (i) Hear a staff presentation pertaining to the proposed increase to the Stormwater Utility Fee 1;

- (ii) Hear all persons interested in the matter of the proposed increase to the Stormwater Utility Fee 1; and
- (iii) Receive all written communications regarding the proposed increase to the Stormwater Utility Fee 1.
- 2. The protest hearing may be continued from time to time, as the City Council determines is necessary to complete its consideration of the proposed increase to the Stormwater Utility Fee 1.
- 3. If the City Council determines at the close of the protest hearing that written protests have been presented, and not withdrawn, by a majority of owners of the Identified Parcels (i.e., there is a majority protest), the proposed increase to the Stormwater Utility Fee 1 shall not be approved.
- 4. If the City Council determines at the close of the protest hearing that there is not a majority protest, the City Council may:
 - (i) Remedy and correct any clerical error in the Written Report or otherwise modify the Written Report; provided that any such modification or correction shall not result in an increase to the Stormwater Utility Fee 1 for any Identified Parcel which is greater than the amount shown in the notice of the protest hearing that was mailed to the Record Owner of the Identified Parcel;
 - (ii) Confirm the Written Report, as originally filed or as amended in accordance with subparagraph (i), above;
 - (iii) Adopt an Ordinance amending Chapter 15.11 of the Municipal Code related to the Stormwater Utility Fee 1, subject to voter approval; and
 - (iv) Adopt a resolution calling for a property owner vote regarding the proposed increase to the Stormwater Utility Fee 1.

F. Conduct Property Owner Vote; Determination of a Majority Consent

Pursuant to Government Code Section 53755.5(c), the proceedings described in this section shall not constitute an election or voting for purposes of Article II of the California Constitution or of the Elections Code.

An election on the proposed increase to the Stormwater Utility Fee 1 shall be sent, postage prepaid, by first class mail at least forty-five (45) days prior to the date set for the election to the Record Owner of each Identified Parcel. The forty-five (45) day requirement may be waived with the unanimous consent of the property owners.

Each mailed ballot shall contain all of the following:

- On the face of the envelope in which the notice of election and ballot are mailed, there shall appear in substantially the following form in no smaller than 16-point bold type: "OFFICIAL BALLOT ENCLOSED."
- The ballot shall include the agency's address for return of the ballot, the date and location where the ballots will be tabulated, and a place where the person returning it may indicate his or her name, a reasonable identification of the parcel, and his or her support or opposition to the proposed fee. The ballots shall be tabulated in a location accessible to

the public. The ballot shall be in a form that conceals its content once it is sealed by the person submitting it. The ballot shall remain sealed until the ballot tabulation commences.

No ballot received after the time of the ballot tabulation shall be counted in determining the existence of majority consent. The last pick up by the City Clerk of ballots mailed or delivered to City Hall will occur at 5:00 p.m. on one (1) business day preceding the date scheduled for the election. To ensure that ballots which are mailed or delivered to City Hall are received by the City Clerk prior to the commencement of the ballot tabulation, such ballots must be received by the City Clerk at City Hall prior to 5:00 p.m. on one (1) business day preceding the date scheduled for the ballot tabulation. The City Clerk shall endorse on each ballot the date it is filed with the City. The City Clerk shall identify any ballots which are received after the commencement of the ballot tabulation.

An impartial person designated by the City who does not have a vested interest in the outcome of the proposed fee shall tabulate the ballots submitted in support of or opposition to the proposed fee. An impartial person includes, but is not limited to, the City Clerk. If the City uses City personnel for the ballot tabulation, or if the City contracts with a vendor for the ballot tabulation and the vendor or its affiliates participated in the research, design, engineering, public education, or promotion of the fee, the ballots shall be unsealed and tabulated in public view to permit all interested persons to meaningfully monitor the accuracy of the tabulation process.

The ballot tabulation may be continued to a different time or different location accessible to the public, provided that the time and location are announced at the location at which the tabulation commenced and posted by the City in a location accessible to the public. The impartial person may use technological methods to tabulate the ballots, including, but not limited to, punch card or optically readable (bar-coded) ballots. During and after the tabulation, the ballots and, if applicable, the information used to determine the weight of each ballot, shall be treated as public records, subject to public disclosure and made available for inspection by any interested person. The ballots shall be preserved for a minimum of two years, after which they may be destroyed.

Majority approval of the Record Owners shall exist if the number of valid ballots in favor of the fee exceeds the number of valid ballots in opposition to the fee.

At the time, date and place fixed for the ballot tabulation, the City Council shall direct the City Clerk to commence the ballot tabulation.

If there is no majority approval, the Stormwater Utility Fee 1 shall not be imposed.

If majority approval exists, the City Council may impose the increase to the Stormwater Utility Fee 1 pursuant to the Ordinance.



Harris & Associates



STORM DRAIN RATE ANALYSIS REPORT

(STORMWATER UTILITY FEE 1)

CITY OF RANCHO CORDOVA

September 2023

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Exhibit B RUNOFF COEFFICIENT

1.INTRODUCTION

The Stormwater Utility Fee 1 (“SWU 1”) was established by Sacramento County in 1995 to cover the cost for the maintenance and improvements of the City of Rancho Cordova’s storm drainage management system. In 2014, the City took ownership of the system from Sacramento County, and is now responsible for the operation and maintenance of the system. The SWU 1 did not include an annual cost escalator to keep up with the rate of maintenance and repairs, and as a consequence, the SWU 1 fee revenue is not adequate to support the City’s stormwater enterprise. In addition, inadequate revenues generated by the current SWU 1 fee have necessitated the deferral of capital improvements to the storm drain system. In order to continue to provide stormwater management services, the City of Rancho Cordova (City) is updating the Stormwater Utility Fee 1 to provide adequate funding for maintenance and capital improvements of stormwater infrastructure.

These fees would be levied per the California Health and Safety Code Section 5470 et seq. The City will use the Stormwater Utility Fee 1 to fund the operation and maintenance of the facilities needed to provide the appropriate facilities and control measures for Stormwater quality control.

The purpose of this Rate Analysis Report is to:

- Identify the improvements and maintenance that needs to be funded.
- Review the requirements of Article XIID of the State Constitution (Proposition 218), the Proposition 218 Omnibus Implementation Act (Government Code Section 53750 et. Seq.), and Health & Safety Code Section 5470 et. Seq. relating to requirements for apportioning the costs associated with the City’s stormwater runoff system.
- Analyze and recommend an appropriate rate structure and provide estimated rates based on cost data information provided by the City.

Note: The City’s Enhanced Stormwater Utility Fee 2 (“Enhanced SWU 2”) is not impacted by this update. Enhanced SWU 2 fees address the additional costs to the City for maintaining low impact design (LID) improvements. If a developer wishes to place their LID improvements in public right-of-way that will be maintained by the City, that development will be conditioned to provide an adequate funding mechanism to cover the annual cost of the LID improvement including, but not limited to, annexing into the City’s Enhanced Stormwater Utility Fee 2 district. If the development has private LID improvements, they may annex into the City’s SWU 1 or provide a City-approved alternate funding source.

Exhibit A includes a map of the City’s Drainage District Boundaries.

2.BACKGROUND INFORMATION

The Stormwater Utility Fee 1 (“SWU 1”) was established in 1995 as an initiative dedicated to managing stormwater effectively within Sacramento County. Notably, SWU 1 operates as an enterprise fund, ensuring its revenues and expenditures are segregated into a specific fund, exclusively designated for the stormwater program. It’s important to note there is no inflator or annual adjustment mechanism in place, which means the funding levels remain constant without periodic increases.

In accordance with the Federal Clean Water Act of 1972, the United States Environmental Protection Agency (EPA) is required to establish regulations setting forth National Pollution Discharge Elimination System (NPDES) permit standards. The enactment of 1987 amendments to the Federal Clean Water Act (Act) of 1972 imposes permit requirements for discharge of storm waters. The Act allows the EPA to delegate its NPDES permitting authority to states with an approved environmental regulatory program. The State of California is one of the delegated states.

The responsibility for implementing various NPDES permits in the State of California has been delegated to the State Water Resources Control Board (SWRCB). The SWRCB administers NPDES authority through its nine Regional Boards. As an NPDES permittee, the City is required to prevent or minimize stormwater pollution within its jurisdiction. This includes overseeing the maintenance and operations of the City’s extensive stormwater assets encompassing 6 pump stations, 6 regional detention basins, 254 miles of drainage pipes, 7,7740 drainage inlets, and 4,370 manholes. Additionally, it includes managing 70 acres of creek channels and tributaries. Duties also entail coordinating routine maintenance and emergency response activities while prioritizing and addressing customer service requests. Furthermore, the role necessitates collaboration with regulatory agencies, notably the Department of Fish & Wildlife, to secure all required permitting.

In order to provide for the safety of City residents and protect property in the City from the damage associated with flooding and to meet the requirements of the NPDES permit, it is necessary to design, construct, operate, maintain, improve and replace storm drainage facilities which collect storm and surface water runoff and convey and treat such runoff in a safe manner to an acceptable point of discharge. It is also necessary to inspect, monitor, and take enforcement action related to illegal dumping, and illicit discharges. In order to properly fund such facilities and activities, the City has determined that it is necessary to impose on all developing properties in Rancho Cordova a user charge for storm drainage service.

Based on the City’s General Plan and current specific plan areas, Rancho Cordova is expected to develop as shown in Table 1 below.

TABLE 1 LAND USE

Land Use / Zoning Description		Total Acres	Total Units
Residential:			
Low Density Residential (LDR)	Single Family (2.1-6.0 DU/AC)	2,635	13,156
	Medium Density (6.1-12 DU/AC)	322	2,524
Medium Density Residential (MDR)	Medium Density (6.1-18.0 DU/AC)	1,852	13,231
	Medium Density (14.0-29.9 DU/AC)	60	885
High Density Residential (HDR)	High Density (18.1-40.0 DU/AC)	192	4,372
	High Density (30+ DU/AC)	30	825
	Residential Total	5,090	34,993
Non-Residential:			
VC	Village Commercial	202	
LTC	Local Town Center	134	
RTC	Regional Town Center	172	
BP	Business Park	158	
MP	Industrial Park	283	
Education:			
HS/MS	High School/Middle School	356	
MS	Middle School	20	
ES	Elementary School	102	
Open Space & Public:			
CP	Community Park	313	
P/QP	Public/Quasi Public	37	
NP	Neighborhood Park	194	
SWD	Storm Water Detention	186	
WP	Wetland Preserve	745	
DP	Drainage Parkway	270	
PR	Private Recreation	63	
OS	Open Space	168	
OS/P	Open Space/Preserve	279	
LC	Landscape Corridors	123	
GB	Green Belts	54	
ROW	Right-of-way	596	
BR/WP	Reservoir / Wetland Preserve	528	
S	Sewer Lift Station / Utility Substation	14	
	Vacant (unknown dev plan)	595	
	Total Non-residential	5,590	
	Total Residential & Non-Res	10,680	

This development is expected to require significant stormwater drainage and flood control facilities. Based on the development area and improvements that were required in recent developments within the City of Rancho Cordova, Table 2 summarizes the improvements that are expected once development is complete.

TABLE 2 EXPECTED IMPROVEMENTS

Infrastructure Type	Quantity	
Inlets	6,400	LF
Manholes	4,460	LF
66" Pipe	3,950	LF
60" Pipe	10,280	LF
54" Pipe	11,140	LF
48" Pipe	10,210	LF
42" Pipe	28,620	LF
36" Pipe	42,420	LF
30" Pipe	51,050	LF
27" Pipe	540	LF
24" Pipe	91,960	LF
21" Pipe	2,230	LF
18" Pipe	100,300	LF
15" Pipe	101,300	LF
12" Pipe	529,890	0
10" Pipe	4,170	0
Creeks and Channels	80	AC
Basins	320	AC

Source: *Rate Analysis Report for the Stormwater Utility Fee For the City of Rancho Cordova*, August, 2014, prepared by Harris and Associates.

3. SERVICES FUNDED

Expenditures from the revenue generated from the Stormwater Utility Fee are intended to comply with the requirements set forth in the NPDES permit. The activities and services funded by this fee include, but are not limited to:

1. Oversee all aspects of the City's stormwater assets, including routine Operation and Maintenance, repairs, stormwater response, and weed abatement.
2. Respond to and investigate incidents of illicit discharges and illegal connections to the storm drain system.
3. Periodically inspect facilities for proper handling of materials, chemicals, pollutants, garbage, waste, and debris and prevent any discharges to the storm drain system.
4. Regularly clean and maintain catch basins, the flowline, and storm drainage facilities.
5. Installation and maintenance of water quality devices required to keep pollutants out of the storm drain system.
6. Discourage illegal dumping or discharge of pollutants into the storm drain system by stenciling all City-owned catch basins with a "No Dumping" message.
7. Augment public education and outreach programs in regards to the proper use and function of the storm drainage system and the receiving waters.
8. Develop programs to promote, publicize, and facilitate public reporting of illicit discharges to the storm drain system.
9. Encourage the proper disposal of household hazardous waste (HHW) to prevent the improper disposal to the storm drain system or to the sewersystem.
10. Discourage the improper disposal of litter, garden clippings, leaves, and pet waste into the street or the storm drain system.
11. Capital replacement of storm drainage, flood control improvements and bioretention improvements at the end of the expected useful life for such improvements.
12. Administration and oversight of the requirements set forth in the NPDES permit to City departments, developments, and local agencies.

4. PROPOSITION 218 REQUIREMENTS

This fee must comply with the provisions of Article XIID of the California Constitution (Proposition 218). Section 6.b of Proposition 218 has the following requirements for all “new, extended, imposed or increased” fees and charges:

1. “Revenues derived from the fee or charge shall not exceed the funds required to provide the property-related service.”
2. “Revenues derived from the fee or charge shall not be used for any purpose other than that for which the fee or charge was imposed.”
3. “The amount of a fee or charge imposed upon any parcel or person as an incident of property ownership shall not exceed the proportional cost of the service attributable to the parcel.”
4. “No fee or charge may be imposed for a service unless that service is actually used by, or immediately available to, the owner of the property in question. Fees or charges based on potential or future use of service are not permitted. Standby charges, whether characterized as charges or assessments, shall be classified as assessments and shall not be imposed without compliance with [the assessment section of this code].”
5. “No fee or charge may be imposed for general governmental services including, but not limited to, police, fire, ambulance or library services where the service is available to the public at large substantially the same manner as it is to property owners.”

There have been a number of court cases related to property-related fees in the last few years; however, they have focused on water rates or groundwater charges. The only substantive part of these cases that related to storm water fees is the requirement that the fees be based on the cost of service, that they must be proportional to the service received, and that ballots are not secret ballots. The City’s current rate structure complies with this requirement as does the new fee methodology recommended in this report.

5. RATE STRUCTURE ANALYSIS

Section 6.b of Article XIID of the State Constitution (Proposition 218) states that:

“The amount of a fee or charge imposed upon any parcel or person as an incident of property ownership shall not exceed the proportional cost of the service attributable to the parcel.”

and

“No fee or charge may be imposed for a service unless that service is actually used by, or immediately available to, the owner of the property in question.”

By definition, all properties that shed stormwater into the City’s stormwater drainage system use, or are served by, the City’s stormwater drainage system. The amount of use attributed to each parcel is measurable by the amount of storm runoff contributed by the property, which is directly proportional to the amount of impervious area on a parcel (such as buildings and concrete). The more impervious area on a property, the more storm runoff the property generates, the more demand placed on the storm drain system.

The amount each parcel uses the stormwater drainage system is computed by the following formula:

$$(\text{Parcel Area}) \times (\text{Impervious Percentage}) = \text{Drainage Units}$$

The typical percent impervious (% Impervious) for land uses in the City, have been applied for the purposes of estimating the runoff generated by each property. These are shown in Appendix B.

The more Drainage Units a parcel has, the more storm run-off it generates, and the more it uses and impacts the stormwater drainage system.

It is standard practice to relate other land uses to a developed single family residential (SFR) parcel, instead of working exclusively with drainage units. The median size of a SFR parcel will be approximately 0.16 acre. Therefore, it makes sense to relate all parcels to this median residential property. The runoff from a 0.16-acre SFR parcel is set equal to one Drainage Measurement Unit (DMU) and this base DMU is calculated as follows:

$$(0.16 \text{ acres of area}) \times 50\% = 0.0800 \text{ Impervious Area} = 1 \text{ DMU}$$

Residential Parcels

The City of Rancho Cordova General Plan Residential categories include Estate Residential (0.51 to 2.0 dwelling units per acre), Low Density Residential (2.1 to 6.0 dwelling units per acre), Medium Density Residential (6.1 to 18.0 dwelling units per acre) and High Density Residential (18.1 to 14.0 dwelling units per acre).

Estate and Low Density Residential Parcels

As a residential property increases in size over the median parcel size, the typical percentage of impervious area decreases, as shown in Exhibit B. Conversely, as a residential parcel decreases in size below the median parcel size, the typical percentage of impervious area increases, and such increase is typically proportional to the decrease in size. For purposes of this analysis, Estate Residential is combined with Low Density Residential, and are separated into five (5) groups. The median parcel area for each group was used and their DMUs are calculated as follows:

Estate & Low Density Residential Category	DMU/ Formula
LDR1 – Parcels 0.166 acres or less	1.000 DMU
LDR2 – Parcels greater than 0.167 but less than or equal to 0.250 acres	1.100 DMUs
LDR3 – Parcels greater than 0.250 but less than or equal to 0.333 acres	1.175 DMUs
LDR4 – Parcels greater than 0.333 but less than or equal to 0.500 acres	1.250 DMUs
LDR5 – Parcels greater than 0.500 acres	$1.250 + \frac{[(\text{acres} - 0.50) \times 5\%]}{0.0800} = \text{DMUs}$

Medium Density Residential Parcels

Per the City's Land Use Policy, Medium Density Residential parcels may contain 6.1 to 18.0 dwelling units per acre, and may contain single family residential and/or multi-family residential development. Typical percentage of impervious area is estimated as 70% of the parcel size. DMUs for Medium Density Residential parcels is calculated as follows:

Residential Category	Density	% Impervious
Medium Density	10 – 18 DU/Ac	70%

$$\frac{\text{Acreage} \times 70\% \text{ Impervious}}{0.0800} = \text{DMUs}$$

High Density Residential Parcels

Per the City's Land Use Policy, High Density Residential parcels may contain 18.1 to 40.0 dwelling units per acre, and typically contain multi-family residential development. Typical percentage of impervious area is estimated as 75% of the parcel size. DMUs for High Density Residential parcels is calculated as follows:

Residential Category	Density	% Impervious
High Density	Greater than 18 DU/Ac	75%

$$\frac{\text{Acreage} \times \% \text{ Impervious}}{0.0800} = \text{DMUs}$$

Condominium unit parcel areas are calculated by dividing the total area of the condominium complex (which includes the common area) by the number of condominium units, and the total imperviousness of the entire complex is attributed to each individual condo parcel in the complex. (This divides the runoff of the entire complex to each of the individual units.) Because these condominium common areas are taken into consideration in this manner, they are exempt from the charge.

Non-Residential Parcels

All non-residential parcel DMUs will be based on the impervious area (runoff coefficient) table shown in Exhibit B, using the following formula:

$$\frac{\text{Acreage} \times \% \text{Impervious}}{0.0800} = \text{DMUs}$$

SUMMARY

Based on the information available, all parcels draining into Rancho Cordova Stormwater Utility Fee-maintained drainage infrastructure are proposed to be charged the same user fee rate per DMU for stormwater management services. The Rancho Cordova Stormwater Utility Fee is proposed in perpetuity.

For the purposes of this report, City-maintained drainage infrastructure includes streets, basins, pipes, inlets, outlets, and natural drainage courses and bioretention areas. Parcels used for or related to stormwater management and right of way that contain City maintained drainage infrastructure are exempt from the runoff charge, as they are part of the infrastructure being funded. Also exempt from the runoff charge is Caltrans right-of-way, because Caltrans handles its own runoff under a separate NPDES permit.

Drainage units may be adjusted based on appeal from the property owner. See the Appeals Process below. Table 3, below, provides a preliminary summary of DMUs for the various land uses in Rancho Cordova.

TABLE 3 DRAINAGE MEASUREMENT UNIT SUMMARY

Land Use Description	Total Area (Acres)	Number of Units	Drainage Measurement per Unit	Impervious Area (Acre)	DM Units
Residential					
LDR1 parcels 0.166 acres or Less	1,205.70	9,442	1.000	--	9,442.00
LDR2 parcels 0.167 - 0.250 acres	1,425.28	7,448	1.100	--	8,192.80
LDR3 parcels 0.251 - 0.330 acres	165.22	591	1.175	--	694.42
LDR4 parcels 0.331 - 0.500 acres	43.00	114	1.250	--	142.50
LDR5 parcels greater than 0.500 acres	1,301.85	--	$1.250 + (\text{Acres} - 0.50 \times 5\%) / 0.0800$	--	1,102.17
Medium Density Residential 10 - 18 DU/AC	49.90	--	acreage x 70% / 0.08	34.93	393.32
High Density Residential Greater than 18 DU/AC	119.36	--	acreage x 75% / 0.08	89.52	1,053.16
Residential Total	4,310.32			124.45	21,020.38
Non-Residential					
Office	1,229.24	--	75%	921.93	11,531.17
Commercial	598.21	--	70%	418.75	5,234.32
Industrial	1,007.43	--	80%	805.94	9,900.31
Private Recreation	25.11	--	25%	6.28	78.48
Parks/Greenbelts	2,099.27	--	25%	524.82	6,568.16
Public/Quasi Public	265.81	--	25%	66.45	2,566.48
Non-Residential Total	5,225.08			2,744.17	35,878.93
Total Residential and Non-Residential	9,535.40			2,868.63	56,899.30

Notes

1. Total acres and total units based on Sacramento County Assessor's Parcel and Zoning data.
2. Impervious assumptions from City of Rancho Cordova Rate Analysis Report (Low Impact Development Stormwater Utility Fee), May 2022.
3. DM per unit assumptions from City's existing SWU I fee.

6.COST ESTIMATE

Capital Improvement Projects

Stormwater is conveyed through the City through a storm drainage system consisting of over 250 miles of underground pipes, 20 miles of open channels/creeks and six pump station. In 2014, the City took ownership of the system from Sacramento County, and is now responsible for the operation and maintenance of the system. In April 2021, a comprehensive master planning study of the system, the Stormwater Capital Improvement Program Master Plan (SCIPMP) was prepared by West Yost. The SCIPMP recommends improvement projects needed to address flooding and maintenance issues. Table 4 below summarizes the proposed flood control projects recommended in the SCIPMP and provides updated estimated costs for the capital improvement projects. These costs are anticipated to be collected over a fifteen (15) year period, approximately \$3,258,377.77 annually.

TABLE 4 ESTIMATED CAPITAL IMPROVEMENT PROJECTS COSTS

Project ID ¹	Priority	Project Description	Total Estimated Cost ^{2,3}	Total Estimated Cost (2023) ⁴
ARD4-1	High	Folsom Blvd Detention Basin and Sunrise Blvd Pipes Imp	\$ 3,072,000	\$ 3,495,833
CC-1	High	Mills Tower Pump Station and DS Pipe System Impr	\$ 24,558,000	\$ 27,946,184
MC3-2	High	School Property Detention Basin	\$ 3,132,000	\$ 3,564,111
CC-2	High	Don Juan Drive Improvements	\$ 2,430,000	\$ 2,765,259
MC3-3	Medium	Sunrise Blvd and Recycle Road Pipe Impr	\$ 1,114,000	\$ 1,267,695
MC3-4	Medium	Mechanical Dr and Recycle Rd Pipe Impr	\$ 1,322,000	\$ 1,504,392
ART2-1	Medium	Ellenwood Ave and Routier Rd Pipe Impr	\$ 1,032,000	\$ 1,174,382
MC3-1	Medium	White Rock Rd Underground Storage	\$ 4,496,000	\$ 5,116,298
ARD4-2	Low	Coloma Rd Pipe Impr	\$ 646,000	\$ 735,126
ART2-2	Low	Bradshaw Rd Pipe Impr	\$ 590,000	\$ 671,400
MC1-1	Low	International Dr at Data Dr Pipe Impr	\$ 558,000	\$ 634,985
			\$ 42,950,000	\$ 48,875,667

1 Source: Table 6-1, Stormwater Capital Improvement Program Master Plan, April 2021 prepared by West Yost

2 Does not include land acquisition costs

3 Based on December 2020 Engineering News Record 20 Cities CCI of 11,626

4 December 2020 costs escalated to April 2023 ENR 20 Cities CCI of 13,230

Infrastructure Maintenance Costs

Table 5 below shows the estimated costs for infrastructure maintenance. These costs are estimated yearly, based on assumed frequency of maintenance activities, at approximately \$3,327,896.51 annually.

TABLE 5 ESTIMATED INFRASTRUCTURE MAINTENANCE COSTS

Maintenance Item	Estimated Quantity	Unit	Frequency	Cost (\$/unit) ¹	Total Cost/Year
Trunk Lines (larger than 24") - TV Lines	220,284	LF	25 years	\$ 9.16	\$ 80,680.45
Drainage Lines 10"-24" Cleaning	573,695	LF	10 years	\$ 3.66	\$ 210,119.62
Drainage Lines 10"-24" TV	573,695	LF	25 years	\$ 9.16	\$ 210,119.62
Creek and Channel Maintenance and Repair ²	10,560	LF	1 year	\$ 0.92	\$ 9,669.17
Pipe Repairs ³	79,398	LF	1 year	\$ 0.54	\$ 42,812.23
Creeks and Channels Mowing	97	AC	1 year	\$ 8,342.51	\$ 808,970.67
Creeks and Channels Herbicides	97	AC	1 year	\$ 829.16	\$ 80,403.79
Basin Maintenance ⁴	1	LS	1 year	\$ 317,329.06	\$ 317,329.06
Rip Rap Inspection Annual Maintenance ⁵	2,000	Ton	1 year	\$ 14.24	\$ 28,486.62
Channel and Outfall Maintenance ⁶	1	LS	5 years	\$ 1,688,742.47	\$ 337,748.49
Storm Drain Lift Stations ⁷	1	LS	3 year	\$ 500,000.00	\$ 166,666.67
High Priority Maintenance Improvements ⁸	1	LS	25 years	\$ 152,259.93	\$ 6,090.40
Medium Priority Maintenance Improvements ⁸	1	LS	25 years	\$ 375,870.38	\$ 15,034.82
Low Priority Maintenance Improvements ⁸	1	LS	25 years	\$ 23,094,122.31	\$ 923,764.89
Annual Infrastructure Maintenance Cost Estimate for SWU 1:					\$ 3,237,896.51

1 Maintenance costs based on *Rate Analysis Report (Low Impact Development Stormwater Utility Fee)*, May 2022, prepared by Harris & Associates, Table 4 Estimated Costs, escalated from May 2022 ENR 20 Cities of 13004 to April 2023 ENR 20 Cities CCI of 13,230, unless otherwise noted.

2 Assume 10.0% of frontage is maintained/repared annually (emergency maintenance repairs).

3 Assume 10.0% of conveyance system is maintained/repared annually (emergency maintenance/repairs).

4 Per Annual Maintenance Contract for Stormwater Facility Maintenance Services provided by City of Rancho Cordova, based on July 2021 ENR 20 Cities CCI of 12,238, escalated to April 2023 ENR 20 Cities CCI of 13,230.

5 Seven (7) Outfalls with Rip Rap, and misc Rip Rap.

6 Per *Stormwater Capital Improvement Program Master Plan, Final Report* April 2021, Table 3-3 Recommended Maintenance Improvements For Channels and Outfalls and Estimated Cost, prepared by West Yost Associates, based on December 2020 ENR 20 Cities CCI of 11,626, escalated to April 2023 ENR 20 Cities CCI of 13,230.

7 Per Annual Maintenance Contract for On-call Stormwater Support Pump Station O&M Services and Infrastructure Maintenance Pump Station O&M Services, November 2022 to November 2025.

8 Per *Stormwater Capital Improvement Program Master Plan, Final Report* April 2021, Table 6-7 Summary of Recommended Maintenance Improvements, prepared by West Yost Associates, based on December 2020 ENR 20 Cities CCI of 11,626, escalated to April 2023 ENR 20 Cities CCI of 13,230.

Infrastructure Replace Costs

Table 6 below shows the estimated costs for infrastructure replacement. Existing infrastructure was estimated from data extracted from the City's OpenData GIS within SWU 1 boundary. These costs are estimated yearly, based on assumed design life or frequency of replacement of the infrastructure, approximately \$2,095,220.55 annually.

TABLE 6 ESTIMATED INFRASTRUCTURE REPLACEMENT COSTS

Infrastructure Item	Estimated Quantity	Unit	Frequency	Cost (\$/unit) ¹	Total Cost/Year
48 inch manhole	3,535	EA	75 years	\$ 4,985.16	\$ 234,967.13
60 inch manhole	47	EA	75 years	\$ 7,325.13	\$ 4,590.42
72 inch manhole	12	EA	75 years	\$ 9,665.10	\$ 1,546.42
84 inch manhole	5	EA	75 years	\$ 12,005.08	\$ 800.34
96 inch manhole	6	EA	75 years	\$ 15,158.95	\$ 1,212.72
Inlets	5,101	EA	75 years	\$ 3,509.96	\$ 238,723.98
Erosion Control Rip Rap (7 outfalls)	2,000	TON	25 years	\$ 76.30	\$ 6,104.28
Misc. Concrete (outfall structures)	5	EA	100 years	\$ 7,500.00	\$ 375.00
Misc. Concrete (culverts)	5	EA	100 years	\$ 7,500.00	\$ 375.00
Misc. Concrete	2,000	CY	100 years	\$ 1,424.33	\$ 28,486.62
10" mains	85,170	EA	100 years	\$ 102.42	\$ 87,228.77
12" mains	181,202	EA	100 years	\$ 111.91	\$ 202,786.27
15" mains	90,459	EA	100 years	\$ 132.26	\$ 119,640.44
18" mains	98,246	EA	100 years	\$ 142.43	\$ 139,934.82
21" mains	38,636	EA	100 years	\$ 152.61	\$ 58,961.20
24" mains	79,982	EA	100 years	\$ 162.78	\$ 130,195.25
27" mains	19,347	EA	100 years	\$ 203.48	\$ 39,366.47
30" mains	46,767	EA	100 years	\$ 234.00	\$ 109,433.49
33" mains	2,347	EA	100 years	\$ 274.69	\$ 6,447.03
36" mains	45,867	EA	100 years	\$ 295.04	\$ 135,325.99
42" mains	25,270	EA	100 years	\$ 366.26	\$ 92,553.03
48" mains	26,845	EA	100 years	\$ 427.30	\$ 114,708.50
54" mains	19,335	EA	100 years	\$ 529.04	\$ 102,289.35
60" mains	16,848	EA	100 years	\$ 529.04	\$ 89,132.19
66" mains	7,752	EA	100 years	\$ 529.04	\$ 41,010.97
72" mains	7,283	EA	100 years	\$ 595.85	\$ 43,395.76
78" mains	1,521	EA	100 years	\$ 595.85	\$ 9,062.88
84" mains	1,102	EA	100 years	\$ 595.85	\$ 6,566.27
Storm Drain Lift Stations	5	EA	75 years	\$ 750,000.00	\$ 50,000.00
Annual Infrastructure Replacement Cost Estimate for SWU 1:					\$ 2,095,220.55

1 Replacement costs based on *Rate Analysis Report (Low Impact Development Stormwater Utility Fee)*, May 2022, prepared by Harris & Associates, [Table 4 Estimated Costs](#), escalated from May2022 ENR 20 Cities of 13004 to April 2023 ENR 20 Cities CCI of 13,230, unless otherwise noted.

2 The following infrastructure has been excluded from the Maintenance and Replacement cost estimates:

- Privately owned infrastructure
- Developer owned infrastructure
- State owned infrastructure
- County owned infrastructure
- Segments less than 10-inches in diameter
- Segments with no diameter provided

3 SDMHs with no size provided are assumed to be 48-in SDMHs

Total Costs

An annual County administration fee of \$0.30 per parcel is included in the program. An operating reserve equal to 10% of Operation and Maintenance costs is included, to provide the City with the means to address unexpected events and large unbudgeted expenses. The total costs, including annual administration fees and operating reserve are presented in Table 7 below.

TABLE 7 ESTIMATED TOTAL COSTS

Capital Improvement Projects in SWU 1 (15-years)	\$	3,258,377.77
Annual Infrastructure Maintenance Cost Estimate for SWU 1	\$	3,237,896.51
Annual Infrastructure Replacement Cost Estimate for SWU 1	\$	2,095,220.55
Total Annual CIP/Maintenance/Replacement Cost	\$	8,591,494.84
Annual Fee Administration (\$0.30 per parcel)	\$	5,991.60
Operating Reserve (10% of Maintenance Costs)	\$	323,789.65
Estimated Total	\$	8,921,276.09

Annual Escalator

An annual escalator is included to provide the City with the means to address continuing inflation and rising costs of goods and services. The storm drain utility fee shall be adjusted annually based on the increase in the Consumer Price Index, from December to December, during the preceding year, for All Urban Consumers All Items, for the San Francisco-Oakland-San Jose areas as published by the United States Department of Labor, Bureau of Labor Statistics. Should this index become unavailable, another comparable index shall be determined by Director of Public Works and approved by the City Council. The proposed annual escalator is consistent with the annual escalator that was incorporated with the City's Enhanced SWU II fee.

7. FEE CALCULATIONS

The estimated annual costs for the proposed storm drain improvements are \$8,921,276.09 as shown in Table 7 above. Dividing that by the total number of proposed DMU's in Rancho Cordova (56,899.30), the maximum estimated annual Stormwater Utility Fee rate is **\$156.79 per DMU** for the 2024-25 fiscal year. The maximum rate will be increased each subsequent Fiscal Year by the annual change in the Consumer Price Index (CPI) from December to December, during the preceding year, for All Urban Consumers, for the San Francisco-Oakland-San Jose areas, published by the United States Department of Labor, Bureau of Labor Statistics (or a reasonably equivalent index should the stated index be discontinued, as determined by the Director of Public Works).

The actual rate to be levied each year will be as approved by the City at a public hearing, after they consider an Annual Fee Report outlining the estimated annual costs of the program for the ensuing fiscal year.

Table 8 provides existing annual fee and proposed sample fee calculations for various land uses and parcel sizes.

TABLE 8 SAMPLE CALCULATIONS

Land Use Description	Total Area (Acres)	Impervious Area (Acre)	DMUs	Existing Annual Fee	Sample Annual Fee
LDR1 parcels 0.167 acres or Less	0.16	--	1.000	\$70.09	\$156.79
LDR2 parcels greater than 0.167 but less than or equal to 0.250 acres	0.22	--	1.100	\$77.10	\$172.47
LDR3 parcels greater than 0.250 but less than or equal to 0.333 acres	0.30	--	1.175	\$82.36	\$184.23
LDR4 parcels greater than 0.333 but less than or equal to 0.500 acres	0.40	--	1.250	\$87.61	\$195.99
LDR5 parcels greater than 0.500 acres	1.00	--	1.563	\$109.52	\$244.98
Medium Density Residential 10 - 18 DU/AC	5.00	3.75	43.750	\$3,066.44	\$6,859.50
High Density Residential Greater than 18 DU/AC	5.00	3.75	46.875	\$3,285.47	\$7,349.47
Office	1.00	0.75	9.375	\$657.09	\$1,469.89
Commercial	1.00	0.70	8.750	\$613.29	\$1,371.90
Industrial	1.00	0.80	10.000	\$700.90	\$1,567.89
Private Recreation	1.00	0.25	3.125	\$219.03	\$489.96
Parks/Greenbelts	2.00	0.25	6.250	\$438.06	\$979.93
Public/Quasi Public	2.00	0.25	6.250	\$438.06	\$979.93

The Preliminary Charge Roll, which is a listing of each parcel to be charged a fee and its proposed maximum fee for FY 2024-25, will be on file in the office of the CityClerk at a future date.

Appeals Process

If a property owner disagrees with the calculation of his or her fee, based on the parcel area and estimated impervious percentage assigned to the property, then the property owner may appeal the calculation as follows:

1. Property owner must provide written documentation explaining the reason why the charge should be changed. This documentation must include:
 - a. The name, phone number, mailing address, and email address, if available, of the property owner.
 - b. The Assessor's Parcel Number (APN) of the property in question.
2. If additional documentation is required or insufficient documentation was submitted, a representative of the Department of Public Works (Staff) will notify the property owner in writing.
3. Once Staff has determined that sufficient documentation has been submitted, Staff will perform the initial review. Staff will notify the property owner in writing within four (4) weeks from the time sufficient documentation was submitted as to whether or not the fee amount will be changed.
 - a. If the determination is to change the fee amount, then the new fee amount will be documented within the City's fee database.
 - b. If the determination is that the fee should not be changed, the property owner can appeal Staff's decision to the Director of Public Works. The appeal must be made in writing and returned no later than four (4) weeks from the date of mailing of Staff's initial review decision. The Director of Public Works will notify the property owner in writing within four (4) weeks from the date of receipt of the appeal as to whether or not the fee amount will be changed.

If the owner of any parcel shall have reason to feel that the computation of the DMU for his/her parcel is not correct, that person may file an appeal with the Director of Public Works in the manner prescribed by the Director of Public Works. The Director of Public Works will consider all data provided by the appellant and shall render a decision in writing. The decision of the Director of Public Works will be final with respect to City action on the appeal.

Appeals will be accepted annually up until June 30 for inclusion on the following fiscal year's property tax roll submittal. However, if an appeal is granted by Staff or the Director of Public Works that does not permit inclusion for the following fiscal year's property tax roll submittal, a reimbursement will be provided to the property owner by the City.

Respectfully submitted:



Tamorah Bryant, PE
R.C.E No. C67205
Engineer of Work



EXHIBIT A

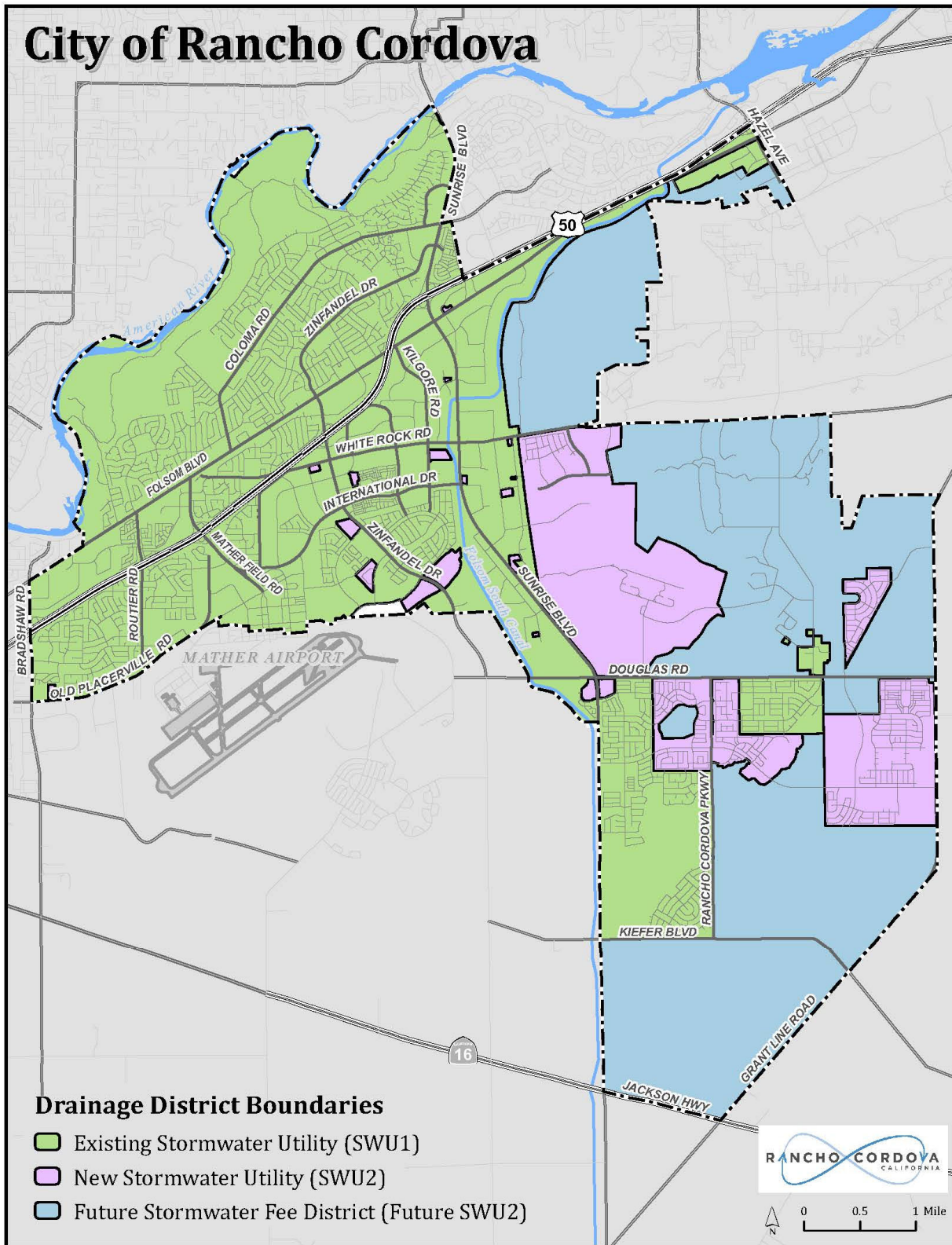


EXHIBIT B

Estimated Percent Impervious Based on Land Use

Land Use	Impervious ¹
Low Density Residential less than 0.167 acres	50%
Low Density Residential greater than 0.167 but less than or equal to 0.250 acres	40%
Low Density Residential greater than 0.250 acres but less than or equal to 0.333 acres	30%
Low Density Residential greater than 0.333 acres but less than or equal to 0.500 acres	25%
Low Density Residential greater than 0.500 acres (excluding the first 0.500 acres)	5%
Medium Density Residential	70%
High Density Residential (including Apartments and Mobile Home Parks)	75%
Condominiums	70%
Commercial Downtown Areas ²	80%
Commercial Neighborhood Areas	70%
Industrial	80%
Schools	50%
Parks	25%
Greenbelts	10%

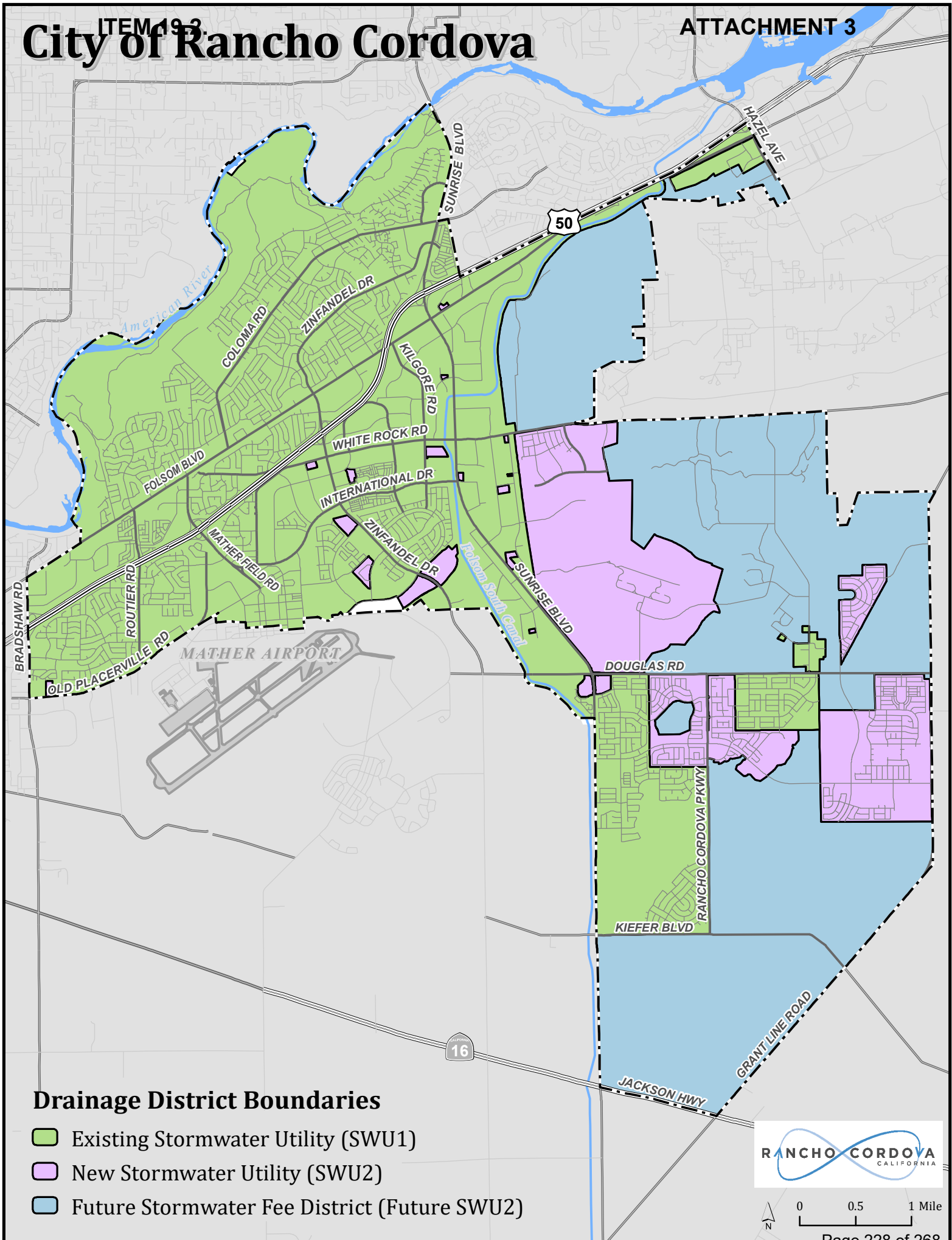
Footnotes:

¹ Estimated impervious percentages are consistent with the Rancho Cordova Rate Analysis Report (Low Impact Development Stormwater Utility Fee), May 2022, and the Rancho Cordova Storm Drainage Impact Fee Program, July 2020, with the exception of Commercial and Industrial impervious percentages, which were modified in the Impact Fee Program to account for Low Impact Development fixtures and Hydromodification Management Plan Requirements placed on new development.

² City of Rancho Cordova Municipal Code Chapter 15.

Sources:

1. Yolo County City/County Drainage Manual, February 2010.
2. Stormwater Quality Design Manual for the Sacramento and South Placer Regions, May 2007.





November __, 2023

Dear City of Rancho Cordova Residential Stormwater Utility 1 Fee ("SWU 1") Customer:

**Notice of Protest Hearing on December 18, 2023, at 5:30 p.m.
Proposed Fee Increases for City of Rancho Cordova Stormwater Utility 1 Fee ("SWU 1")**

This notice contains information about proposed fee increases for City of Rancho Cordova Stormwater Utility 1 Fee ("SWU 1") scheduled for July 1, 2024, with subsequent annual increases corresponding with the All-Urban Consumers All Items, for the San Francisco-Oakland-San Jose areas as published by the United States Department of Labor, Bureau of Labor Statistics. State law allows property owners and customers of record to protest proposed fee increases for some municipal services, including the maintenance and improvements of the stormwater system. The proposed fee increases may not be implemented if the majority of the affected property owners or customers of record submits a written protest. This letter contains instructions on filing a written protest.

Why are Stormwater Utility 1 Fee ("SWU 1") proposed to increase?

The City of Rancho Cordova created a Stormwater Utility Fee to cover the cost for the maintenance and improvements of the stormwater system. However, the SWU 1 fee revenue is not adequate to support the City's stormwater enterprise and, as a result, the General Fund has had to contribute funds to cover the SWU 1 deficits. In addition, inadequate revenues generated by the current SWU 1 fee have necessitated the deferral of capital improvements to the storm drain system. In order to continue to provide stormwater management services, the City of Rancho Cordova is proposing an increase to the Stormwater Utility Fee to provide adequate funding for maintenance and capital improvements of stormwater infrastructure.

What are the proposed new fees?

The following table is a comparison of the proposed SWU 1 Fee to the existing SWU 1 Fee. For this analysis, a typical Single Family Residential (SFR) unit and a 40,000 square foot Commercial parcel were selected for comparison purposes. This is meant to be illustrative, not representative of all parcels. For non-residential land uses, the proposed fees will change with size and specific land use. The total estimated SWU 1 district costs, including annual administration fees and operating reserve will be \$8,921,276.

**Existing SWU 1 Fee:**

Unit Service Charge	\$0.001583	per square foot of impervious parcel area
Administrative Charge	\$0.30	per parcel per month
Single Family Residential (Typical)	\$5.84	monthly charge
	\$70.09	annually
Multi-Family and Non-Residential		
	40,000	square foot - sample commercial/office parcel
	\$50.96	monthly charge
	\$611.47	annually

Proposed SWU 1 Fee:

Unit Service Charge	\$0.003740	per square foot of impervious area
Administrative Charge	\$0.30	per parcel per month
Single Family Residential	\$13.07	monthly charge
	\$156.79	annually
Multi-Family and Non-Residential		
	40,000	square foot - sample commercial/office parcel
	\$119.98	monthly charge
	\$1,439.75	annually



Protest Hearing on Proposed Rate Increase

As required by State law, the Rancho Cordova City Council will conduct a protest hearing to receive public comment on the proposed fee increases on **Monday, December 18, 2023, at 5:30 p.m.** The location of the public hearing is the City Council Chambers in the Rancho Cordova City Hall located at 2729 Prospect Park Drive, Rancho Cordova, CA 95670. Residential property owners and customers of record may appear in person or virtually at the protest hearing to comment on the proposed fee increases. For any questions or comments regarding this rate increase process, please contact Dalia Fadl at 916-851-8718 or Dfadl@cityofranhocordova.org.

Instructions on Submitting a Written Protest to the Proposed Fee Increase

A valid written protest must be submitted to the City Clerk to formally protest the proposed fee increases. Property owners or customers of record for SWU 1 may submit a written protest by mail or in-person to the City Clerk at 2729 Prospect Park Drive, Rancho Cordova, CA 95670. Protests must include the following information to be deemed valid:

1. A statement that the proposed fee increase is being protested.
2. Name of the property owner or customer of record submitting the protest.
3. The assessor's parcel number and/or street address of the parcel submitting the protest.
4. Original wet signature, date, and printed name of the property owner or customer of record submitting the protest.
5. A statement by the named property owner or customer of record affirming the contents of the protest are true and correct.

Additional Instructions

- The following page contains a protest form that you may complete, sign, and return to the City Clerk.
- Protests submitted by email, fax, or photocopy do not count as written protests.
- Only one written protest per identified parcel will be counted.
- The City Clerk's Office will tabulate the protests at the conclusion of the public hearing, and any member of the public may observe the tabulation.
- All protests are public records and will be retained by the City Clerk for a minimum of two years.

**Written Protest Form**

You may complete, sign, and submit this form to protest the proposed SWU 1 increase scheduled for July 1, 2024, with subsequent annual increases corresponding with the All-Urban Consumers All Items, for the San Francisco-Oakland-San Jose areas as published by the United States Department of Labor, Bureau of Labor Statistics. Please either mail or hand-deliver this form to the following address:

Rate Protest / Office of the City Clerk
Rancho Cordova City Hall
2729 Prospect Park Drive
Rancho Cordova, CA 95670

This form must be received by the City Clerk at 2729 Prospect Park Drive, Rancho Cordova, CA 95670 prior to the close of the protest hearing, which begins at **5:30 p.m. on December 18, 2023** in the City Council Chambers at Rancho Cordova City Hall. Protests submitted by email, fax or photocopy do not count as formal written protests.

1. Your Name (please print legibly):

2. I am the:

_____ Property Owner

3. Assessor's Parcel Number and/or Street Address

4. I hereby protest the proposed July 1, 2024, fee increases. (Please initial) _____

5. By signing below, I certify that the contents of this protest are true and correct:

Original Wet Signature

Date

ITEM 19.2.



ATTACHMENT 5



Stormwater Utility Rate Assessment

November 6, 2023

PRESENTATION OVERVIEW

Background on completed steps and funding needs.

Direct staff to move forward with the proposed stormwater utility rate and Proposition 218 process, to increase level of service and address funding shortfall.

Next steps if the resolution is approved

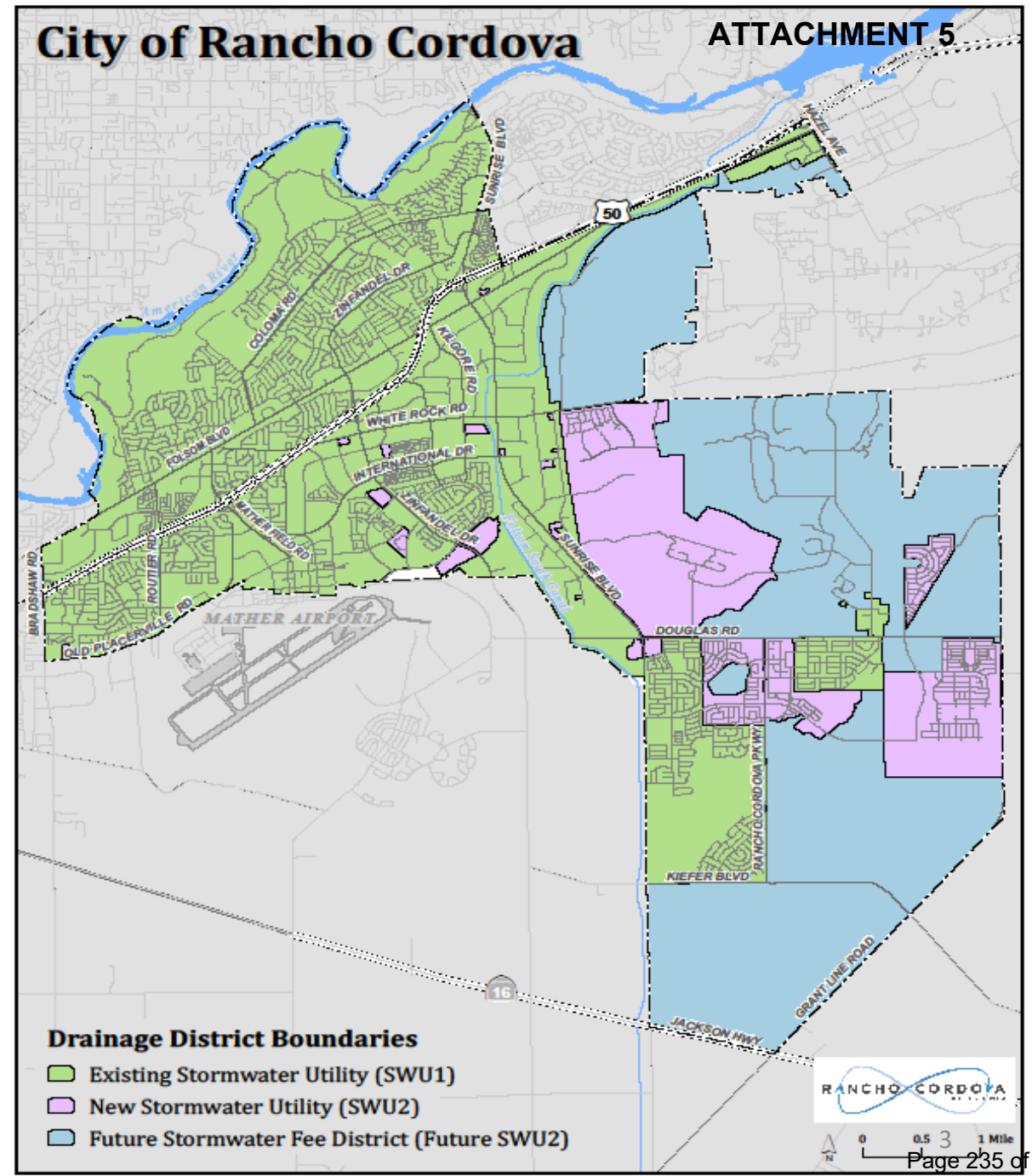


Background

Stormwater Utility I (SWUI)



- SWUI established in 1995 by Sacramento County.
- SWU is an enterprise fund- revenues and expenditures are segregated into a fund. Can only be used for stormwater program.
- No inflator/annual adjustment.
- MAP of SWUI & SWUII



COMPLETED STEPS

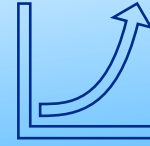


- Staff presented to City Council in the May 23rd budget workshop and received direction to move forward with rate assessment.
- Staff worked with Harris & Associates to develop a rate analysis report and develop recommendations for a fee increase.
- Identified \$8.9 million per year funding need. The current rate collects \$3.5-\$4 million per year, which leaves a shortfall of ~\$5 million per year.
- Staff presented to City Council in the October 2nd meeting to discuss process and proposed rate assessment.

Outreach:

- Mailer to ~20,000 residents about the workshops.
- City held two public workshops. In person workshop on September 14th and a virtual workshop on September 19th.
- Slides and presentation recording posted on the website.
- Additional outreach at City pop-up events.
 - October 5th Good Neighbor Day

PURPOSE- FUNDING NEEDS



- **Safety improvements:**
 - Alleviate local flooding.
 - Storm Response.
- **Increasing Cost:**
 - Aging facilities- growing costs because of deferred maintenance and repairs.
 - Increased regulatory compliance requirements- FEMA, State Water Board.
- **Meeting Community Needs:**
 - Expedited response to resident complaints and community needs.
 - Need for robust outreach to community and business owners.
 - Need for capacity Improvements.



RESULTS OF NOT INCREASING THE FEE

- \$50 Million in identified improvements (masterplan) will grow.
- \$70 Million in replacement cost will grow.
- Level of service will be impacted.
- Ability to react to extreme storm events/ atmospheric rivers will be impacted.
- Reactive program vs. long term planning. Challenging for multi-year planning
- Reduces resources to comply with state and federal regulations.

Fee Development

- **Fee Components:**
 - Annual operations and maintenance costs.
 - Capital improvements cost for projects in the masterplan.
 - Administrative cost.
 - Replacement cost- based on 75-100 yrs. Frequency. Could see replacement cost sooner based on facility conditions.
 - Annual inflator.
- Fee does **not** include unforeseen/emergency replacement cost: \$70M based on facilities built starting 1960s.



Single Family Residential

Stormwater Utility Rate	SWUI (Current)	SWUI 15-YR CIP	SWUI 25-YR CIP	SWUI 40-YR CIP
Annual	\$70.08	\$156.79	\$133.88	\$121.00
Monthly	\$5.84	\$13.07	\$11.16	\$10.08
% increase	0%	124%	91%	73%

Implement over a 2-step process.
Ballot approval still required for full amount.

Commercial Rate Per Acre

Stormwater Utility Rate	SWUI (Current)	SWUI 15-YR CIP	SWUI 25-YR CIP	SWUI 40-YR CIP
Annual	\$613.29	\$1,439.75	\$1,229.41	\$1,111.09
Monthly	\$51.11	\$119.98	\$102.45	\$92.59
% increase	0%	135%	101%	82%

Longer timeline means:

- It will take 25-40 years to complete critical stormwater infrastructure projects.
- More facilities will require replacement/repair during this time.
- Local flooding issues will persist, impacting residents and businesses.
- Adaptability to climate change and extreme storm events will be slow.

IF WE HAD AN INFLATOR ALL ALONG...

CA Department of Industrial Relations

Office of the Director / Consumer Price Index Calculator

Consumer Price Index Calculator

1. Select an Index

San Francisco Bay

2. Select index type

All Urban Consumers

3. Select beginning month

June

4. Select beginning year

1995

5. Select ending month

June

6. Select ending year

2023

Beginning Index Value

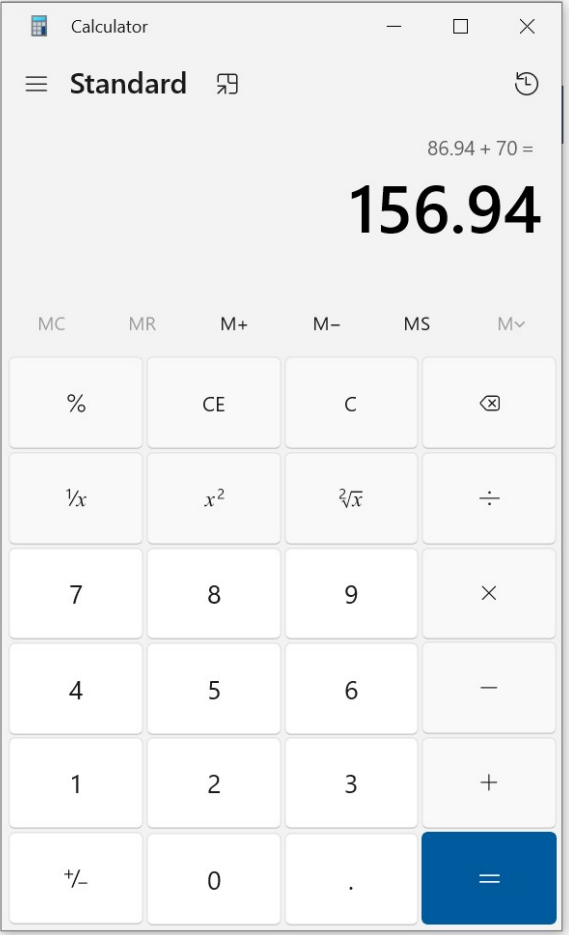
151.7

Ending Index Value

340.056

Based upon the Index,
index type, and the time
period you have specified,
the percent change in the
Consumer Price Index is
equal to:

124.2%



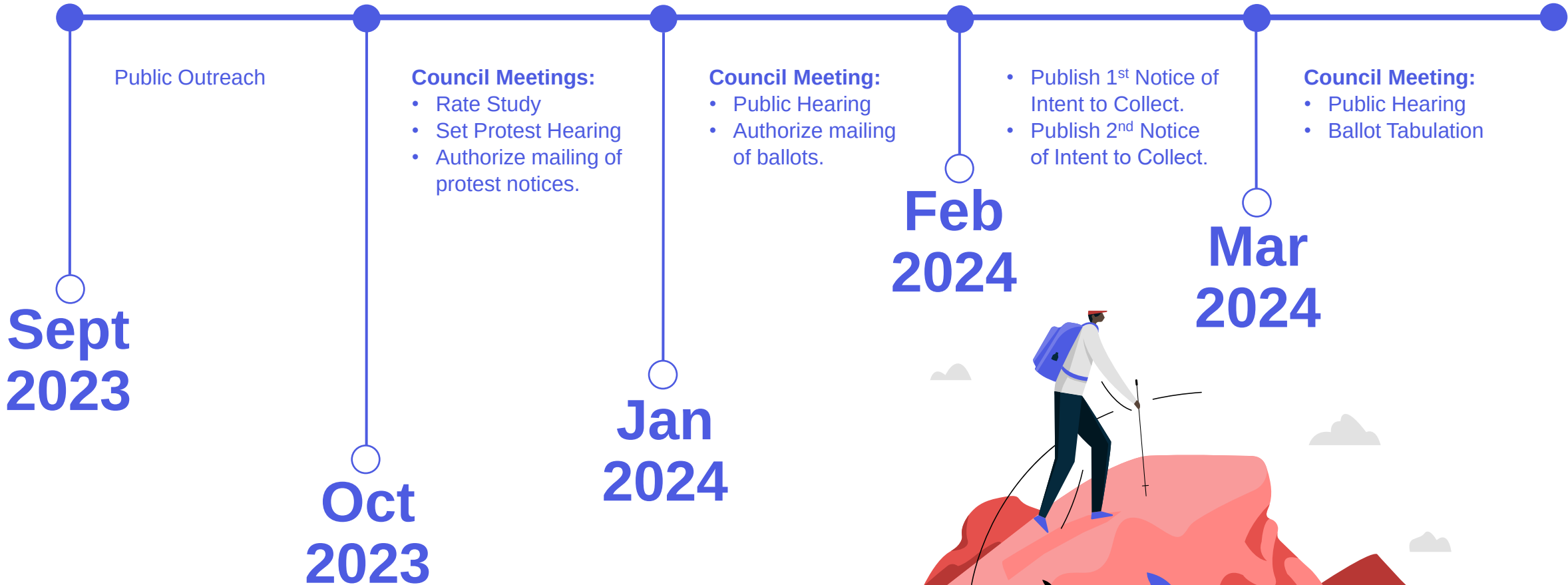
RATE COMPARISON - ANNUAL SFR



- RC SWU I Rate: \$70.08
- **RC SWU I Rate (proposed): \$121.00-\$156.79**
- RC SWU II Rate: \$150.42
- City of Citrus Heights: \$70.08
- City of Davis Rate: \$122.76
- City of Elk Grove: \$246.84
- City of Folsom: General Fund
- City of Sacramento: \$200

STORMWATER UTILITY RATE INCREASE

Prop 218 Process Schedule



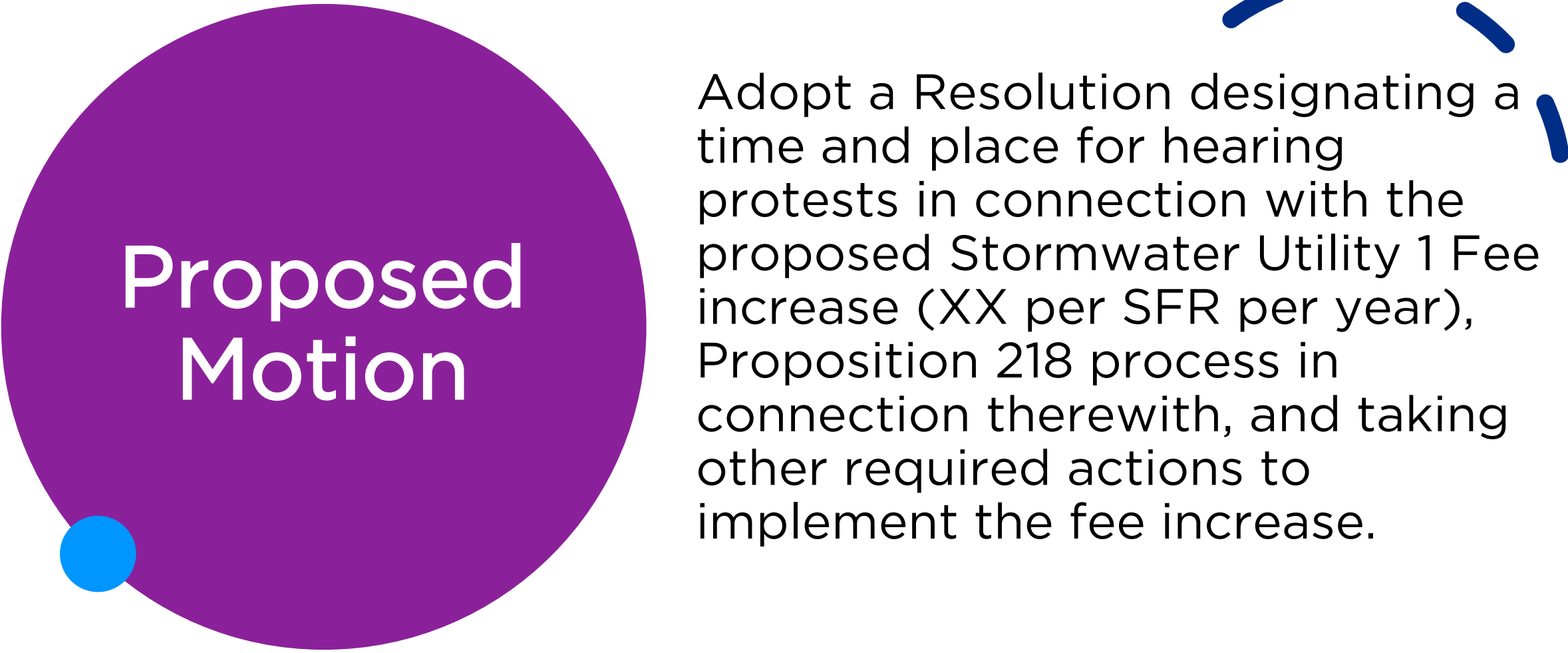


Recommended Action

- **Recommended Fee Rate: \$156.79**
 - Alternative: implement over a 2-step process. Ballot approval still required for full amount.
- **Other Rate Options:**
 - 25-YR CIP Rate: \$133.88
 - 40-YR CIP Rate: \$121.00
- Above rates do not address full replacement cost. Grants, alternative funding required to close gap.

Next Steps

- Direct staff to move forward with the proposed stormwater utility rate and Proposition 218 process, to increase level of service and address funding shortfall.
 - *Decision whether to implement the rate will be voted on by the citizens.*
- Adopt a Resolution designating a time and place for hearing protests in connection with the proposed Stormwater Utility 1 Fee increase- January 2nd.
- Authorize City Clerk's office to give notice of the above-described protest hearing.
- Mail protest notices to property owners.
- Protest hearing- [January 2nd](#).
 - If majority protest is not received, authorize mailing of ballots.
- Mail ballots to property owners.
- Public Hearing- ballot tabulation [March 2024](#). Must receive more than 50% approval vote of those that cast ballots to pass.
- If over 50% approval is received, Apply new rate- [July 2024](#).



Proposed Motion

Adopt a Resolution designating a time and place for hearing protests in connection with the proposed Stormwater Utility 1 Fee increase (XX per SFR per year), Proposition 218 process in connection therewith, and taking other required actions to implement the fee increase.

MEMORANDUM



ITEM 19.3.

DATE: November 6, 2023
TO: Honorable Mayor and Council Members
FROM: Kim Juran-Karageorgiou,
Administrative Services Director
SUBJECT: **FISCAL YEAR 2022-23 PRELIMINARY YEAR-END FINANCIAL
REPORT AND A RESOLUTION AUTHORIZING BUDGET
AMENDMENT**

RECOMMENDATION

Receive the Fiscal Year 2022-23 Preliminary Year-End Financial Report and adopt the proposed budget amendment Resolution.

RESULT OF RECOMMENDED ACTION

The Fiscal Year 2022-23 Preliminary Year-End Financial Report provides the City Council with the City's unaudited financial performance for the end of the most recent fiscal year. The proposed budget amendment will adjust the budget to account for revenues and expenditures that were not anticipated when the original budget was adopted.

BACKGROUND

The City Council approved Operating Budget serves as the annual plan and resource allocation that guides and ensures implementation of City Council policies and priorities. The budget implements the vision and direction for the range of services that meet the needs of the community.

The City's General Fund, which is the main operating fund for the City, once again saw an operating surplus in Fiscal Year 2022-23. However, because the City made a significant investment in real property in the amount of \$15 million utilizing General Fund reserves, the General Fund did experience an overall decline in fund balance at year-end. Overall, City revenues continued their upward trend with the General Fund once again obtaining an all-time high. General Fund operating expenditures (not including capital expenditures) ended the year right at the adopted budget; however, the \$15 million property purchase was not anticipated when the budget was originally adopted and will require a budget amendment. The attached Fiscal Year 2022-23 Preliminary Year-End Financial Report ([Attachment 1](#)) provides the revenue and expenditure summary for the General Fund, the City's primary operating fund. It is important to note that these numbers are preliminary and may change as the city completes the Fiscal Year 2022-23 audit process over the next month.

General Fund

Fiscal Year 2022-23 General Fund revenues ended the year just below \$76 million, the highest level that General Fund revenues have reached and an 11% jump over the prior fiscal year. This record revenue level was driven by the continuing high level of new growth in the City over the past fiscal year as well as a strong economy coupled with inflationary cost increases. This resulted in property tax surpassing the budget by \$1.2 million, sales tax surpassing the budget by \$1.8 Million, utility user tax coming in \$700,000 over budget, and building permit revenues surpassing the budget by \$1.75 million. In addition, FEMA reimbursements of COVID-19 expenditures, most notably the Great Plates program, also contributed to these higher than anticipated revenues with the final installment of \$900,000 in one-time reimbursements being received. These higher than anticipated revenues were offset by a significant Fair Market Value (FMV) loss for the City's investment portfolio of \$3.8 million. It is important to note that the FMV adjustment is a Government Accounting Standards Board (GASB) accounting entry at fiscal year-end to show the value of the City's investment portfolio as compared to market conditions and not an actual loss of cash. This is due to the fact that the City holds its investments to maturity and does not sell investments at a loss. However, during times in which interest rates rise rapidly, as has been the case this past fiscal year, the value of the City's investments (held at lower interest rates) is devalued and results in a market value portfolio loss.

The 2022-23 General Fund operating expenditures ended the year at just under \$67 million, which is in line with the Fiscal Year 2022-23 expenditure budget. However, the city's purchase of 40 acres of property from Elliott Homes in the Stonecreek neighborhood in the amount of \$15 million resulted in total General Fund expenditures in excess of revenues. While the \$15 million property purchase was partially offset by higher than anticipated revenues in the General Fund, the City's General Fund did experience an overall decrease in fund balance.

Community Enhancement & Investment Fund

Community Enhancement & Investment Fund sales tax revenues are generated through Measure H and Measure R, the City's two ½ cent add-on sales tax measures. Revenues for both Measure H and Measure R totaled \$12.3 million and \$12 million for each measure respectively, which are both above the amended revenue budgets of \$11.4 million. The additional revenues will automatically transfer to the Legacy Fund for projects already identified for funding by the City Council during the Fiscal Year 2023-25 budget process.

FISCAL IMPACT

The proposed budget amendment for the General Fund would increase revenues by \$8.9 million to \$75.9 million and increase expenditures by \$27 million to \$94 million. The proposed budget amendment for General Fund expenditures would provide additional expenditure authority for the previously authorized \$15 million property acquisition as well as a transfer out of the General Fund to the Capital Facilities Fund in the amount of \$11.5 million for the Mills Crossing project. This transfer out will allow all expenditures for the Mills Crossing project to be paid from the City's Capital Facilities Fund in accordance with fund accounting guidelines.

The other proposed budget amendments in various special revenue, capital, enterprise, and internal service funds adjust the budget for additional revenues, expenditures, and depreciation costs that were not anticipated in the original budget.

ATTACHMENT(S)

1. Fiscal Year 2022-23 General Fund Financial Summary
2. Resolution
3. Exhibit A to the Resolution
4. Presentation

General Fund						
	2018-19 Actual	2019-20 Actual	2020-21 Actual	2021-22 Actual	2022-23 Budget	2022-23 Actual
Revenues						
Taxes & Assessments						
Property Taxes	17,156,949	18,363,685	19,563,172	21,038,442	21,448,962	22,690,465
Sales Tax	16,145,248	16,653,873	20,163,561	21,231,120	19,412,381	21,295,726
Transient Occupancy Tax	4,315,525	2,957,138	2,744,479	3,863,347	4,200,000	4,102,253
Utility User Tax	3,450,030	3,361,479	3,558,252	3,522,614	3,281,250	4,026,993
Other Taxes	2,534,195	2,674,735	2,805,911	3,307,617	2,834,492	3,283,329
Taxes & Assessments Total	43,601,947	44,010,910	48,835,375	52,963,140	51,177,085	55,398,766
Licenses Permits & Fees						
Franchise Fees	2,058,391	2,195,482	2,036,397	2,457,198	2,320,900	2,710,389
Building Fees	2,372,857	3,531,785	3,901,242	4,559,696	2,950,000	4,706,286
Business License	698,801	635,619	607,802	603,215	617,800	655,939
Other Fees	318,433	362,048	339,038	295,169	351,809	236,038
Licenses Permits & Fees Total	5,448,482	6,724,934	6,884,479	7,915,278	6,240,509	8,308,652
Fines & Forfeitures						
Fines & Forfeitures	1,759,319	1,304,956	1,323,127	806,550	1,562,100	905,204
Use of Money & Property						
Use of Money	1,322,311	2,701,074	(1,133,185)	(4,724,933)	375,000	1,293,046
Use of Property	579,091	488,002	451,284	535,015	161,000	283,387
Use of Money & Property Total	1,901,402	3,189,076	(681,901)	(4,189,918)	536,000	1,576,433
Intergovernmental						
Intergovernmental	742,395	1,092,688	2,468,750	2,891,354	83,500	932,309
Charges for Services						
Cost recovery	2,921,573	3,095,262	3,015,704	4,172,792	3,939,878	3,762,741
Overhead	1,362,743	1,821,822	1,847,414	2,227,457	1,499,400	2,385,407
Charges for Services Total	4,284,316	4,917,084	4,863,118	6,400,249	5,439,278	6,148,148
Other Revenue						
Other Revenue	83,413	95,959	225,746	175,623	94,000	274,519
Transfers in						
Transfers in	285,914	279,984	239,024	1,700,000	1,900,000	2,447,202
Total Revenue	58,107,188	61,615,591	64,157,718	68,662,276	67,032,472	75,991,233
Expenses						
Personnel Costs	8,061,213	8,635,985	9,179,523	10,990,696	12,247,973	11,828,079
Professional & Contract Services	26,269,400	27,936,331	28,883,229	31,992,192	33,151,109	34,856,241
Operations	3,399,032	2,840,569	6,584,668	3,600,232	3,743,911	3,174,861
Debt Service/Revenue Neutrality	9,060,042	9,321,866	9,617,177	9,719,844	10,163,569	9,719,844
Capital Outlay	178,327	994,923	327,175	1,073,579	-	15,712,293
Transfers Out	10,637,587	8,517,031	9,198,929	7,554,498	7,483,001	7,231,524
Total Expenses	57,605,601	58,246,705	63,790,701	64,931,041	66,789,563	82,522,842
Revenues Less Expenses	\$ 501,588	\$ 3,368,888	\$ 367,014	\$ 3,731,236	\$ 242,909	\$ (6,531,609)

Community Enhancement & Investment Fund						
	2018-19 Actual	2019-20 Actual	2020-21 Actual	2021-22 Actual	2022-23 Budget	2022-23 Actual
Measure H						
Revenues						
Sales Tax	8,730,547	8,715,522	10,572,724	11,827,213	11,400,000	12,001,912
Use of Money & Property	26,831	18,623	4,368	2,139	-	14,041
Intergovernmental	-	-	-	2,431	-	352,265
Other Revenue	-	100	750	-	-	250
Total Revenues	8,757,378	8,734,245	10,577,842	11,831,783	11,400,000	12,368,468
Expenses						
Personnel Costs	206,691	218,115	252,534	35,991	-	37,844
Professional & Contract Services	1,714,632	1,885,205	2,510,757	2,676,421	3,100,000	3,345,060
Operations	4,826,543	3,519,656	4,838,030	3,443,605	3,700,000	3,145,480
Capital Outlay	778,155	1,440,865	564,753	4,319,768	4,100,000	2,532,230
Transfers Out	1,231,357	1,670,404	2,411,768	500,000	500,000	3,306,696
Total Expenses	8,757,378	8,734,245	10,577,842	10,975,785	11,400,000	12,367,310
Measure R						
Revenues						
Taxes & Assessments	-	-	2,602,691	11,748,474	11,400,000	11,883,770
Use of Money & Property	-	-	630	14,956	-	79,078
Charges for Services	-	-	-	41,376	-	-
Other Revenue	-	-	-	-	-	10,000
Total Revenues	-	-	2,603,321	11,804,806	11,400,000	11,972,849
Expenses						
Personnel Costs	-	-	-	64,032	-	-
Professional & Contract Services	-	-	-	1,564,837	1,000,000	1,085,157
Operations	-	-	1,742	1,340,840	3,500,000	537,550
Capital Outlay	-	-	-	4,536,736	6,400,000	4,522,624
Transfers Out	-	-	2,601,578	500,000	500,000	5,827,518
Total Expenses	-	-	2,603,320	8,006,445	11,400,000	11,972,849

CITY OF RANCHO CORDOVA

RESOLUTION NO. XX-2023

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA
AMENDING THE FISCAL YEAR 2022-23 OPERATING BUDGET**

WHEREAS, the City Manager has submitted to the City Council of Rancho Cordova a Fiscal Year 2022-23 Proposed Budget; and

WHEREAS, after examination, deliberation, and due consideration, the City Council has approved the same with the passage of Resolution No. 76-2021; and

WHEREAS, to keep the budget current it becomes necessary to amend the budget and various schedules on a periodic basis as events necessitate; and

WHEREAS, the Fiscal Year 2022-23 budget was previously amended with the passage of Resolution No. 117-2022, 118-2022, and 120-2022; and

WHEREAS, the Fiscal Year 2022-23 budget will be further amended as shown on the attached Exhibit A.

NOW, THEREFORE BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA as follows:

1. The Fiscal Year 2022-23 Adopted Budget is hereby amended to incorporate the adjustments on the attached Schedule of Proposed Budget Amendments.
2. That the amounts stated in the Schedule of Proposed Budget Amendments shall become and thereafter be appropriated to funds stated therein and said monies are hereby appropriated; and
3. The City Manager is authorized to approve expenditure adjustments within individual funds so long as the total appropriated within each major fund is not exceeded.

PASSED AND ADOPTED by the City Council of the City of Rancho Cordova on the 6th day of November, 2023 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Linda Budge, Mayor

ITEM 19.3.

ATTACHMENT 2

ATTEST:

Stacy Leitner, CMC
City Clerk

ITEM 19.3.

Exhibit A to Resolution City of Rancho Cordova Proposed Budget Amendments Fiscal Year 2022-23

ATTACHMENT 3

Exhibit A to the Resolution

Revenue Amendments					
Fund	Fund Name	Adopted Revenue Budget	Proposed Adjustment	Proposed Final Revenue Budget	Description of Adjustment
100	General Fund	67,032,472	8,910,750	75,943,222	Increase in property tax, sales tax, UUT, building permits, interest income, cost recovery/overhead, and intergovernmental revenues
110	Community Enhancement	11,400,000	968,000	12,368,000	Increase in sales tax, interest income, and intergovernmental revenues
120	Measure R	11,400,000	573,000	11,973,000	Increase in sales tax, interest income, and miscellaneous revenues
201	CFF Fees - Comm Facilities	1,772,347	700,000	2,472,347	Increase impact fee revenue and interest earnings
202	CFF Fees - Library	363,008	260,000	623,008	Increase impact fee revenue and interest earnings
203	Traffic Mitigation Impact Fees	1,703,800	7,100,000	8,803,800	Increase impact fee and impact fee credits revenue and interest earnings
204	Traffic Mit Adm Impact Fees	34,100	200,000	234,100	Increase impact fee revenue and interest earnings
205	SD Interim Sewer Impact	269,700	80,000	349,700	Increase impact fee and impact fee credits revenue and interest earnings
206	SD Suppl Offsite Water Impact	114,100	2,100,000	2,214,100	Increase impact fee and impact fee credits revenue and interest earnings
207	SD Traffic Mitigation Impact	2,418,500	2,100,000	4,518,500	Increase impact fee and impact fee credits revenue and interest earnings
251	Community Renovation Fees	634,960	150,000	784,960	Increase impact fee revenue and interest earnings
252	Community Places Fees	103,600	540,000	643,600	Increase impact fee and impact fee credits revenue and interest earnings
270	Transit Rel Srv Area Zone 1	155,200	35,000	190,200	Increase impact fee revenue and interest earnings
272	Rancho Cordova Transit Tax	289,600	22,000	311,600	Increase interest earnings
280	Road Maintenance Assmt Dist	438,100	108,000	546,100	Increase interest earnings
281	CFD 2008-1 Road Maintenance	168,400	36,000	204,400	Increase impact fee revenue and interest earnings
282	CFD 2014-2 Street, L&L	795,100	195,000	990,100	Increase impact fee revenue and interest earnings
310	Capital Facilities	-	11,800,000	11,800,000	Increase in nterest earnings and transfer in for Mills Crossing
330	Community Enhan. Capital Fund	-	3,160,000	3,160,000	Legacy transfer & interest earnings
340	Measure R	-	5,500,000	5,500,000	Legacy transfer & interest earnings
402	State Grants	100,000	1,375,000	1,475,000	Increase in grant revenue
410	Gas Tax	1,918,900	350,000	2,268,900	Increase in gas tax revenue and interest earnings
411	Road Maintenance & Rehab Acct.	1,497,700	340,000	1,837,700	Increase in gas tax revenue and interest earnings
422	New Measure A Maintenance	2,310,300	450,000	2,760,300	Increase in intergovernmental revenue and interest earnings
424	Measure A - Traffic Cntrl Prgm	-	1,120,000	1,120,000	Increase in intergovernmental revenue and interest earnings
425	Measure A - Street/Bike/Ped Pr	-	2,120,000	2,120,000	Increase in intergovernmental revenue and interest earnings
440	Transportation Development Act	67,600	20,453	88,053	Increase in intergovernmental revenue and interest earnings
450	Trench Fees	50,000	62,000	112,000	Increase permit revenue and interest earnings
452	Donations	-	636	636	Increase donations and interest earnings
455	Roadway Improv. (Suppl. Fee)	2,184,500	1,000,000	3,184,500	Increase in cost recovery and interest earnings.
456	CFD 2013-2 (Police Services)	800,000	250,000	1,050,000	Increase in tax revenue and interest earnings

ITEM 19.3.

Exhibit A to Resolution City of Rancho Cordova Proposed Budget Amendments Fiscal Year 2022-23

ATTACHMENT 3

Exhibit A to the Resolution

Expenditure Amendments

Fund	Fund Name	Adopted Expenditure Budget	Proposed Adjustment	Proposed Final Expenditure Budget	Description of Adjustment
100	General Fund	66,789,563	27,212,293	94,001,856	Property Acquisition from Elliott Homes (\$15M) & transfer out of fund balance set aside for Mills Crossing to Capital Facilities Fund (\$11.5M)
110	Community Enhancement	11,400,000	968,000	12,368,000	Transfer out to legacy fund
120	Measure R	11,400,000	573,000	11,973,000	Transfer out to legacy fund
201	CFF Fees - Comm Facilities	404,266	850,000	1,254,266	Increase for Suite 220 renovation project
202	CFF Fees - Library	13,613	5,000	18,613	Increase in City's administrative fee
203	Traffic Mitigation Impact Fees	2,460,000	2,300,000	4,760,000	Impact Fee Credits
204	Traffic Mit Adm Impact Fees	45,000	58,000	103,000	Increase for staff time
205	SD Interim Sewer Impact	-	625,000	625,000	Impact Fee Credits
206	SD Suppl Offsite Water Impact	500,000	2,000,000	2,500,000	Impact Fee Credits
207	SD Traffic Mitigation Impact	-	2,600,000	2,600,000	Impact Fee Credits
251	Community Rennovation Fees	12,700	830,000	842,700	Increase budget for Federspiel Park/Youth Center projects
252	Community Places Fees	-	420,000	420,000	Impact Fee Credits
261	RC Lighting Dist No. 2012-1	343,000	6,000	349,000	Increase expenditures in accordance with revenues
270	Transit Rel Srv Area Zone 1	170,100	15,000	185,100	Increase expenditures in accordance with revenues
272	Rancho Cordova Transit Tax	157,000	10,000	167,000	Increase expenditures in accordance with revenues
280	Road Maintenance Assmt Dist	101,800	32,000	133,800	Increase budget for Surface Treatment FY 22/23
281	CFD 2008-1 Road Maintenance	63,000	7,000	70,000	Increase expenditures for CFD 2008-1
282	CFD 2014-2 Street, L&L	252,100	70,000	322,100	Increase expenditures for CFD 2014-2
310	Capital Facilities	-	1,175,000	1,175,000	Increase expenditures for Youth Center construction
320	Infrastructure Replacement	-	1,950,000	1,950,000	Increase budget for White Rock Road improvements
402	State Grants	142,000	760,000	902,000	Increase for grants not anticipated in budget
410	Gas Tax	1,995,000	500,000	2,495,000	Increase budget for CIP funding rollover
411	Road Maintenance & Rehab Acct.	1,497,700	1,120,000	2,617,700	Increase budget for CIP funding rollover
422	New Measure A Maintenance	2,966,100	900,000	3,866,100	Increase budget for CIP funding rollover
423	New Measure A Construction	907,400	1,740,000	2,647,400	Increase budget for CIP funding rollover
424	Measure A - Traffic Cntrl Prgm	-	350,000	350,000	New fund since budget was adopted
425	Measure A - Street/Bike/Ped Pr	-	306,000	306,000	New fund since budget was adopted
440	Transportation Development Act	-	90,000	90,000	New fund since budget was adopted
450	Trench Fees	-	50,000	50,000	Increase budget for Neighborhood Street Rehab program
452	Donations	-	20,764	20,764	Use of funds for Animal Services kennel project
454	Asset Forfeitures	50,000	9,000	59,000	Increase budget for RCPD gym upgrade
455	Roadway Improv. (Suppl. Fee)	777,100	4,200,000	4,977,100	Increase budget for CIP funding rollover
456	CFD 2013-2 (Police Services)	800,000	650,000	1,450,000	Increase budget to transfer entire fund balance
500	Debt Service	1,323,315	2,734	1,326,049	Increase budget for Trustee Fees
740	Insurance	568,300	176,186	744,486	Insurance premium actuals higher than budgeted

FY 2022-23 Preliminary Year-End Financial Report



CityOfRanchoCordova.org

Fiscal Year 2022-23 Financial Year in Review

- Strong economy coupled with inflationary cost increases resulted in the City's highest year-over-year revenue growth
- New growth and development activity in the City continues to lead to all time highs for revenues and expenditures
- City made significant capital investment with a \$15 Million property acquisition from Elliott Homes paid out of the General Fund

General Fund Revenues

	2018-19 Actual	2019-20 Actual	2020-21 Actual	2021-22 Actual	2022-23 Budget	2022-23 Actual
Revenues						
Taxes & Assessments	43,601,947	44,010,910	48,835,375	52,963,140	51,177,085	55,398,766
Licenses Permits & Fees	5,448,482	6,724,934	6,884,479	7,915,278	6,240,509	8,308,652
Fines & Forfeitures	1,759,319	1,304,956	1,323,127	806,550	1,562,100	905,204
Use of Money & Property	1,901,402	3,189,076	(681,901)	(4,189,918)	536,000	1,576,433
Intergovernmental	742,395	1,092,688	2,468,750	2,891,354	83,500	932,309
Charges for Services	4,284,316	4,917,084	4,863,118	6,400,249	5,439,278	6,148,148
Other Revenue	83,413	95,959	225,746	175,623	94,000	274,519
Transfers in	285,914	279,984	239,024	1,700,000	1,900,000	2,447,202
Total Revenue	58,107,188	61,615,591	64,157,718	68,662,276	67,032,472	75,991,233

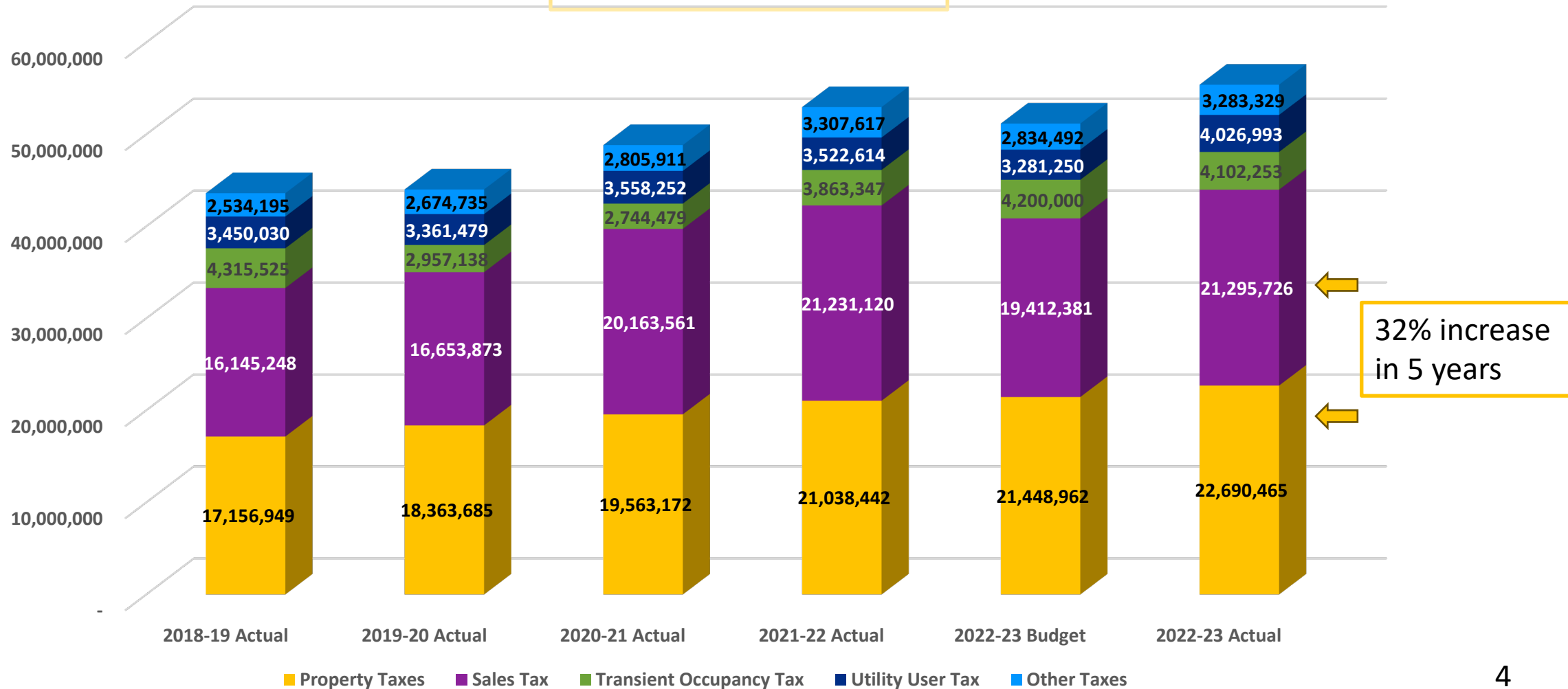


➤ General Fund Revenues have increased 31% in the last five years

➤ Fiscal Year 2022-23 increased 11% over Fiscal Year 2021-22

General Fund Revenues - Taxes

Increase of 27% in 5 years



General Fund Expenses

	2018-19 Actual	2019-20 Actual	2020-21 Actual	2021-22 Actual	2022-23 Budget	2022-23 Actual
Expenses						
Personnel Costs	8,061,213	8,635,985	9,179,523	10,990,696	12,247,973	11,828,079
Professional & Contract Services	26,269,400	27,936,331	28,883,229	31,992,192	33,151,109	34,856,241
Operations	3,399,032	2,840,569	6,584,668	3,600,232	3,743,911	3,174,861
Debt Service/Revenue Neutrality	9,060,042	9,321,866	9,617,177	9,719,844	10,163,569	9,719,844
Capital Outlay	178,327	994,923	327,175	1,073,579	-	15,712,293
Transfers Out	10,637,587	8,517,031	9,198,929	7,554,498	7,483,001	7,231,524
Total Expenses	57,605,601	58,246,705	63,790,701	64,931,041	66,789,563	82,522,842

- General Fund operating expenses ended the year in line with the adopted budget
- Significant capital investment of property in the amount of \$15 million with the use of reserves resulted in an overall reduction of fund balance at year-end

General Fund Year-End Snapshot

	2018-19 Actual	2019-20 Actual	2020-21 Actual	2021-22 Actual	2022-23 Budget	2022-23 Actual
General Fund Revenues	58,107,188	61,615,591	64,157,718	68,662,276	67,032,472	75,991,233
General Fund Expenses	57,605,601	58,246,705	63,790,701	64,931,041	66,789,563	82,522,842
Revenues Less Expenses	\$ 501,588	\$ 3,368,888	\$ 367,014	\$ 3,731,236	\$ 242,909	\$ (6,531,609)

General Fund Reserves

- Economic Uncertainty Reserve: \$13.4 Million (20% of FY 22/23 Budget)
- Reserved for Mills Crossing Project: \$11.5 Million

Proposed General Fund Budget Amendment to transfer \$11.5 million of Reserved Fund Balance for Mills Crossing Project to the Capital Facilities Fund

- General Fund expense budget will increase to \$94 million

Community Enhancement & Investment Fund

Fiscal Year 2022-23 Overview

- **Measure H Budget: \$11.4 Million Actual Revenues: \$12.4 Million**
(includes pass thru grant of \$300K for Soil Born Farms)
- **Measure R Budget: \$11.4 Million Actual Revenues: \$12 Million**

Revenues received in excess of budget will go to the CEIF Legacy Fund for projects discussed during the Fiscal Year 2023-25 budget process

MEMORANDUM



ITEM 19.4.

DATE: November 6, 2023
TO: Honorable Mayor and Council Members
FROM: Stacy Leitner, City Clerk
SUBJECT: SELECTION OF THE 2024 MAYOR AND VICE MAYOR

RECOMMENDATION

Council selection of the 2024 Mayor and Vice Mayor.

RESULT OF RECOMMENDED ACTION

City Council Leadership officers for 2024 are appointed, per City Council Resolution No. 5-2004.

BACKGROUND

On January 5, 2004, the City Council adopted Resolution No. 5-2004 establishing the Council policy that one of its members would be selected as Mayor and one of its members selected as Mayor Pro Tempore. Subsequently, Council adopted Resolution No. 185-2004 changing the Mayor Pro Tempore designation to Vice Mayor.

The swearing-in of the Mayor and Vice Mayor will take place at the December 18, 2023, Regular City Council meeting.

FISCAL IMPACT AND FUNDING SOURCE

There is no Fiscal Impact.

ATTACHMENT(S)

1. Resolution No. 5-2004
2. Resolution No. 185-2004

CITY OF RANCHO CORDOVA

RESOLUTION NO. 5-2004

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA
SELECTING DATE ON WHICH THE CITY COUNCIL SHALL ANNUALLY SELECT
A MAYOR AND MAYOR PRO TEMPORE**

RECITALS

WHEREAS, Government Code §36801 provides that the City Council shall select one of its members as mayor and one of its members as mayor pro tempore.

NOW, THEREFORE, the City Council of the City of Rancho Cordova resolves that the City Council shall select one of its members as Mayor and one of its members as Mayor Pro Tempore at the first regular City Council meeting in December.

ADOPTED, THIS 5th day of January, 2004 by the following vote:

AYES: Cooley, McGarvey, Sander, Budge, Roberts

NOES: None

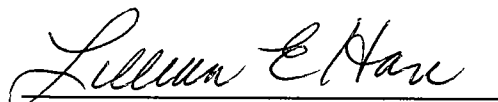
ABSENT: None

ABSTENTIONS: None

APPROVED:


MAYOR

ATTEST:


CITY CLERK

RESOLUTION NO. 185-2004**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA , CALIFORNIA AMENDING RESOLUTION 31-2004 AND CHANGING THE DESIGNATION OF MAYOR PRO TEMPORE TO VICE MAYOR**

WHEREAS, the City Council is desirous of changing the designation of "Mayor Pro Tempore" to "Vice Mayor."

NOW, THEREFORE, BE IT RESOLVED, that the City Council of the City of Rancho Cordova does hereby determine and order that:

1. Section 4 and 5 of Resolution No. 31-2003 is amended to replace the "Mayor Pro Tempore" designation with "Vice Mayor" and that
2. That references to "Mayor Pro Tempore" in Resolution No. 5-2004 are hereby amended to be "Vice Mayor."

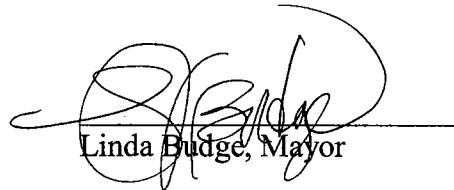
I HEREBY CERTIFY that the foregoing resolution was introduced and passed at a regular meeting of the City Council of the City of Rancho Cordova, held on the 6th day of December, 2004, by the following vote:

AYES: Skoglund, Sander, McGarvey, Cooley, Budge

NOES: None

ABSENT: None

ABSTAIN: None



Linda Budge, Mayor

ATTEST:



Lillian E. Hare, City Clerk

MEMORANDUM



ITEM 19.5.

DATE: November 6, 2023
TO: Honorable Mayor and Council Members
FROM: Stacy Leitner, City Clerk
SUBJECT: **CANCELLATION OF THE NOVEMBER 20, 2023 CITY COUNCIL MEETING**

RECOMMENDATION

Staff recommends the City Council cancel the Monday, November 20, 2023 City Council meeting due to the lack of a quorum present in the Council Chambers.

RESULT OF RECOMMENDED ACTION

Cancellation of the Monday, November 20, 2023 City Council meeting.

BACKGROUND

The 2023 Rancho Cordova City Council meeting schedule was previously approved at the December 19, 2022 City Council meeting. The meeting schedule was amended on July 3, 2023, to add the July 17, 2023 City Council meeting back to the meeting schedule. It was recently brought to the attention of staff that there is a scheduling conflict among several of the City Council members. Therefore, staff is requesting that the City Council meeting on Monday, November 20, 2023, be canceled due to a lack of a quorum present in the Council Chambers. Attachment 1 is the Amended 2023 City Council Meeting Schedule that was approved by the City Council on July 3, 2023.

FISCAL IMPACT AND FUNDING SOURCE

There is no Fiscal Impact.

ATTACHMENT(S)

1. Exhibit A to the Resolution - 2023 Amended Rancho Cordova City Council Meeting Schedule

Amended 2023 Rancho Cordova City Council Meeting Schedule

JANUARY 2023	
Tuesday, January 3	5:30 PM Regular Meeting (Tuesday due to Holiday)
Tuesday, January 17	5:30 PM Regular Meeting (Tuesday due to Holiday)
Tuesday, January 24	1:00 PM Special Meeting/Work Session (Visioning/Budget)
Wednesday, January 25	1:00 PM Special Meeting/Work Session (Visioning/Budget)
FEBRUARY 2023	
Monday, February 6	3:00 PM Special Meeting/Study Session (Ethics Training-Mandated 2 hours every 2 years/AB1234) 5:30 PM Regular Meeting
Tuesday, February 21	5:30 PM Regular Meeting (Tuesday due to Holiday)
Tuesday, February 28	5:30 PM Special Meeting/Work Session
MARCH 2023	
Monday, March 6	4:00 PM Special Meeting/Study Session 5:30 PM Regular Meeting
Monday, March 20	5:30 PM Regular Meeting
Tuesday, March 28	PROPOSE TO CANCEL Special Meeting/Work Session (NLC Congressional Conference)
APRIL 2023	
Monday, April 3	4:00 PM Special Meeting/Study Session 5:30 PM Regular Meeting
Tuesday, April 11	5:30 PM Special Meeting/Work Session
Monday, April 17	5:30 PM Regular Meeting
Tuesday, April 25	PROPOSE TO CANCEL Special Meeting/Work Session (CAP-TO-CAP)
MAY 2023	
Monday, May 1	4:00 PM Special Meeting/Study Session 5:30 PM Regular Meeting
Monday, May 15	5:30 PM Regular
Tuesday, May 23	5:30 PM Special Meeting/Work Session (Budget)
JUNE 2023	
Monday, June 5	4:00 PM Special Meeting/Study Session 5:30 PM Regular Meeting
Monday, June 19	5:30 PM Regular Meeting
Tuesday, June 27	5:30 PM Special Meeting/Work Session
JULY 2023	
Monday, July 3	4:00 PM Special Meeting 5:30 PM Regular Meeting
Monday, July 17	5:30 PM Regular Meeting
Monday, July 25	5:30 PM Special Meeting/Work Session

AUGUST 2023	
Monday, August 7	4:00 PM Special Meeting/Study Session 5:30 PM Regular Meeting
Monday, August 21	5:30 PM Regular Meeting
Tuesday, August 29	5:30 PM Special Meeting/Work Session
SEPTEMBER 2023	
Tuesday, September 5	4:00 PM Special Meeting/Study Session 5:30 PM Regular Meeting (Tuesday due to Holiday)
Monday, September 18	5:30 PM Regular Meeting
Monday, September 26	5:30 PM Special Meeting/Work Session
OCTOBER 2023	
Monday, October 2	4:00 PM Special Meeting/Study Session 5:30 PM Regular Meeting
Monday, October 16	5:30 PM Regular Meeting
Tuesday, October 24	5:30 PM Special Meeting/Work Session
NOVEMBER 2023	
Monday, November 6	4:00 PM Special Meeting/Study Session 5:30 PM Regular Meeting
Monday, November 20	5:30 PM Regular Meeting
Tuesday, November 28	5:30 PM Special Meeting/Work Session
DECEMBER 2023	
Monday, December 4	4:00 PM Special Meeting/Study Session 5:30 PM Regular Meeting
Tuesday, December 12	5:30 PM Special Meeting/Work Session
Monday, December 18	5:30 PM Regular Meeting