



CITY OF
FOLSOM
DISTINCTIVE BY NATURE

Agenda

City Council Regular Meeting

City Council Chambers | 50 Natoma Street, Folsom CA 95630

September 12, 2023
6:30 PM

Welcome to Your City Council Meeting

We welcome your interest and involvement in the city’s legislative process. This agenda includes information about topics coming before the City Council and the action recommended by city staff. You can read about each topic in the staff reports, which are available on the city website and in the Office of the City Clerk. The City Clerk is also available to answer any questions you have about City Council meeting procedures.

Participation

If you would like to provide comments to the City Council, please:




- Fill out a blue speaker request form, located at the back table.
- Submit the form to the City Clerk before the item begins.
- When it’s your turn, the City Clerk will call your name and invite you to the podium.
- Speakers have three minutes, unless the presiding officer (usually the mayor) changes that time.

Reasonable Accommodations

In compliance with the Americans with Disabilities Act, if you are a person with a disability and you need a disability-related modification or accommodation to participate in this meeting, please contact the City Clerk’s Office at (916) 461-6035, (916) 355-7328 (fax) or CityClerkDept@folsom.ca.us. Requests must be made as early as possible and at least two full business days before the start of the meeting.

How to Watch

The City of Folsom provides three ways to watch a City Council meeting:

In Person	Online	On TV
		
City Council meetings take place at City Hall, 50 Natoma Street	Watch the livestream and replay past meetings on the city website, www.folsom.ca.us	Watch live and replays of meetings on Sac Metro Cable TV, Channel 14

More information about City Council meetings is available at the end of this agenda



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City Council Regular Meeting
City Council Chambers | 50 Natoma Street, Folsom CA 95630
www.folsom.ca.us

Tuesday, September 12, 2023 6:30 PM

Rosario Rodriguez, Mayor

YK Chalamcherla, Vice Mayor
Mike Kozlowski, Councilmember

Sarah Aquino, Councilmember
Anna Rohrbough, Councilmember

AGENDA

CALL TO ORDER

ROLL CALL:

Councilmembers: Aquino, Chalamcherla, Kozlowski, Rohrbough, Rodriguez

The City Council has adopted a policy that no new item will begin after 10:30 p.m. Therefore, if you are here for an item that has not been heard by 10:30 p.m., you may leave, as the item will be continued to a future Council Meeting.

PLEDGE OF ALLEGIANCE

AGENDA UPDATE

BUSINESS FROM THE FLOOR:

Members of the public are entitled to address the City Council concerning any item within the Folsom City Council's subject matter jurisdiction. Public comments are limited to no more than three minutes. Except for certain specific exceptions, the City Council is prohibited from discussing or taking action on any item not appearing on the posted agenda.

SCHEDULED PRESENTATIONS:

- [1.](#) Proclamation of the City of Folsom Proclaiming September 17 through 23, 2023 as Constitution Week in the City of Folsom
- [2.](#) Proclamation of the Mayor of the City of Folsom Proclaiming the Month of September 2023 as Prostate Cancer Awareness Month in the City of Folsom
- [3.](#) Proclamation of the Mayor of the City of Folsom Proclaiming September as International Underground Railroad Month in the City of Folsom
- [4.](#) Resolution of Commendation Honoring Snooks Chocolate Factory on their 60th Anniversary

5. Presentation of the 10th Annual Folsom Community Service Day

CONSENT CALENDAR:

Items appearing on the Consent Calendar are considered routine and may be approved by one motion. City Councilmembers may pull an item for discussion.

6. Appointment of At-Large Member to the Folsom Landscaping and Lighting District Advisory Committee to Represent the Broadstone #3 District
7. Resolution No. 11098 – A Resolution Authorizing the City Manager to Execute an Agreement with Ferguson Enterprises, LLC for the City of Folsom Compound Water Meter Replacement Program
8. Resolution No. 11099 – A Resolution Authorizing the Acceptance and Appropriation of the City of Folsom’s Share of Sacramento County Permanent Local Housing Allocation (PLHA) Grant Funds in the amount of \$439,703
9. Resolution No. 11100 – A Resolution Authorizing the City Manager to Execute a Contract with LEED Mechanical for the City Hall Boiler & HVAC Replacement Project and Appropriation of Funds
10. Resolution No. 11101 - A Resolution Authorizing the City Manager to Execute a Construction Agreement with St. Francis Electric LLC for the East Bidwell / Iron Point Road / US50 Onramp Improvement Project and Appropriation of Funds

NEW BUSINESS:

11. Landmark Tree Update – Urban Forester Recommendations to Establish Two New Landmark Grove Designations
12. Resolution No. 11102 – A Resolution of Consideration of the City Council of the City of Folsom to Amend the Rate and Method of Apportionment for Improvement Area No. 6 within the City of Folsom Community Facilities District No. 23 (Folsom Ranch) and Related Matters
13. Consideration of the Selection of Two City Council Members to Serve on the Economic Development Consultant Proposal Review Committee

COUNCIL REQUESTS FOR FUTURE AGENDA ITEMS:

CITY MANAGER REPORTS:

COUNCIL COMMENTS:

ADJOURNMENT

NOTICE: *Members of the public are entitled to directly address the City Council concerning any item that is described in the notice of this meeting, before or during consideration of that item. If you wish to address Council on an issue, which is on this agenda, please complete a blue speaker request card, and deliver it to a staff member at the table on the left side of the Council Chambers prior to discussion of the item. When your name is called, stand to be recognized by the Mayor and then proceed to the podium. If you wish to address the City Council on any other item of interest to the public, when the Mayor asks if there is any “Business from the Floor,” follow the same procedure described above. Please limit your comments to three minutes or less.*

NOTICE REGARDING CHALLENGES TO DECISIONS: *Pursuant to all applicable laws and regulations, including without limitation, California Government Code Section 65009 and or California Public*

Resources Code Section 21177, if you wish to challenge in court any of the above decisions (regarding planning, zoning and/or environmental decisions), you may be limited to raising only those issues you or someone else raised at the public hearing(s) described in this notice/agenda, or in written correspondence delivered to the City at, or prior to, the public hearing.

As presiding officer, the Mayor has the authority to preserve order at all City Council meetings, to remove or cause the removal of any person from any such meeting for disorderly conduct, or for making personal, impertinent, or slanderous remarks, using profanity, or becoming boisterous, threatening or personally abusive while addressing said Council, and to enforce the rules of the Council.

PERSONS INTERESTED IN PROPOSING AN ITEM FOR THE CITY COUNCIL AGENDA SHOULD CONTACT A MEMBER OF THE CITY COUNCIL.

The meeting of the Folsom City Council is being telecast on Metro Cable TV, Channel 14, the Government Affairs Channel, and will be shown in its entirety on the Friday and Saturday following the meeting, both at 9 a.m. The City does not control scheduling of this telecast and persons interested in watching the televised meeting should confirm this schedule with Metro Cable TV, Channel 14. The City of Folsom provides live and archived webcasts of regular City Council meetings. The webcasts can be found on the online services page of the City's website www.folsom.ca.us.

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Any documents produced by the City and distributed to the City Council regarding any item on this agenda will be made available at the City Clerk's Counter at City Hall located at 50 Natoma Street, Folsom, California and at the Folsom Public Library located at 411 Stafford Street, Folsom, California during normal business hours.

PROCLAMATION

OF THE MAYOR OF THE CITY OF FOLSOM

PROCLAIMING SEPTEMBER 17 THROUGH 23, 2023

AS

**CONSTITUTION WEEK
IN THE CITY OF FOLSOM**

WHEREAS, on September 17, 1787, after four months of debate highlighted by sharp differences of view and by wise compromises, the outstanding leaders of our Republic, who were meeting in convention at Philadelphia, signed the Constitution of the United States of America; and

WHEREAS, the story of the framing, signing, and adoption of that document constitutes one of the most significant chapters in the history of our country; and

WHEREAS, it is fitting that every American should reflect upon the vision and fortitude of our forebears in creating a charter designed "to form a more perfect union, establish justice, insure domestic tranquility, provide for the common defense, promote the general welfare, and secure the blessings of liberty" for themselves and for the fortunate millions who were to follow them as citizens of this Nation; and

WHEREAS, for 236 years, America's Constitution has guided our growth and defined us as a Nation of sacred laws and fundamental values; and

WHEREAS, Congress has requested the President to set aside the week beginning September 17 of each year as Constitution Week as a time for the contemplation and commemoration of the historic acts which resulted in the formation of our Constitution.

NOW, THEREFORE, I, Rosario Rodriguez, Mayor of the City of Folsom, on behalf of the Folsom City Council, do hereby proclaim September 17 through 23, 2023 as **Constitution Week** in the City of Folsom. During this week, we celebrate our Constitution and the rights of citizenship that together we enjoy as the people of this proud Nation.

PROCLAIMED this 12th day of September 2023.

ATTEST:

Rosario Rodriguez, MAYOR

Christa Freemantle, CITY CLERK

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CITY OF
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DISTINCTIVE BY NATURE

PROCLAMATION
OF THE MAYOR OF THE CITY OF FOLSOM
PROCLAIMING THE MONTH OF SEPTEMBER 2023
AS
PROSTATE CANCER AWARENESS MONTH
IN THE CITY OF FOLSOM

WHEREAS, prostate cancer is the most frequently diagnosed cancer in men and the second leading cause of cancer deaths in men; and

WHEREAS, the American Cancer Society estimates there will be over 288,000 new cases of prostate cancer in the USA in 2023; and

WHEREAS, it is estimated that almost 27,000 California men will be diagnosed with prostate cancer this year and that an estimated 5,000 of those men will die from this disease this year; and

WHEREAS, the 5-year survival rate approaches 100% when prostate cancer is diagnosed and treated early, but drops to 32% when it spreads to the other parts of the body; and

WHEREAS, the American Cancer Society recommends that men have a conversation with their health care provider and make informed decisions about whether to be tested for prostate cancer; and

WHEREAS, the City of Folsom joins communities across our nation to increase the awareness about the importance of early detection, testing, and treatment for prostate cancer.

NOW, THEREFORE, I, Rosario Rodriguez, Mayor of the City of Folsom on behalf of the Folsom City Council, do hereby proclaim the month of September 2023 as **Prostate Cancer Awareness Month** in the City of Folsom to increase awareness about the importance of early detection and treatment of this disease.

PROCLAIMED this 12th day of September 2023.

Attest:

Rosario Rodriguez, Mayor

Christa Freemantle, City Clerk

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CITY OF
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**PROCLAMATION
OF THE MAYOR OF THE CITY OF FOLSOM
PROCLAIMING SEPTEMBER AS
INTERNATIONAL UNDERGROUND RAILROAD MONTH
IN THE CITY OF FOLSOM**

WHEREAS, the Underground Railroad played a crucial role in the fight against the cruel institution of slavery, offering hope and sanctuary to countless men, women, and children who yearned for liberty, and it serves as a testament to the enduring human spirit; and

WHEREAS the Underground Railroad is an international story and civil rights movement. Wherever and whenever slavery existed, there were efforts to escape; and

WHEREAS, September has been designated as International Underground Railroad Month to honor the legacy of the Underground Railroad, celebrate the resilience of those who escaped slavery, and educate our community about this essential chapter in our history; and

WHEREAS today, we recognize, renew, and reinvigorate the efforts of the many people in California and throughout the world who have dedicated their lives to keeping the memory of the Underground Railroad alive through the National Park Service’s National Underground Railroad Network to Freedom and UNESCO’s Sites of Memory designations; and

WHEREAS, the City of Folsom recognizes that history must be acknowledged, understood, and remembered to ensure that we continue to strive for a more just, equitable, and inclusive society where all individuals are treated with dignity and respect:

NOW, THEREFORE, I, Rosario Rodriguez, Mayor of the City of Folsom and on behalf of the Folsom City Council, do hereby proclaim September 2023 as International Underground Railroad Month in the City of Folsom.

PROCLAIMED this 12th day of September 2023.

ATTEST:

Rosario Rodriguez, MAYOR

Christa Freemantle, CITY CLERK

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**CITY OF FOLSOM
RESOLUTION OF COMMENDATION
HONORING
SNOOKS CANDIES ON THEIR 60TH ANNIVERSARY**

WHEREAS, Snooks Candies, in operation since 1963, is a beloved part of our Folsom Community; and

WHEREAS, Jim Snook has firmly inherited the “Candyman” title from his father who started the company; and

WHEREAS, Snooks Candies has been bringing generations of Snooks into the business, and now operates with four generations of the Snook Family, who have left their mark on the hearts of the Folsom community (and beyond) with both their candy and their generosity; and

WHEREAS, Snooks Candies has been honored as the “BEST OF” countless times by local newspapers, magazines, and a variety of regional publications; and

WHEREAS, Snooks Candies are generous donors of goods and volunteers of time in the Historic District; and

WHEREAS, on this, the 60th anniversary of Snooks Candies, the Folsom community would like to extend their heartfelt appreciation and sincere congratulations to Snooks Candies for the countless hours, hard work, sacrifices, and dedication that it takes to run a successful business:

NOW, THEREFORE, I, Rosario Rodriguez, Mayor of the City of Folsom, on behalf of the Folsom City Council and the Folsom community, do hereby honor Snooks Candies on their 60th Anniversary and thank the Snook Family for the immeasurable happy moments, special events, and celebrations that they have been a part of.

PROCLAIMED this 12th day of September 2023.

Rosario Rodriguez, MAYOR

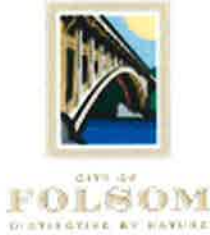
Attest:

Christa Freemantle, CITY CLERK

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Folsom City Council Staff Report



MEETING DATE:	9/12/2023
AGENDA SECTION:	Scheduled Presentations
SUBJECT:	Presentation of the 10 th Annual Folsom Community Service Day
FROM:	Parks and Recreation Department

BACKGROUND / ISSUE

The Community Service Day Steering Committee will provide a brief overview of the upcoming 10th Annual Folsom Community Service Day to be held on Saturday, September 16 beginning at Lakeside Church.

The presentation will be delivered by Justin Raitchel, Chair of the Folsom Community Service Day Steering Committee.

RECOMMENDATION / CITY COUNCIL ACTION

No action is requested of the City Council at this time.

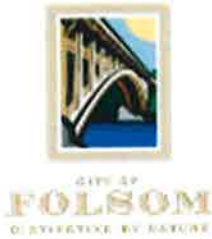
Submitted,

Kelly Gonzalez, Parks & Recreation Director

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CITY OF
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Folsom City Council Staff Report



MEETING DATE:	9/12/2023
AGENDA SECTION:	Consent Calendar
SUBJECT:	Appointment of At-Large Member to the Folsom Landscaping and Lighting District Advisory Committee to Represent the Broadstone #3 District
FROM:	City Clerk's Department

RECOMMENDATION / CITY COUNCIL ACTION

Staff requests that the Mayor appoint Craig Enos (with approval from the City Council) to the Folsom Landscaping and Lighting District Advisory Committee to represent the Broadstone #3 District for the term ending in December 2026.

BACKGROUND / ISSUE

Folsom Municipal Code Chapter 16.56 establishes the Landscaping and Lighting District Advisory Committee (L&L Committee) and defines the Committee’s purpose as helping to enhance the line of communication between city staff and elected/appointed city bodies. The citizens’ committee may also make recommendations to the Landscaping and Lighting District Manager, the Community Development Director and the Public Works Director concerning the maintenance and associated costs to maintain and improve landscaping and lighting districts. The Committee is comprised of one person from each landscaping and lighting district. The members shall be registered voters and residents or owners within their respective landscaping and lighting district and serve for a period of four years (unless they are appointed to serve the remainder of an unfilled term).

POLICY/ RULE

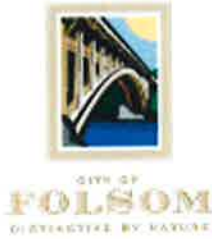
Folsom Municipal Code Section 16.56.030(B) states that the mayor shall appoint each of the members, subject to the approval of the City Council.

ANALYSIS

The L&L Committee continues to have vacancies for certain districts, and staff maintains an open recruitment for these vacancies. One application has recently been received for the Broadstone #3 District vacant seat from resident Craig Enos. Staff has confirmed that the applicant's address is within the Broadstone #3 District and that the applicant is a registered voter and they are therefore eligible to be appointed. The application has previously been provided to the City Council for advance consideration.

Respectfully submitted,

Christa Freemantle, CMC
City Clerk



Folsom City Council Staff Report



MEETING DATE:	9/12/2023
AGENDA SECTION:	Consent Calendar
SUBJECT:	Resolution No. 11098 – A Resolution Authorizing the City Manager to Execute an Agreement with Ferguson Enterprises, LLC for the City of Folsom Compound Water Meter Replacement Program
FROM:	Environmental and Water Resources Department

RECOMMENDATION / CITY COUNCIL ACTION

The Environmental and Water Resources Departments recommends that the City Council pass and adopt Resolution No. 11098 – A Resolution Authorizing the City Manager to Execute an Agreement with Ferguson Enterprises, LLC for the City of Folsom Compound Water Meter Replacement Program.

BACKGROUND / ISSUE

The Environmental and Water Resources Department has identified the need to purchase water meters for installation and to replace older water meters that may be reaching the end of their serviceable life. As required by State Law, water meters have been installed on all new homes since 1992, with metered rate billing for all the City’s water customers beginning in 2013. Water meters are used for water metering, water conservation and are an integral part of the water billing process. This authorization for the purchase of water meters will meet the anticipated demands for meter replacements.

The City currently has approximately 200 installed compound water meters, which range in size from 2-inch to 8-inch. Due to the age and condition of the current inventory, it is anticipated that approximately 30 meters will need to be replaced annually during each of the next three years. To satisfy this need staff issued a request for bids for the supply of 5 different sizes of Compound Water Meters for a three-year period.

This resolution authorizes the City Manager to execute an agreement with Ferguson Enterprises, LLC for the City of Folsom Compound Water Meter Replacement Program.

POLICY / RULE

Section 2.36.120 of the Folsom Municipal Code states, in part, that contracts for supplies, equipment, services, and construction with an estimated value of \$70,952 or greater shall be awarded by the City Council.

ANALYSIS

The City completed the Request for Bids for the City of Folsom Compound Water Meter Replacement Program and publicly advertised for bids in the January 4th, 2023 edition of the Sacramento Bee. In addition, the City provided these documents to www.ciplist.com which is picked up by several area builders' exchanges. The documents were also posted to the City's website. The Environmental and Water Resources Department received the following bids on February 2, 2023 for the City of Folsom Compound Water Meter Replacement Program.

Vendor	Bid Amount
Aqua Metric*	\$227,730.91
Ferguson Enterprises, LLC	\$277,461.00
Zenner USA**	\$64,184.95

* Bid considered non-responsive due to potential price increases

** Bid considered non-responsive due to inability to provide all requested meter sizes

On review of the submitted bids it was determined that Aqua Metric and Zenner USA were non-responsive bidders. Aqua Metric stated in the bid that if selected, pricing would be held firm until October 31, 2023, after which pricing may be subject to adjustment(s) based upon inflation rates within the current market and supply chain constraints. Zenner USA provided pricing for only 3 of the 5 different meter sizes requested.

Staff therefore determined that Ferguson Enterprises, LLC was the only responsive bidder to meet the requirements and specifications set forth in the invitation for bids.

FINANCIAL IMPACT

Sufficient funds have been budgeted and are available in the Water Operating Fund (Fund 520) in FY 2023-24 to provide for this agreement. This agreement will also be included as part of the FY 2024-25 budget.

ENVIRONMENTAL REVIEW

This project is replacement and/or improvement of existing infrastructure with negligible or no expansion of use and therefore is categorically exempt from environmental review under

the California Environmental Quality Act as noted in Title 14 – California Code of Regulations, Chapter 3 – Guidelines for Implementation of the California Environmental Quality Act, Article 19 – Categorical Exemptions, Sections 15301 (Existing Facilities), 15302 (Replacement or Reconstruction), and/or 15304 (Minor Alterations to Land).

ATTACHMENT

Resolution No. 11098 – A Resolution Authorizing the City Manager to Execute an Agreement with Ferguson Enterprises, LLC for the City of Folsom Compound Water Meter Replacement Program.

Submitted,

Marcus Yasutake, Director
ENVIRONMENTAL AND WATER RESOURCES DEPARTMENT

RESOLUTION NO. 11098

A RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE AN AGREEMENT WITH FERGUSON ENTERPRISES, LLC FOR THE CITY OF FOLSOM COMPOUND WATER METER REPLACEMENT PROGRAM

WHEREAS, staff has identified the need to purchase water meters as required by State Law to replace older water meters that may be reaching the end of their serviceable life; and

WHEREAS, a Request for Bids for compound water meters of various sizes was issued on January 4th, 2023; and

WHEREAS, Ferguson Enterprises, LLC submitted the only bid that met the required specifications as outlined in the Bid Manual; and

WHEREAS, the project is categorically exempt from environmental review under the California Environmental Quality Act; and

WHEREAS, sufficient funds are budgeted and available in the Water Operating Fund (Fund 520), for this agreement in the amount of \$277,461.00; and

WHEREAS, the agreement will be in a form acceptable to the City Attorney:

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Folsom authorizes the City Manager to execute an Agreement with Ferguson Enterprises, LLC for the City of Folsom Compound Water Meter Replacement Program in the amount of \$277,461.00.

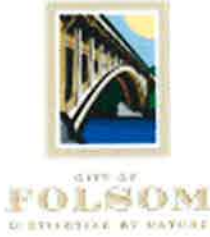
PASSED AND ADOPTED this 12th day of September, 2023, by the following roll-call vote:

- AYES:** Councilmember(s):
- NOES:** Councilmember(s):
- ABSENT:** Councilmember(s):
- ABSTAIN:** Councilmember(s):

Rosario Rodriguez, MAYOR

ATTEST:

Christa Freemantle, CITY CLERK



Folsom City Council Staff Report



MEETING DATE:	9/12/2023
AGENDA SECTION:	Consent Calendar
SUBJECT:	Resolution No. 11099 – A Resolution Authorizing the Acceptance and Appropriation of the City of Folsom’s Share of Sacramento County Permanent Local Housing Allocation (PLHA) Grant Funds in the Amount of \$439,703
FROM:	Community Development Department

RECOMMENDATION / CITY COUNCIL ACTION

Move to approve Resolution No 11099 - A Resolution Authorizing the Acceptance and Appropriation of the City of Folsom’s Share of Sacramento County Permanent Local Housing Allocation (PLHA) Grant Funds in the Amount of \$439,703.

BACKGROUND / ISSUE

The Permanent Local Housing Allocation (PLHA) program through the CA Department of Housing and Community Development (HCD) provides funding to local governments in California for housing-related projects and programs that assist in addressing the unmet housing needs of their local communities. Funding comes from Senate Bill 2 (SB2), which was part of a 15-bill housing package adopted in 2017 aimed at addressing the state’s housing shortage and high housing costs.

Sacramento County (County) is eligible for non-competitive PLHA funds as an Entitlement Community designated by the U.S. Department of Housing and Urban Development (HUD) for the Community Development Block Grant (CDBG) program and is obligated to provide a proportional share of the PLHA funds to local governments that are (CDBG) agreement cities, which includes Folsom, Isleton, and Galt. As such, Folsom will receive 4.95 percent, Isleton 0.85 percent, and Galt 3.52 percent of the County’s allocation. While the percentages are fixed, the amount will vary depending on the amount of money the funding source receives.

On June 27, 2020, Sacramento County submitted the PLHA Grant application to HCD.

In order to be eligible to receive funding, the County approved a Five-Year Plan specifying how the grant funds would be spent. As part of that Plan, initial estimates of Folsom’s distribution based on the County’s estimated award of \$16,324,956 was approximately \$807,692 over the five-year period.

On March 23, 2021, the City Council approved Resolution No. 10602 authorizing the City Manager to execute an agreement with the County of Sacramento to participate in the PLHA Funding Program and to designate Sacramento County as the fund administrator.

Sacramento County is currently working with HCD for the 2020 and 2021 PLHA grant activity amounts. Previously, the County’s Plan simply identified that the Cities of Folsom, Isleton, and Galt would receive a sub-allocated proportional share of the County PLHA funds however, HCD is requiring that the County update the application to include specific activities the Cities will use the funds on. As such, the County reached out to city staff and requested that we indicate which eligible PLHA activities the City intends to use the funding for so that they can amend their agreement as required by HCD. In addition, the County provided the 2020 and 2021 funding amounts calculated for each of the cities as shown in the Table below.

Jurisdiction/Task	Percent	Year and Amount	
		2020	2021
Folsom	4.95	\$209,335.80	\$230,367.56
Isleton	0.85	\$35,946.55	\$39,558.07
Galt	3.52	\$148,861.01	\$163,816.93

PLHA funds can be used for a broad variety of affordable housing activities which are listed in the analysis section of this staff report. Staff is recommending that the 2020 and 2021 PLHA allocation in the amount of \$439,703 be used towards future affordable housing activities. As such, consistent with eligible activity #3, staff recommends that the City Council allocate the current PLHA funds to match portions of funds in the City’s Housing Fund (Fund 238).

POLICY / RULE

The Permanent Local Housing Allocation (PLHA) Funds Program requires cities receiving fund allocation through County agencies to use the funds exclusively for PLHA eligible activities. Allocation of PLHA funds requires City Council authorization.

ANALYSIS

The purpose of PLHA funding is to provide additional resources for housing related projects and programs that assist in addressing unmet housing needs. Specifically, eligible activities for PLHA funds include:

1. The predevelopment, development, acquisition, rehabilitation, and preservation of multifamily, residential live-work, rental housing that is affordable to extremely low, very-low-, low-, or moderate-income households, including necessary operating subsidies.
2. The predevelopment, development, acquisition, rehabilitation, and preservation of Affordable rental and ownership housing, including Accessory Dwelling Units (ADUs), that meets the needs of a growing workforce earning up to 120-percent of AMI, or 150-percent of AMI in high-cost areas. ADUs shall be available for occupancy for a term of no less than 30 days.
3. Matching portions of funds placed into Local or Regional Housing Trust Funds.
4. Matching portions of funds available through the Low- and Moderate-Income Housing Asset Fund pursuant to subdivision (d) of HSC Section 34176.
5. Capitalized Reserves for Services connected to the preservation and creation of new permanent supportive housing.
6. Assisting persons who are experiencing or at risk of homelessness, including, but not limited to, providing rapid rehousing, rental assistance, supportive/case management services that allow people to obtain and retain housing, operating and capital costs for navigation centers and emergency shelters, and the new construction, rehabilitation, and preservation of permanent and transitional housing.
 - a. This activity may include sub-awards to administrative entities as defined in HSC Section 50490(a)(1-3) that were awarded CESH program or HEAP funds for rental assistance to continue assistance to these households.
 - b. Applicants must provide rapid rehousing, rental assistance, navigation centers, emergency shelter, and transitional housing activities in a manner consistent with the Housing First practices described in 25 CCR, Section 8409, subdivision (b)(1)-(6) and in compliance with WIC Section 8225(b)(8). An applicant allocated funds for the new construction, rehabilitation, and preservation of permanent supportive housing shall incorporate the core components of Housing First, as provided in WIC Section 8255, subdivision (b).
7. Accessibility modifications in lower-income owner-occupied housing.
8. Efforts to acquire and rehabilitate foreclosed or vacant homes and apartments.
9. Homeownership opportunities, including, but not limited to, down payment assistance.
10. Fiscal incentives made by a county to a city within the county to incentivize approval of one or more affordable housing projects, or matching funds invested by a county in an affordable housing development project in a city within the county, provided that

the city has made an equal or greater investment in the project. The county fiscal incentives shall be in the form of a grant or low-interest loan to an affordable housing project. Matching funds investments by both the county and the city also shall be a grant or low interest deferred loan to the affordable housing project.

As previously indicated in the background section of this report, staff recommends that the City's allocation be used to support future affordable housing projects. Based on staff's review of the list of eligible activities (and their associated requirements) and the fact that we do not have a currently identified eligible project, staff believes that activity #3 (Matching portions of funds placed into Local or Regional Housing Trust Funds) provides the City with the greatest degree of funding flexibility for future affordable housing projects. In addition, the City's Housing Fund (Fund 238) has a dedicated source of funding through inclusionary housing fees paid by market rate for-sale development to support the required matching funds. Thus, this activity is recommended by staff to ensure effective and efficient deployment of PLHA funds.

In addition, eligible activities must be consistent with and compliant with the City's adopted Housing Element. The use of PLHA for affordable housing projects through matched housing funds is consistent with several Housing Element goals, policies, and programs, including but not limited to the following:

Goal H-3 –Facilitate Affordable Housing - facilitate affordable housing opportunities to serve the needs of people at all income levels who live and work in the community.

Policy H-3.1 Funding for Affordable Housing - The City shall continue to use Federal and State subsidies, as well as inclusionary housing in-lieu fees, affordable housing impact fees on non-residential development, and other fees collected into the City's Housing Fund in a cost-efficient manner to meet the needs of lower-income households, including extremely low-income households

Program H-11 -Local Funding for Affordable Housing Development - As available, the City shall allocate funds from the City's Housing Fund toward the development of affordable housing units for low-, very low-, and extremely low-income households. The City shall explore the possibility of establishing priorities for the distribution of funds, which may include criteria such as income targeting, housing for special needs including seniors and persons with disabilities, number of bedrooms, amenities, support services, and target geographies that serve to affirmatively further fair housing. The City shall provide funding to support approximately 580 affordable units by 2029.

Program H-22 Additional State, Federal and Regional Funding - The City shall work to secure additional funding from State, Federal, and regional sources that can be used to help increase the supply of affordable housing in Folsom. The City shall pursue funding from various grant programs with a goal of obtaining \$5 million dollars for affordable housing through 2029.

Together the matched funds will be able to support a number of affordable housing activities including, but not limited to, the predevelopment, development, acquisition, and preservation of affordable housing projects as stipulated in the PLHA Final Guidelines. At this time, staff is requesting City Council approval to accept PLHA funds in the amount of \$439,703 to be used as matching funds placed in the City’s Housing Fund (Fund 238) and appropriation of funds.

Similar to other City housing fund approvals, future allocations and requests to utilize PLHA funds for eligible activities will be presented to the City Council for consideration and decision.

FINANCIAL IMPACT

For the 2020 and 2021 funding round, the City will receive and allocate \$439,703 in grant funding from the PLHA funds and will be required provide a funding match of \$439,703 from Fund 238 for a future affordable housing project. Funds are available in the Housing Fund to cover the \$439,703 and will be appropriated to a future affordable housing project. There is no General Fund fiscal impact associated with the PLHA fund allocation.

ENVIRONMENTAL REVIEW

The receipt of grant funding does not constitute a “project” under Section 15378 of the California Environmental Quality Act (CEQA) Guidelines and is otherwise exempt pursuant to Section 15061(b)(3).

ATTACHMENT

Resolution No. 11099 – A Resolution Authorizing the Acceptance and Appropriation of the City of Folsom’s share of Sacramento County Permanent Local Housing Allocation (PLHA) Grant Funds in the amount of \$439,703

Submitted,



Pam Johns, Community Development Director

RESOLUTION NO. 11099

A RESOLUTION AUTHORIZING THE ACCEPTANCE AND APPROPRIATION OF THE CITY OF FOLSOM'S SHARE OF SACRAMENTO COUNTY PERMANENT LOCAL HOUSING ALLOCATION (PLHA) GRANT FUNDS IN THE AMOUNT OF \$439,703

WHEREAS, the Permanent Local Housing Allocation (PLHA) program through the CA Department of Housing and Community Development (HCD) provides funding to local governments in California for housing-related projects and programs that assist in addressing the unmet housing needs of their local communities; and

WHEREAS, Sacramento County is eligible for non-competitive PLHA funds as an Entitlement Community and is obligated to provide a proportional share of the PLHA funds to the City of Folsom.

WHEREAS, On March 23, 2021, the City Council approved Resolution No. 10602 authorizing the City Manager to execute an agreement with the County of Sacramento to participate in the SB 2 Permanent Local Housing Allocation Funding Program and to designate Sacramento County as the Fund Administrator on behalf of the City of Folsom; and

WHEREAS, HCD is requiring the County of Sacramento to amend the PLHA application to identify the City of Folsom PLHA activities the city will use the funding for; and

WHEREAS, PLHA funds can be used for a broad variety of affordable housing activities which are listed in the analysis section of this staff report.

WHEREAS, staff is recommending that the City's 2020 and 2021 PLHA allocation in the combined amount of \$439,703 be used towards matching funds of the City's Housing Fund (Fund 238) for future affordable housing activities.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Folsom that the City Manager is authorized to accept the PLHA grant funding of \$439,703 be used towards matching funds of the City's Housing Fund (Fund 238) for future affordable housing activities.

BE IT FURTHER RESOLVED that the Finance Director is authorized to appropriate \$439,703 for PLHA matching funding and appropriate \$439,703 in PLHA revenue. The appropriations will be in the City's Housing Fund (Fund 238).

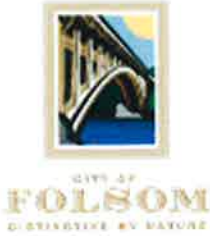
PASSED AND ADOPTED this 12th day of September 2023, by the following roll-call vote:

- AYES:** Councilmember(s):
- NOES:** Councilmember(s):
- ABSENT:** Councilmember(s):
- ABSTAIN:** Councilmember(s):

Rosario Rodriguez, MAYOR

ATTEST:

Christa Freemantle, CITY CLERK



Folsom City Council Staff Report



MEETING DATE:	9/12/2023
AGENDA SECTION:	Consent Calendar
SUBJECT:	Resolution No. 11100 – A Resolution Authorizing the City Manager to Execute a Contract with LEED Mechanical for the City Hall Boiler & HVAC Replacement Project and Appropriation of Funds
FROM:	Parks and Recreation Department

RECOMMENDATION / CITY COUNCIL ACTION

Staff recommends the City Council approve Resolution No. 11100 – A Resolution Authorizing the City Manager to execute a contract with LEED Mechanical for the City Hall Boiler & HVAC Replacement Project and Appropriation of Funds.

BACKGROUND / ISSUE

The four HVAC units, two boilers, and 68 variable air volume boxes that serve the City Hall building are original to the building and have been in place since 1991. The entire HVAC system (roof-top HVAC, boilers/controls/etc.) has exceeded the system’s useful life, and several replacement components for the roof-top units are no longer available.

As part of the due diligence for this project, the Facilities Division of the Parks and Recreation Department engaged an architectural and engineering firm to review the existing HVAC system and develop a set of specifications to be utilized by firms interested in submitting proposals for this project. The specifications help to ensure consistency in the bidding process for all firms submitting bids. The scope of the project includes the removal of the existing HVAC units, boilers, controls, and other components listed in the architectural and engineering firm’s specifications.

Folsom City Hall opened in 1992. The HVAC system has been in place since 1991. As stated above, all major components are original to the building and have an operational life of 32 years. The American Society of Heating, Refrigeration, and Air-Conditioning Engineers (ASHRAE) equipment life expectancy (useful life) is shown below:

- Roof Top Air Conditioners – 15 years
- Boilers – 25 years
- Controls – 16 years
- Variable Air Volume Boxes – 20 Years

Installation of new boilers, HVAC, and controls, along with the implementation of a thermostat policy will greatly improve occupant comfort and will save the City approximately \$60,000 per year in energy costs.

Previously, the project was procured as a design-build project where it was initially awarded at the May 24, 2022 City Council Meeting. The award was rescinded on July 12, 2022, due to clerical error and a protest. All design-build proposals were rejected at the July 26, 2022, City Council Meeting.

The current procurement of the project utilized the costs provided by the design-build proposals to provide a potential budget for the project which was provided pre-design and based on each individual contractor’s idea of what needed to be replaced. This averaged \$950,000. The actual cost based on the useful and operational life of the designed project turned out to be twice the proposed budget. Staff from the Public Works Department and Parks and Recreation Facilities Division prepared the bid documents and addenda for this procurement.

POLICY / RULE

Section 2.36.120 of the Folsom Municipal Code states, in part, that contracts for supplies, equipment, services, and construction with an estimated value of \$70,952 or greater shall be awarded by the City Council.

ANALYSIS

The Notice to Contractors for the City Hall Boiler & HVAC Replacement Project was published on April 14, 2023, with notices posted to local and electronic bid boards, builders exchanges, and the City of Folsom website. A pre-bid job walk was held on April 27, 2023.

The Parks & Recreation Department received 5 bids on June 13, 2023

Contractor	Bid
1. Leed Mechanical-Lowest Responsible Responsive Bid	\$1,892,640
2. EMCOR Services-2 nd Lowest Responsible Responsive Bid	\$2,315,985
3. Hometown Construction, Inc.-3 rd Lowest Responsible Responsive Bid	\$2,496,000
4. B&M Builders-4 th Lowest Responsible Responsive Bid	\$2,809,765
5. AK Mechanical-Non-Responsive	\$1,871,539

FINANCIAL IMPACT

Installation of new boilers, HVAC, and controls should not exceed \$2,081,904, which is the total of the Leed Mechanical bid (\$1,892,640.00) and a 10% contingency of \$189,264.00 for unanticipated HVAC structural or infrastructure related issues.

\$800,000 of ARPA funds have been designated for this project.

An additional appropriation of \$1,281,904 is required to complete the project. Staff recommends this be in the form of a five-year loan with 3% simple interest from the Equipment Replacement Fund (Fund 602) to the General Fund (Fund 010). The Equipment Replacement Fund has sufficient funds available to provide for this loan.

Annual loan repayments from the General Fund (Fund 010) to the Equipment Replacement Fund (Fund 602) will be \$294,838 annually for five years, beginning in FY 2024/25.

ENVIRONMENTAL REVIEW

This project is exempt from environmental review under the California Environmental Quality Act (CEQA) per Article 19, 15300.1 – Relation to Ministerial Projects.

ATTACHMENTS

Resolution No. 11100 – A Resolution Authorizing the City Manager to Execute an Agreement with Leed Mechanical for the City Hall Boiler & HVAC Replacement Project and Appropriation of Funds.

Submitted,

Kelly Gonzales, Parks & Recreation Director

RESOLUTION NO. 11100**A RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE AN AGREEMENT WITH LEED MECHANICAL FOR THE CITY HALL BOILER & HVAC REPLACEMENT PROJECT AND APPROPRIATION OF FUNDS**

WHEREAS, the Boiler and HVAC system is critical infrastructure for the operation of City Hall; and

WHEREAS, the Parks & Recreation Department staff has validated the need to replace the existing City Hall Boiler and HVAC system due to component failures and the system is beyond its useful life; and

WHEREAS, the project was publicly advertised on April 14, 2023 and on June 13, 2023 bids were received and opened; and

WHEREAS, Leed Mechanical provided the lowest responsive responsible bid of \$1,892,640; and

WHEREAS, \$800,000 of the funds received from the American Rescue Plan Act (ARPA) were allocated to this project; and

WHEREAS, an additional appropriation will be required for the project in the amount of \$1,281,904; and

WHEREAS, staff is requesting that the additional appropriation be in the form of a five-year interfund loan with 3% simple interest from the Equipment Replacement Fund (Fund 602) to the General Fund (Fund 010); and

WHEREAS, the agreement will be in a form acceptable to the City Attorney:

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Folsom authorizes the City Manager to Execute a Construction Agreement with Leed Mechanical for the City Hall Boiler & HVAC Replacement Project for \$1,892,640 with a ten percent contingency of \$189,264 for a total not to exceed project cost of \$2,081,904

NOW, THEREFORE BE IT FURTHER RESOLVED that the Finance Director is authorized to make an appropriation in the form of a five-year loan with 3% simple interest from the Equipment Replacement Fund (Fund 602) to the General Fund (Fund 010) in the amount of \$1,281,904.

NOW, THEREFORE BE IT FURTHER RESOLVED that the Finance Director is authorized to make an appropriation of \$1,281,904 in the General Fund (Fund 010) for the additional project costs.

PASSED AND ADOPTED this 12th day of September 2023, by the following roll-call

vote:

- AYES:** Councilmember(s):
- NOES:** Councilmember(s):
- ABSENT:** Councilmember(s):
- ABSTAIN:** Councilmember(s):

Rosario Rodriguez, MAYOR

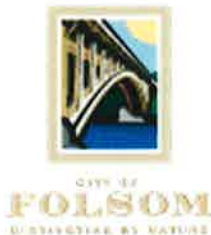
ATTEST:

Christa Freemantle, CITY CLERK

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CITY OF
FOLSOM
DISTINCTIVE BY NATURE



Folsom City Council Staff Report

MEETING DATE:	9/12/2023
AGENDA SECTION:	Consent Calendar
SUBJECT:	Resolution No. 11101 - A Resolution Authorizing the City Manager to Execute a Construction Agreement with St. Francis Electric LLC for the East Bidwell / Iron Point Road / US50 Onramp Improvement Project and Appropriation of Funds
FROM:	Public Works Department

RECOMMENDATION / CITY COUNCIL ACTION

The Public Works Department recommends that the City Council pass and adopt Resolution No. 11101 – A Resolution Authorizing the City Manager to Execute a Construction Agreement with St. Francis Electric LLC for the East Bidwell / Iron Point Road / US50 Onramp Improvement Project and Appropriation of Funds.

BACKGROUND / ISSUE

On December 8, 2020, City Council adopted Resolution 10571, authorizing staff to submit grants to the Sacramento Area Council of Governments (SACOG) for the 2020-2021 funding round. The City's top priority was the improvements of the East Bidwell and Iron Point Road / US50 Onramp intersection. Early scoping discussions with Caltrans Freeway Operations and Safety divisions led the City to submit the grant for the project, including construction of an additional westbound US50 onramp lane, per Caltrans request, and converting one of the westbound Iron Point Road through lanes to a third left turn lane from Iron Point Road onto East Bidwell Street. The original project was estimated to be \$5,000,000.

Subsequent dialog with Caltrans and City staff led to a re-scoping of the US50 onramp improvements from constructing an additional onramp lane to converting the existing high occupancy vehicle (HOV) lane to a metered general-purpose lane. This change allowed the project costs to be substantially reduced while facilitating the originally planned improvement of the additional third turn lane to the East Bidwell Street and Iron Point Road intersection.

Folsom was awarded \$4,570,000 by SACOG in the 2020-2021 funding round for the East Bidwell / Iron Point Road / US50 Onramp Improvement Project. Due to the reduction of the overall cost of the project, staff determined that the use of local funds to accelerate project delivery would better serve the community and region. The City was able to reprogram the SACOG award to other projects in the city as follows: \$1,220,000 towards the Intelligent Transportation System Implementation Project, \$2,500,000 towards the Empire Ranch Road Interchange project, \$750,000 towards the Capital Southeast Connector Project and \$100,000 to be used toward a future federally funded project.

In May of 2022, the City contracted with Bennett Engineering and Associates to perform the design and produce the plans, specifications, estimate, and all necessary permits for the project.

POLICY / RULE

Section 2.36.080, Award of Contracts of the Folsom Municipal Code, states, in part, that contracts for supplies, equipment, services, and construction with an estimated value of \$70,952 or greater shall be awarded by City Council.

ANALYSIS

Public Works staff prepared the bid package and publicly advertised the project on July 14, 2023. Bids were received on August 16, 2023.

The three bids received were as follows:

- St. Francis Electric LLC \$625,000
- Studebaker Electric, Inc. \$659,869
- Pacific Excavation, Inc. \$662,957

The Engineer’s Estimate for this project was \$400,000. The cost difference between the estimate and the low bid was explained by Bennett Engineering and Associates’ Project Manager: "From our initial assessment, the items that drove that were the Traffic Control System (TCS), Protection Barrier, and Ramp Metering System. The TCS was probably bid higher because we included all the signage that was shown in the detour plan. The protective barrier was not part of the final estimate since that change came in during the encroachment permit."

The Public Works Department has found the bids to be in order and recommends that the contract be awarded to the low-bidder, St. Francis LLC. Staff will use the City’s standard agreement in a form acceptable to the City Attorney.

FINANCIAL IMPACT

The contract with St. Francis LLC would be authorized for \$625,000 with a total project budget of \$687,500, which will include a 10% contingency in the amount of \$62,500.

Approximate project costs to date including encumbrances total approximately \$246,454. The East Bidwell / Iron Point Road/ US50 Onramp Improvement Project, Project PW2203, was included in the FY 2023-24 Capital Improvement Plan with a total project budget of \$546,454. Therefore, an additional appropriation will be needed for construction costs.

Staff is requesting an appropriation of \$387,500 in the Transportation Improvement Fund (Fund 446) for a total project budget of \$933,954. Funds are currently available in the Transportation Improvement Fund (Fund 446) for the additional appropriation.

ENVIRONMENTAL REVIEW

This project has been deemed Categorical Exempt from California Environmental Quality Act (CEQA) environmental review based on Class 1: Existing Facilities. A copy of the Notice of Exemption is attached.

ATTACHMENTS

1. Resolution No. 11101 – A Resolution Authorizing the City Manager to Execute a Construction Agreement with St. Francis Electric LLC for the East Bidwell / Iron Point Road / US50 Onramp Improvement Project and Appropriation of Funds
2. Exhibit A - Project Map
3. Notice of Exemption, California Environmental Quality Act

Submitted,

Mark Rackovan, PUBLIC WORKS DIRECTOR

Attachment 1
Resolution No. 11101

RESOLUTION NO. 11101

A RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE A CONSTRUCTION AGREEMENT WITH ST. FRANCIS ELECTRIC LLC FOR THE EAST BIDWELL / IRON POINT ROAD / US50 ONRAMP IMPROVEMENT PROJECT AND APPROPRIATION OF FUNDS

WHEREAS, the Public Works Department desires to construct improvements to the intersection of East Bidwell Street and Iron Point Road as well as the westbound US50 Onramp to facilitate more efficient movement through this intersection; and

WHEREAS, Public Works staff prepared the bid package, publicly advertised the project on July 14, 2023, and received bids on August 16, 2023, with St. Francis LLC being the lowest responsive and responsible bidder with an amount of \$625,000; and

WHEREAS, this project was included in the FY 2023-24 Capital Improvement Plan with a project budget of \$546,454, staff is now projecting the total project costs will be \$933,954; and

WHEREAS, an additional appropriation of funds in the amount of \$387,500 is needed for a revised project budget of \$993,954 and sufficient funds are available in the Transportation Improvement Fund (Fund 446) for this additional appropriation; and

WHEREAS, the agreement will be in a form acceptable to the City Attorney:

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Folsom authorizes the City Manager to execute a Construction Agreement with St. Francis LLC for the East Bidwell / Iron Point Road / US50 Onramp Improvement Project in the amount of \$625,000, with a total not-to-exceed project budget of \$687,500, which includes a 10% contingency amount of \$62,500.

BE IT FURTHER RESOLVED that the Chief Financial Officer is authorized to appropriate \$387,500 for this agreement. The appropriation will be from the Transportation Improvement Fund (Fund 446) in the amount of \$387,500 for a total project budget of \$933,954.

PASSED AND ADOPTED this 12th day of September 2023, by the following roll-call vote:

- AYES:** Councilmember(s):
- NOES:** Councilmember(s):
- ABSENT:** Councilmember(s):
- ABSTAIN:** Councilmember(s):

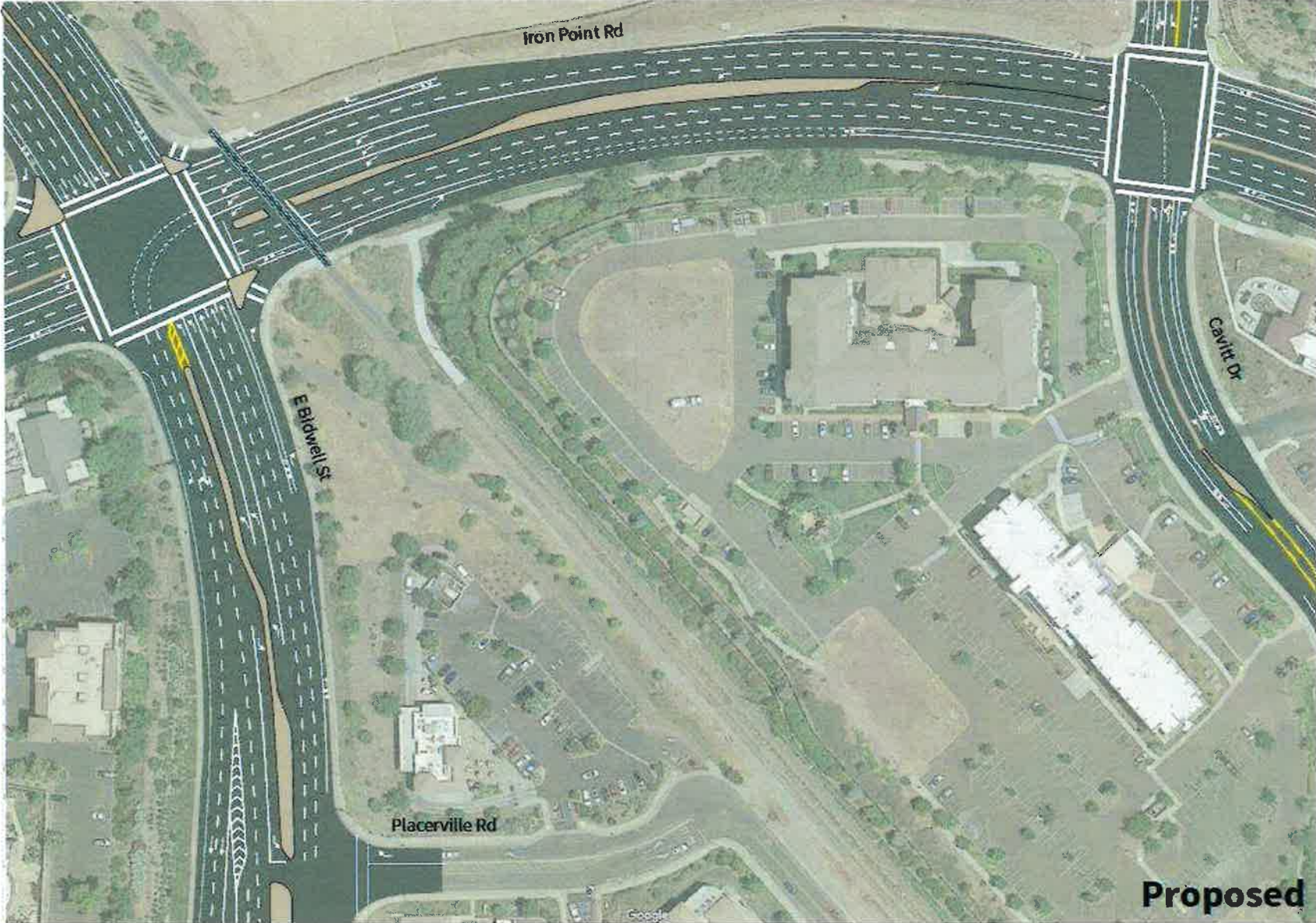
Rosario Rodriguez, MAYOR

ATTEST:

Christa Freemantle, CITY CLERK

Attachment 2

Exhibit A – Project Map



Attachment 3

Notice of Exemption California Environmental Quality Act

Notice of Exemption

Appendix E

To: Office of Planning and Research
 P.O. Box 3044, Room 113
 Sacramento, CA 95812-3044
 County Clerk
 County of: Sacramento
 600 8th Street
 Sacramento, CA 95824

From: (Public Agency): City of Folsom
50 Natoma Street
Folsom, CA 95630
 (Address)

Project Title: East Bidwell and Iron Point US 50 On-Ramp Improvements

Project Applicant: City of Folsom

Project Location - Specific:
East Bidwell Street / Iron Point Road intersection to westbound US 50 on-ramp.

Project Location - City: Folsom Project Location - County: Sacramento

Description of Nature, Purpose and Beneficiaries of Project:
Roadway striping and signage improvements within the existing right-of-way.

Name of Public Agency Approving Project: City of Folsom

Name of Person or Agency Carrying Out Project: City of Folsom

- Exempt Status: **(check one):**
- Ministerial (Sec. 21080(b)(1); 15268);
 - Declared Emergency (Sec. 21080(b)(3); 15269(a));
 - Emergency Project (Sec. 21080(b)(4); 15269(b)(c));
 - Categorical Exemption. State type and section number: Sec. 15301 Existing Facilities
 - Statutory Exemptions. State code number: _____

Reasons why project is exempt:
Project is limited to minor removal and installation of new road striping and pavement markings at an existing intersection and on-ramp as well as removal and installation of Caltrans standard road signage. All work will occur within the existing right-of-way.

Lead Agency
 Contact Person: Zach Bosch Area Code/Telephone/Extension: (916) 461-6710

- If filed by applicant:**
1. Attach certified document of exemption finding.
 2. Has a Notice of Exemption been filed by the public agency approving the project? Yes No

Signature: Zach Bosch Date: 3/2/2023 Title: Senior Civil Engineer

Signed by Lead Agency Signed by Applicant

Authority cited: Sections 21083 and 21110, Public Resources Code. Date Received for filing at OPR: _____
 Reference: Sections 21108, 21152, and 21152.1, Public Resources Code.



CEQA Exemption Information Form

City of Folsom East Bidwell and Iron Point US 50 On-Ramp Improvements

Project Location

The East Bidwell and Iron Point US 50 On-Ramp Improvements Project (Project) is located in the City of Folsom (City) at the intersection of East Bidwell Street and Iron Point Road and along the westbound US 50 on-ramp from East Bidwell Street. The City is proposing the project to remove existing road striping and install new road striping and pavement markings at an existing intersection and on-ramp, as well as removal and installation of Caltrans standard road signage.

The project is exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to the list of classes of projects that have been determined to not have a significant effect on the environment (CEQA Guidelines, Article 19, Categorical Exemptions). Specifically, the project is exempt under Section 15301, Existing Facilities, also known as a Class 1 exemption, which encompasses the minor alteration of existing facilities involving negligible or no expansion of use.

As specified in CEQA Guidelines Section 15300.2, a Class 1 exemption may be negated by an exception under any of the following circumstances:

- a) The project and successive projects of the same type in the same place will result in cumulative impacts.
- b) There are unusual circumstances creating the reasonable possibility of significant effects.
- c) The project may result in damage to scenic resources, including but not limited to, trees historic buildings, rock outcroppings, or similar resources, within a highway officially designated as a state scenic highway.
- d) The project is located on a site that is included on any list compiled pursuant to Section 65962.5 of the Government Code.
- e) The project may cause a substantial adverse change in the significance of an historical resource.

Proposed Improvements/Description

The purpose of the project is consistent with the City's efforts to improve the intersection listed above. The project would remove and replace the existing road striping and roadway signs and posts with new striping and signage. The proposed project does not include any roadway improvements such as additional lanes or alignment changes. The proposed improvements would not require removals of existing hardscape or soil removal as all improvements would occur above ground.

Project Site Access

Primary access to the project site is via the existing listed roadways above.

Land Uses

The proposed project would occur entirely within existing roadways and sidewalks with existing signalization and traffic control devices. No improvements would occur within previously undisturbed areas or sites with native vegetation. The City of Folsom General Plan (City of Folsom 2018) land use map shows the project areas as existing roadway corridors.

Findings and Conclusions

The project site is in developed right-of-way, including asphalt roads, ornamental vegetation (shade trees, shrubs, and groundcover), and cement sidewalk. All work shall be done in accordance with the current City Standard Construction Specifications and Plans, and the latest editions of the State of California, Department of Transportation Specifications and Standard Plans.

The project would not contribute to or result in any cumulative impacts, because there are no successive projects of the same type in the same place. The project is not located on an officially designated state scenic highway (Caltrans 2023), and there are no scenic resources, rock outcroppings, or similar resources that would be affected by implementation of the project. The project site was reviewed in GeoTracker on February 16, 2023 (State Water Resources Control Board 2023). Based on the GeoTracker results, the project is not located on a site included on the Cortese List and there are no open hazardous waste sites within or directly adjacent to the project site. A site visit to the project location was conducted on February 14, 2023, and concluded that there are no historical resources that would be affected by implementation of the project. Additionally, there are no unusual circumstances that would create the reasonable possibility of a significant effect. Therefore, there are no exceptions related to the project and the project is exempt from the provisions of CEQA pursuant to CEQA Guidelines, Article 19, Categorical Exemptions, Section 15301, Existing Facilities.

References

California Department of Transportation. 2023. California State Scenic Highway System Map. <https://caltrans.maps.arcgis.com/apps/webappviewer/index.html?id=465dfd3d807c46cc8e8057116f1aaca>

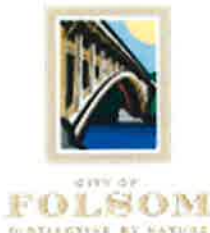
City of Folsom. 2018. Folsom General Plan 2035. <https://www.folsom.ca.us/home/showdocument?id=12958&t=638100643766099105>

State Water Resources Control Board. 2023. Geotracker. <https://geotracker.waterboards.ca.gov/>

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CITY OF
FOLSOM
DISTINCTIVE BY NATURE



Folsom City Council Staff Report

MEETING DATE:	9/12/2023
AGENDA SECTION:	New Business
SUBJECT:	Landmark Tree Update – Urban Forester Recommendations to Establish Two New Landmark Grove Designations
FROM:	Community Development Department

RECOMMENDATION / CITY COUNCIL ACTION

Initiate the 30-day noticing period to commence the process of designating a landmark grove at the Folsom State Prison property at 300 Prison Road and, barring any appeals, adopt a resolution at the October 24, 2023, City Council meeting to establish a landmark grove at the Folsom Prison property at 300 Prison Road.

Allow staff to continue exploring possibilities and develop parameters for the potential establishment one or more landmark groves along the Oak Parkway Trail corridor and return to City Council with a recommendation at a future date.

BACKGROUND / ISSUE

Trees are both community and environmental assets, unique in their ability to provide a multitude of benefits that appreciate over time. Longstanding trees contribute to the City of Folsom’s character and “Distinctive by Nature” adage. One of the ways in which the City of Folsom shows recognition for particularly noteworthy specimens is through a landmark tree Registry. Landmark trees are trees that have been designated by the City Council as exceptional due to outstanding characteristics, special ecological contributions, or historical importance.

In 2022, the City’s landmark tree program was resurrected when an interior live oak on the CAISO property became the first tree to be designated a landmark tree in over two decades. Since then, two more resolutions for landmark trees have been adopted by the City Council, which have continued to support the ongoing effort to revitalize the landmark tree program.

Recently, interest has piqued for the potential inclusion of groves into the landmark tree registry, specifically those located along the Oak Parkway Trail corridor as well as on Folsom State Prison property.



Aerial image of the Folsom State Prison property. The oak woodlands are concentrated into a western grove (218 canopy acres) and eastern grove (94 canopy acres).



Aerial image of the Oak Parkway Trail Corridor. Oak canopy is sporadic along the trail.

POLICY / RULE

Section 12.16.170 of the Folsom Municipal Code gives a private property owner or interested party the right to submit an application to the Community Development Department, requesting that the City Council establish by resolution a tree or group of trees as a landmark tree(s). In order to designate a tree as a landmark tree, the City Council must find that the tree is a significant community benefit because it possesses one or more of the following attributes:

- 1) historical value,
- 2) outstanding habitat value,
- 3) unusual species, or
- 4) superior beauty.

The City Council, on its own motion and without the payment of the application fee, may also commence the process of designating a landmark tree. If the owner of the proposed landmark tree is not the applicant, the Community Development Department shall notify, by first-class mail, the owner of the proposed landmark tree 30 days before the hearing of the application. The owner must provide written confirmation to the City that they support the application.

Section 12.16.170 of the Folsom Municipal Code (FMC) further specifies that, upon the request of a property owner, the city arborist may arrange for a landmark tree to be inspected and a report prepared which assesses the tree's health and provides recommendations for maintenance. Section 12.16.160 grants utilization of the Tree Planting and Replacement Fund for maintenance of landmark trees at the recommendation of the Urban Forester.

ANALYSIS

Native oaks over six inches in diameter at standard height (54" above grade) are protected under Chapter 12.16 but are not required to receive regular inspections or care in Folsom. However, Section 12.16.170(B) of the FMC allows for landmark trees to receive annual evaluations by the Urban Forester upon the request of the property owner as well as maintenance services if the Urban Forester deems such actions appropriate. In the case of groves, maintenance and monitoring by the Urban Forester under the landmark tree program is administered through a holistic approach, with a focus on habitat and historical conservation.

At the request of City Council, staff have engaged with representatives of the Folsom State Prison in recent months to bring attention to the remarkable canopy of oak woodlands on their property and to inform them of the city's landmark tree registry, the benefits of owning a landmark tree, and the process for garnering a formal approval for the landmark tree designation. Warden Tracy Johnson and Correctional Lieutenant Chad Deal have both expressed enthusiasm for the landmark tree program and were receptive to the idea of including the oak groves on the Folsom Prison property onto the landmark tree registry.

With City Council support as well as activism from the advocacy group Friends of Folsom Parkways, staff have also been examining the Oak Parkway Trail Corridor (OPTC) for potential grove candidates to incorporate into the landmark tree registry. As part of this evaluation, reasonable and mutually beneficial parameters between the city and Pacific Gas and Electric Company (PG&E), must be considered due the utility easements and high voltage transmission infrastructure that exists within the corridor. PG&E's electric transmission vegetation maintenance program (ETVM) involves ongoing inspections of the corridor to identify potential conflicts between trees and utility lines with annual work prescriptions entailing the pruning and removal of trees to comply with state and federal laws. As part of PG&E's ETVM process, city staff are notified of the annual work scope and provided an opportunity to review and express any concerns. If staff disagree with the proposed work, a site meeting is arranged between both parties to discuss potential modifications and/or compromises to the work prescription. Each year, the final work scope includes the removal and pruning of several of oak trees located directly under the utility lines that have grown tall enough to trigger a conflict. This unique and multifactorial circumstance involving utility easements, maintenance rights issues, and federal regulations for vegetation management creates complicating factors in the context of a landmark grove designation.

Staff's current assessment of the applicability for each of the four findings in Section 12.16.170(A)(2) to both the Folsom Prison Grove and the Oak Parkway Trail Corridor is summarized below:

Historical Value

'Historical value' is a clear factor to consider for the oak woodlands that surround the Folsom Prison, which began construction in 1878 and received its first inmates in 1880. Intermingled within the cumulative 250 acres of the woodland are several specimens older than the prison itself with trunk diameters well beyond the qualifying measurement required to achieve Heritage Tree status. The Warden agrees that the groves on the Folsom Prison property are an historical monument worthy of celebration.

The OPTC is a two-mile-long stretch of low-lying grassland with interspersed stands of native oak trees through which a bicycle and pedestrian pathway meanders. The trail itself is only a few decades old. However, several trees along the corridor are significant in both size and age, a few of which likely in excess of 150 years old.

Outstanding Habitat Value

On July 11, 2023, the Urban Forester was granted a site tour of the Folsom Prison property to see the groves up close and ascertain their candidacy for landmark status. During the tour, several deer and raptors were encountered. Correctional Lieutenant Chad Deal also shared that an ongoing study by the University of California is underway to track the movements of a bobcat that makes its home within the grove.

The species distribution of the Folsom Prison groves is primarily blue oak (*Quercus douglasii*) with interior live oak (*Quercus wislizeni*) interspersed throughout. Other tree species noted during the site visit included natives such as California buckeye (*Aesculus californica*),

elderberry (*Sambucus spp.*), and several species of willow (*Salix spp.*). These species are great food sources, nesting sites, and shelter for avifauna and small native mammals. Additionally, the trees within the groves are host species to several beneficial butterfly species such as California Sister (*Adelpha bredowii californica*), Dusky-Wing species (*Erynnis*), and Gold-Hunter's Hairstreak (*Satyrrium auretteorum*), which play key roles as pollinators in the greater Sacramento region.

Similar to the Folsom Prison groves, the species distribution of trees along the OPTC is primarily blue oak and interior live oak as well as native willows. Of note within the OPTC, however, are also some intermingled valley oaks (including a noteworthy ~48" specimen on the east half of the trail) as well as a very small handful of young oracle oaks (*Quercus x morehus*), which sport a similar host of beneficial pollinating insects and also serves as a potential stopover foraging habitat to neotropical migrant bird species like the black-throated gray warbler (*Setophaga nigrescens*) and the yellow warbler (*Setophaga petechia*).

Unusual Species

The species observed on the Folsom Prison property during the July 11th tour are common species in Folsom.

Oracle oak (*Quercus x morehus*), the presence of which has been documented along the OPTC, is a rare naturally occurring hybrid between the interior live oak and the California black oak (*Quercus kelloggii*), which is generally found in the California foothills and northern coastal ranges.

Superior Beauty

Regardless of any formal designation on a registry, the prison's 250 acres of oak woodland that blanket the ridge along E Natoma Street embody Folsom's 'Distinctive by Nature' adage and stand as an unofficial natural landmark of the city.

The Oak Parkway Trail Corridor is difficult to assess as it is not a singular grove, but rather a two-mile stretch of low-lying vegetation with intermittent stands of brush and trees. A few of these stands contain very handsome native oak specimens which, when considered apart from the corridor as a whole, are quite lovely and potentially meet the finding for *Superior Beauty* under Section 12.16.170(A)(2).



A view of the prison's east grove from Folsom Lake Crossing on an overcast day.



A view of one of the more significant oak stands along the OPTC near the Hancock Dr entry

CONCLUSION

Given the attributes summarized herein of the two subject candidates, the Urban Forester has determined that the findings for a Landmark Grove designation have been met for the oak woodlands on the Folsom Prison property, but that additional examination of the unique characteristics of the Oak Parkway Trail Corridor with regard to stake holder rights and identifying appropriate parameters for defining a “grove” within the context of this unique stretch of land is needed in order to move forward on a recommendation.

As such, staff recommends that the City Council initiate the 30-day noticing period to commence the process of designating a landmark grove at the Folsom State Prison property at 300 Prison Road and, barring any appeals, adopt a resolution at the October 24, 2023, City Council meeting to establish a landmark grove at the Folsom Prison property at 300 Prison Road. Staff also recommends that the City Council allow staff to continue to explore possibilities and develop parameters for the potential establishment of one or more landmark trees or groves along the Oak Parkway Trail corridor and return to City Council with a recommendation at a future date.

FINANCIAL IMPACT

The current application fee for establishing a landmark tree designation is \$280.00. By initiating the process for establishing landmark tree designations on behalf of private property owners, the city would waive this application fee.

Upon the request of the property owner, the Urban Forester may inspect a landmark tree and prepare a report on the health and recommendations for necessary maintenance. Maintenance activities for landmark trees are funded by the City’s Tree Planting and Replacement fund in accordance with FMC 12.16.160.

ENVIRONMENTAL REVIEW

Landmark tree Classification is an administrative action and not considered a project under the California Environment Quality Act (CEQA) in accordance with CEQA Guidelines Section 15061(b)(3). As a result, the action is exempt from environmental review.

ATTACHMENTS

1. Current Landmark Tree Map

Submitted,

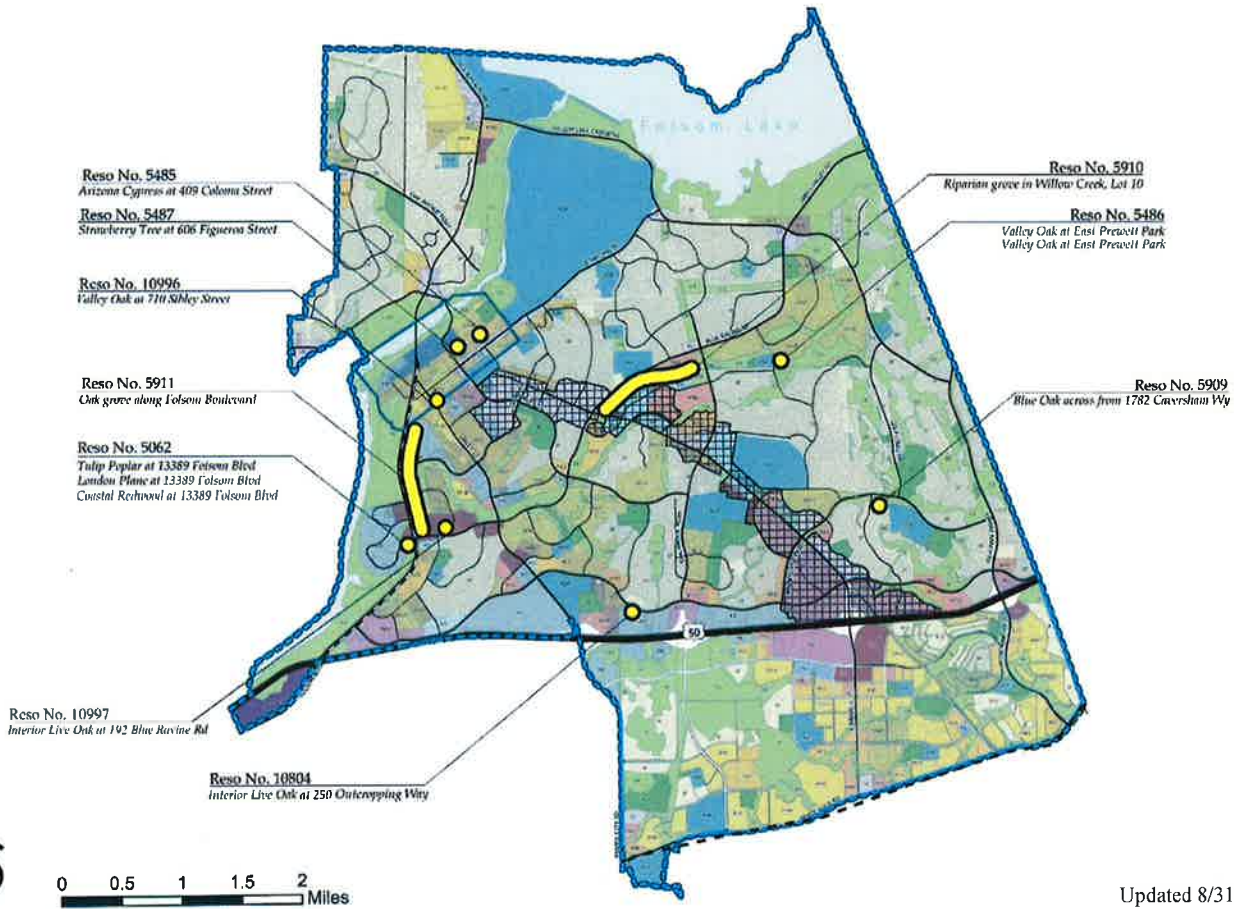


PAM JOHNS
Community Development Director

ATTACHMENT 1

CURRENT LANDMARK TREE MAP

Folsom Landmark Tree Map

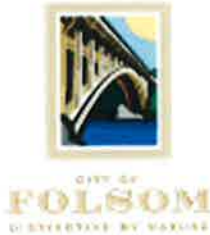


Updated 8/31/2023

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to facilitate double-sided printing.*



CITY OF
FOLSOM
DISTINCTIVE BY NATURE



Folsom City Council Staff Report

MEETING DATE:	9/12/2023
AGENDA SECTION:	New Business
SUBJECT:	Resolution No. 11102 - A Resolution of Consideration of the City Council of the City of Folsom to Amend the Rate and Method of Apportionment for Improvement Area No. 6 within the City of Folsom Community Facilities District No. 23 (Folsom Ranch) and Related Matters
FROM:	Finance Department

RECOMMENDATION / CITY COUNCIL ACTION

It is recommended that the City Council adopt the following resolution:

Resolution No. 11102 - A Resolution of Consideration of the City Council of the City of Folsom to Amend the Rate and Method of Apportionment for Improvement Area No. 6 within the City of Folsom Community Facilities District No. 23 (Folsom Ranch) and Related Matters.

BACKGROUND / ISSUE

The Folsom Plan Area Specific Plan Public Facilities Financing Plan (“PFFP”), approved by the City Council on January 28, 2014 via Resolution 9298, is an \$877 million plan that describes the backbone infrastructure and facility requirements, presents a comprehensive financing strategy, and sets forth the estimated time horizon for the development of the Folsom Plan Area (“FPA”).

The City Council previously approved the Resolution of Formation (Resolution No. 10435) on May 26, 2020 to form Community Facilities District No. 23 (Folsom Ranch) (“CFD No. 23”), designate Improvement Area No. 6, authorize a special tax to finance the acquisition and construction of certain public facilities and certain public services, authorize the issuance of

debt to finance the public facilities, and establish the appropriations limit and maximum bonded indebtedness for Improvement Area No. 6.

Further, the City Council previously approved the Resolution of Change (Resolution No. 10894) on July 26, 2022, to approve an amendment to remove the maximum facilities special tax rates from the multi-family high density property land use and the non-residential property land use.

The landowners within Improvement Area No. 6 have requested to further amend the Amended Rate and Method of Apportionment to remove the maximum facilities special tax rate from the multi-family medium density property land use. This amendment would remove the maximum facilities special tax rate from all remaining taxable property within Improvement Area No. 6. There are no proposed changes to the maximum services special tax rates.

The attached resolution begins the proceedings to further amend the Amended Rate and Method of Apportionment for Improvement Area No. 6. Resolution 11102 will consider the amended Rate and Method of Apportionment for Improvement Area No. 6.

If the resolution is approved, a Public Hearing concerning the amendment of Improvement Area No. 6 will be scheduled, along with an election of owners of property within Improvement Area No. 6 for October 24, 2023.

POLICY / RULE

Chapter 5 of the Folsom Plan Area Public Facilities Financing Plan authorizes the formation of CFDs to finance the construction, acquisition, and servicing of FPA backbone infrastructure and public facilities

Section 2.5.3 of the First Amended and Restated Tier 1 Development Agreement authorizes the formation of infrastructure CFDs

Resolution No. 9282 – A Resolution of the City Council of the City of Folsom Approving Goals and Policies for Community Facilities Districts

Mello-Roos Community Facilities Act of 1982

ANALYSIS

CFD No. 23 is structured as an extended-term CFD and will provide the necessary funding to help fund all or a portion of the project's share of PFFP backbone infrastructure and facilities, including related environmental mitigation obligations. The PFFP backbone infrastructure and facilities will be financed using both bond proceeds and PAYGO special tax revenues. The extended-term CFD structure is proposed to help to meet the challenge of high-cost infrastructure and facilities while also aligning the timing of future funding availability with the need for such funding.

The proposed additional amendment to the Amended Rate and Method of Apportionment for Improvement Area No. 6 will remove the maximum facilities special tax rate from the multi-family medium density property land use. This amendment would remove the maximum facilities special tax rate from all remaining taxable property within Improvement Area No. 6. There are no proposed changes to the maximum services special tax rates. A comparison of the previously amended CFD No. 23 Improvement Area No. 6 Rate and Method of Apportionment and the changes proposed within this Amended CFD No. 23 Improvement Area No. 6 Rate and Method of Apportionment is included in Attachment 2. There is no single-family detached property planned for development within Improvement Area No. 6.

The special tax revenue generated from taxable parcels within Improvement Area No. 6 will include a special tax to fund services only. The amended 2023/24 maximum facilities special tax rates and maximum services special tax rates, for each land use category, are provided in the table below:

Land Use Category	2023/24 Maximum Facilities Special Tax Rate	2023/24 Maximum Services Special Tax Rate	Per
Single-Family Detached Property - SF/SFHD Zoning	\$0	\$0	Unit
Single-Family Detached Property - MLD Zoning	0	0	Unit
MMD Multi-Family Attached Property	0	332	Acre
MHD Multi-Family Attached Property	0	332	Acre
Non-Residential Property	0	0	Acre

The facilities special tax will no longer be levied and collected. The services special tax can be levied and collected in perpetuity for Improvement Area No. 6. Each fiscal year, commencing with Fiscal Year 2024/25, the maximum services special tax rate will be increased by the June annualized percentage change of the Consumer Price Index for all Urban Consumers, for the San Francisco-Oakland-San Jose area, not to exceed 4%.

Upon passage of the resolution, a Public Hearing concerning the amendment of Improvement Area No. 6 will be scheduled, along with an election of owners of property within Improvement Area No. 6, for October 24, 2023.

FINANCIAL IMPACT

There is no direct General Fund impact on the City of Folsom. The Improvement Area No. 6 amendment and expenses are solely the responsibility of Improvement Area No. 6. The

General Fund is not impacted by the Improvement Area No. 6 Amended Rate and Method of Apportionment.

ENVIRONMENTAL REVIEW

An Initial Study and Mitigated Negative Declaration prepared for the Folsom Plan Area Backbone Infrastructure Project were previously prepared for, and adopted by the City Council on February 24, 2015, in accordance with the requirements of the California Environmental Quality Act. Pursuant to CEQA Guidelines section 15378(c), the term “project” does not mean each separate governmental approval for an approved activity which may be subject to several discretionary approvals by governmental agencies. Additionally, the creation of government funding mechanisms which do not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment is not defined as a “project” under CEQA. CEQA Guidelines Section 15378(b)(4) and 15061(b)(3).

ATTACHMENTS

1. Resolution No. 11102 - A Resolution of Consideration of the City Council of the City of Folsom to Amend the Rate and Method of Apportionment for Improvement Area No. 6 within the City of Folsom Community Facilities District No. 23 (Folsom Ranch) and Related Matters.
2. Redline Amendments to the Amended Rate and Method of Apportionment for City of Folsom Community Facilities District No. 23 (Folsom Ranch) Improvement Area No. 6.

Submitted,



Stacey Tamagni
Finance Director

ATTACHMENT 1

RESOLUTION NO. 11102

**A RESOLUTION OF CONSIDERATION OF THE CITY COUNCIL OF
THE CITY OF FOLSOM TO AMEND THE RATE AND METHOD OF
APPORTIONMENT FOR IMPROVEMENT AREA NO. 6 WITHIN THE
CITY OF FOLSOM COMMUNITY FACILITIES DISTRICT NO. 23
(FOLSOM RANCH), AND RELATED MATTERS**

WHEREAS, the City Council (the “City Council”) of the City of Folsom (the “City”) conducted proceedings under and pursuant to the terms and provisions of the “Mello-Roos Community Facilities Act of 1982,” being Chapter 2.5, Part 1, Division 2, Title 5 (beginning with Section 53311) of the Government Code of the State of California (the “Act”), among other things, (i) to form a community facilities district within the City of Folsom, designated and known as “City of Folsom Community Facilities District No. 23 (Folsom Ranch)” (the “Community Facilities District”), (ii) to designate Improvement Area No. 6 therein, (iii) to authorize a special tax (the “Special Tax”) to finance the acquisition and construction of certain public facilities (the “Facilities”) and certain public services (the “Services”), (iv) to authorize the issuance of debt to finance the Facilities, and (v) to establish the appropriations limit for Improvement Area No. 6 of the Community Facilities District, all as set forth in the City Council’s Resolution No. 10435 (the “Resolution of Formation”), adopted on May 26, 2020; and

WHEREAS, the Facilities and Services authorized to be financed through the Community Facilities District are set forth in Exhibit A and Exhibit B to the Resolution of Formation, respectively; and

WHEREAS, the original authorized rate and method of apportionment and manner of collection of the special tax (the “Original RMA”) for Improvement Area No. 6 of the Community Facilities District is set forth in Exhibit D-6 to the Resolution of Formation; and

WHEREAS, the City Council previously adopted its Resolution No. 10894 on July 26, 2022 (the “2022 Resolution of Change”), approving an amendment to the authority to levy the special tax to adjust the maximum special tax rates based on the planned development within Improvement Area No. 6; and

WHEREAS, the amended rate and method of apportionment and manner of collection of the special tax (the “2022 RMA”) for Improvement Area No. 6 of the Community Facilities District is set forth in Exhibit A to Resolution No. 10870 adopted by the City Council on June 14, 2022 (the “Resolution of Consideration”); and

WHEREAS, at a special, mailed ballot election held on July 26, 2022, at least two-thirds of the votes eligible to be cast in such election were in favor of levying the special tax in and for Improvement Area No. 6 of the Community Facilities District pursuant to the 2022 RMA; and

WHEREAS, the owners of the land subject to the special tax within Improvement Area No. 6 of the Community Facilities District (the “Owners”) have requested that proceedings be commenced pursuant to the Act to amend the authority to levy the special tax by eliminating the Facilities Special Tax (as defined in the 2022 RMA) (the “Facilities Special Tax”); and

WHEREAS, these proposed changes in the authority conferred upon the City Council by the Community Facilities District are referred to herein as the “Proposed Amendments”; and

WHEREAS, there has been no change in the name of the Community Facilities District or Improvement Area No. 6 since its formation, nor is any contemplated here; and

WHEREAS, there has been no change to the Facilities and Services authorized to be financed by the Community Facilities District since the formation of the Community Facilities District, nor is any contemplated here; and

WHEREAS, the original boundaries of the Community Facilities District are shown on the boundary map approved by Resolution No. 10414, adopted on April 14, 2020, which map was recorded in the official records of the County of Sacramento on April 20, 2020, in Book 130 of Maps of Assessment and Community Facilities Districts at page 27; and

WHEREAS, there has been no change to the boundaries of Improvement Area No. 6 within the Community Facilities District since the formation of the Community Facilities District, nor is any contemplated here; and

WHEREAS, no debt has been issued for Improvement Area No. 6 and therefore the changes contemplated herein would not interfere with the timely retirement of any debt; and

WHEREAS, the City Council has determined that the public convenience and necessity require the consideration of the Proposed Amendments; and

WHEREAS, the City Council is fully advised in this matter;

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

Section 1. The City Council hereby specifically finds and declares that the actions authorized hereby constitute and are with respect to public affairs of the City and that the statements, findings and determinations of the City set forth above are true and correct and that the consideration of the Proposed Amendments to the authority conferred upon the City Council by the Community Facilities District is important to the public welfare of the residents of the City, and involve significant public benefits.

Section 2. It is proposed to replace the 2022 RMA as set forth in Exhibit A to the Resolution of Consideration, with the Amended Rate and Method of Apportionment set forth in Exhibit A attached hereto.

Section 3. The City Council hereby sets Tuesday, October 24, 2023, at 6:30 p.m., or as soon thereafter as the City Council may reach the matter, at the City Hall, 50 Natoma Street, Folsom, CA 95630, as the time and place for a public hearing to be held by the City Council to consider the Proposed Amendments and all other matters set forth in this resolution. At the public hearing, any persons interested, including all taxpayers, property owners, and registered voters within the Community Facilities District, may appear and be heard, and the testimony of all

interested persons or taxpayers for or against the adoption of the Proposed Amendments or on any other matters set forth herein, will be heard and considered.

Section 4. Any protests to the proposals in this resolution may be made orally or in writing by any interested persons or taxpayers, except that any protests pertaining to the regularity or sufficiency of these proceedings must be in writing and must clearly set forth the irregularities and defects to which objection is made. The City Council may waive any irregularities in the form or content of any written protest and at the public hearing may correct minor defects in the proceedings. All written protests not presented in person by the protester at the public hearing must be filed with the City Clerk at or before the time fixed for the public hearing in order to be received and considered. Any written protest may be withdrawn in writing at any time before the conclusion of the public hearing.

Section 5. Written protests by a majority of the registered voters residing and registered within the Community Facilities District (if at least six such voters so protest), or by the owners of a majority of the land area within the Community Facilities District not exempt from the special tax, will require suspension of these proceedings for at least one year. If such protests are directed only against certain elements of the Proposed Amendments, only those elements need be excluded from the proceedings.

Section 6. The public hearing may be continued from time to time, but shall be completed within 30 days, except that if the City Council finds that the complexity of the Community Facilities District or the need for public participation requires additional time, the public hearing may be continued from time to time for a period not to exceed 6 months.

Section 7. At the public hearing, the City Council may modify this resolution by eliminating or modifying (by reducing the extent of) any of the Proposed Amendments.

Section 8. At the conclusion of the public hearing, the City Council may abandon these proceedings or may, after passing upon all protests, determine to proceed with conducting special mailed-ballot elections within the Community Facilities District to determine if the Proposed Amendments should be adopted. If, at the conclusion of the public hearing, the City Council determines to proceed with the elections, it expects that the proposed voting procedure will involve an election by the landowners within the Community Facilities District voting in accordance with the Act, as the City Council is informed that during the 90 days prior to the date set for the hearing, there were no registered voters residing within the Community Facilities District. The City Council will require this information to be confirmed before ordering the election.

Section 9. The City Clerk shall give notice of the time and place of the public hearing by publishing a Notice of Public Hearing substantially in the form attached hereto as Exhibit B once in a newspaper of general circulation published in the area of the Community Facilities District, pursuant to section 6061 of the California Government Code, and publication must be completed at least ten (10) days prior to the date set for such public hearing.

Section 10. This Resolution shall take effect from and after its date of adoption.

PASSED AND ADOPTED this 12th day of September, 2023, by the following roll-call vote:

AYES: Councilmember(s):

NOES: Councilmember(s):

ABSENT: Councilmember(s):

ABSTAIN: Councilmember(s):

Rosario Rodriguez, MAYOR

ATTEST:

Christa Freemantle, CITY CLERK

EXHIBIT A

AMENDED RATE AND METHOD OF APPORTIONMENT

**AMENDED RATE AND METHOD OF APPORTIONMENT FOR
CITY OF FOLSOM
COMMUNITY FACILITIES DISTRICT NO. 23
(FOLSOM RANCH)
Improvement Area No. 6
2023 Amendment**

A Special Tax, as hereinafter defined, shall be levied on each Assessor's Parcel of Taxable Property within the City of Folsom Community Facilities District No. 23 (Folsom Ranch) Improvement Area No. 6 (CFD No. 23 IA6) and collected each Fiscal Year in an amount determined by the CFD No. 23 IA6 Administrator through the application of the Amended Rate and Method of Apportionment as described below. All of the real property within CFD No. 23 IA6, unless exempted by law or by the provisions hereof, shall be taxed for the purposes, to the extent and in the manner herein provided.

A. GENERAL DEFINITIONS

The terms hereinafter set forth have the following meaning:

"Acre or Acreage" means the land area of an Assessor's Parcel as shown on County records, such as an Assessor's Parcel Map and secured roll data, or if the land area is not shown on an Assessor's Parcel Map, the land area shown on the applicable Large Lot Map, Small Lot Final Subdivision Map, condominium plan, record of survey, or other recorded document creating or describing the parcel. If the preceding maps for a land area are not available, the Acreage of such land area may be determined utilizing available spatial data and GIS. The square footage of an Assessor's Parcel is equal to the Acreage of such parcel multiplied by 43,560.

"Act" means the Mello-Roos Community Facilities Act of 1982, as amended, being Chapter 2.5, Division 2 of Title 5 of the Government Code of the State of California.

"Assessor's Parcel" or "Parcel" means a lot or parcel shown in an Assessor's Parcel Map with an assigned Assessor's Parcel number.

"Assessor's Parcel Map" means an official map of the County Assessor of the County designating lots or parcels by an Assessor's Parcel number.

"Authorized Services" means the landscape corridor, enhanced open space and street light maintenance, services, and expenses authorized to be financed by CFD No. 23 IA6.

"Bond Year" means a one year period beginning on September 2nd in each year and ending on September 1st in the following year, unless defined differently in the applicable Indenture.

"Bonds" means any bonds or other debt (as defined in the Act), whether in one or more series, issued by CFD No. 23 IA6 under the Act.

"CFD No. 23 IA6" means City of Folsom Community Facilities District No. 23 (Folsom Ranch) Improvement Area No. 6.

“CFD No. 23 IA6 Administrator” means the City’s Finance Director, or designee thereof, responsible for determining the Facilities Special Tax Requirement, Services Special Tax Requirement and providing for the levy and collection of the Special Taxes.

“City” means the City of Folsom.

“City Council” means the City Council of the City, acting as the legislative body of CFD No. 23 IA6.

“County” means the County of Sacramento.

“Developed Property” means, for each Fiscal Year, all Taxable Property for which a building permit for new construction was issued prior to June 30 of the previous Fiscal Year.

“Effective Tax Rate Evaluation” means an evaluation of the Total Effective Tax Rate of Residential Property at the time of such evaluation. The Effective Tax Rate Evaluation will be based upon a prepared Price Point Study to determine the Total Effective Tax Rate for Residential Property, based upon the calculated Total Estimated Tax Burden.

“Effective Tax Rate Evaluation Maximum Facilities Special Tax” means the total maximum annual Facilities Special Tax, as determined during the Effective Tax Rate Evaluation, in accordance with the provisions of Section C.2, which may be levied in any Fiscal Year on any Assessor’s Parcel of Taxable Property.

“Effective Tax Rate Evaluation Maximum Facilities Special Tax Rate” means the maximum annual Facilities Special Tax rate for each land use category of Taxable Property that will be set forth in Attachment C, following the Effective Tax Rate Evaluation, which may be levied in any Fiscal Year on any Assessor’s Parcel of Taxable Property.

“Effective Tax Rate Evaluation Minimum Facilities Revenue” means, following the Effective Tax Rate Evaluation, the total minimum amount of CFD No. 23 IA6 Effective Tax Rate Evaluation Maximum Facilities Special Tax, as adjusted annually by the Facilities Special Tax Escalation Factor after the Fiscal Year in which the Effective Tax Rate Evaluation occurs, less any Effective Tax Rate Evaluation Maximum Facilities Special Tax amounts prepaid and permanently satisfied pursuant to Section K. The Effective Tax Rate Evaluation Minimum Facilities Revenue, based on Planned Development, is set forth in Attachment D of this Amended Rate and Method of Apportionment.

“Exempt Property” means all Assessors’ Parcels that are exempt from the Special Tax pursuant to Section F. Assessor’s Parcels exempt from the Special Tax pursuant to Section 53340 of the Act shall also be designated as Exempt Property.

“Facilities Administrative Expenses” means the actual or reasonably estimated costs directly related to the administration of the Facilities Special Tax including, but not limited to, the following: the costs of computing the Facilities Special Tax and preparing the annual Facilities Special Tax collection schedules (whether by the City or designee thereof or both); the costs of collecting the Facilities Special Taxes (whether by the County, the City, or otherwise); the costs of remitting the Facilities Special Taxes to the Trustee; the costs of the Trustee (including its legal counsel) in the discharge of the duties required of it under the Indenture; the costs to the City, CFD No. 23 IA6, or any designee thereof of complying with arbitrage rebate requirements or responding to questions from the IRS or

SEC pertaining to any Bonds or any audit of any Bonds by the SEC or IRS; the costs to the City, CFD No. 23 IA6, or any designee thereof of providing continuing disclosure regarding the Bonds pursuant to applicable state or federal securities law; the costs associated with preparing Facilities Special Tax disclosure statements and responding to public inquiries regarding the Facilities Special Taxes; the costs of the City, CFD No. 23 IA6, or any designee thereof related to any appeal of the levy or application of the Facilities Special Tax; the costs associated with the release of funds from an escrow account, if any; and the costs associated with computing and preparing the Effective Tax Rate Evaluation, including the Price Point Study. Facilities Administrative Expenses shall also include amounts estimated or advanced by the City or CFD No. 23 IA6 for any other administrative purposes, including, but not limited to, attorney's fees and other costs related to commencing and pursuing to completion any foreclosure of delinquent Facilities Special Taxes.

"Facilities Special Tax" means the annual Special Tax to be levied in each Fiscal Year on each Assessor's Parcel of Taxable Property to fund the Facilities Special Tax Requirement.

"Facilities Special Tax Escalation Factor" means two percent (2%) annually.

"Facilities Special Tax Requirement" means that amount of Special Tax revenue required in any Fiscal Year for CFD No. 23 IA6 to: (i) Pay Facilities Administrative Expenses in an amount designated by the City; (ii) pay annual debt service on all Outstanding Bonds due in the Bond Year beginning in such Fiscal Year; (iii) pay other periodic costs on Outstanding Bonds, including but not limited to, credit enhancement and rebate payments on Outstanding Bonds; (iv) pay any amounts required to establish or replenish any reserve funds for all Outstanding Bonds in accordance with the Indenture; (v) pay for reasonably anticipated delinquent Special Taxes based on the delinquency rate for Special Taxes levied in the previous Fiscal Year and known upcoming delinquencies; and (vi) pay for Pay As You Go Costs; less (vii) a credit for funds available to reduce the annual Facilities Special Tax levy as determined by the CFD No. 23 IA6 Administrator pursuant to the Indenture.

"Facilities Special Tax Term" means the earlier of Fiscal Year 2079-2080 or the Fiscal Year occurring 50 years following the Fiscal Year in which the first building permit was issued or the first series of Bonds was issued within CFD No. 23 IA6.

"Fiscal Year" means the period starting July 1 and ending on the following June 30.

"Indenture" means the indenture, fiscal agent agreement, trust agreement, resolution or other instrument pursuant to which Bonds are issued, as modified, amended and/or supplemented from time to time, and any instrument replacing or supplementing the same.

"Large Lot Map" means a recorded subdivision map creating larger parcels by land use. The Large Lot Map does not create individual lots for which building permits may be issued for single-family Residential Units.

"Large Lot Property" means, for each Fiscal Year, all Taxable Property for which a Large Lot Map was recorded prior to June 30 of the previous Fiscal Year, excluding any portion(s) thereof classified as Developed Property, Small Lot Final Map Property, or Permit Ready Multi-Family/Non-Residential Property. Large Lot Property also means, for each Fiscal Year, all Taxable Property classified as Small Lot Final Map Remainder Property as of June 30 of the previous Fiscal Year.

“Maximum Facilities Special Tax” means the total maximum annual Facilities Special Tax, determined in accordance with the provisions of Section C, which may be levied in any Fiscal Year on any Assessor’s Parcel of Taxable Property.

“Maximum Facilities Special Tax Rate” means the maximum annual Facilities Special Tax rate for each land use category of Taxable Property, as shown in Attachment A, which may be levied in any Fiscal Year on any Assessor’s Parcel of Taxable Property.

“Maximum Services Special Tax” means the total maximum annual Services Special Tax, determined in accordance with the provisions of Section D, which may be levied in any Fiscal Year on any Assessor’s Parcel of Taxable Property.

“Maximum Services Special Tax Rate” means the maximum annual Services Special Tax rate for each land use category of Taxable Property, as shown in Attachment A, which may be levied in any Fiscal Year on any Assessor’s Parcel of Taxable Property.

“Maximum Special Tax” means the total annual Maximum Facilities Special Tax (or Effective Tax Rate Evaluation Maximum Facilities Special Tax) and Maximum Services Special Tax, determined in accordance with the provisions of Section C and Section D, which may be levied in any Fiscal Year on any Assessor’s Parcel of Taxable Property.

“Maximum Total Effective Tax Rate” means 1.80%, unless the City determines, in its sole discretion, that a higher Maximum Total Effective Tax Rate is appropriate.

“MHD Multi-Family Attached Property” means all Assessor’s Parcels for which a building permit could be issued for purposes of constructing one or more attached Residential Units per Assessor’s Parcel with a permitted density range of greater than 20 Residential Units per Acre and more fully described in the Folsom Plan Area Specific Plan adopted on June 28, 2011 and as amended by the City Council. MHD Multi-Family Attached Property shall also include an Assessor’s Parcel or that portion of an Assessor’s Parcel designated as a Mixed Use Residential Parcel.

“Minimum Facilities Revenue” means the minimum amount of total CFD No. 23 IA6 Maximum Facilities Special Tax, as adjusted annually by the Facilities Special Tax Escalation Factor, less any Maximum Facilities Special Tax amounts prepaid and permanently satisfied pursuant to Section K. The Minimum Facilities Revenue, based on Planned Development, is set forth in Attachment B of this Amended Rate and Method of Apportionment.

“Mixed Use Residential Parcel” means a mixed use Assessor’s Parcel that is designated for residential land use. If the mixed use Assessor’s Parcel contains a combination of residential land use and non-residential land use, only that portion of an Assessor’s Parcel designated for residential land use shall be classified as a Mixed Use Residential Parcel and the remaining non-residential land use of the Assessor’s Parcel shall be classified as Non-Residential Property.

“MMD Multi-Family Attached Property” means all Assessor’s Parcels for which a building permit could be issued for purposes of constructing one or more attached Residential Units per Assessor’s Parcel with a permitted density range of 12-20 Residential Units per Acre and more fully described in the Folsom Plan Area Specific Plan adopted on June 28, 2011 and as amended by the City Council.

“Non-Residential Property” means, for each Fiscal Year, all Taxable Property for which a building permit could be issued for purposes of constructing non-residential buildings.

“Open Space Property” means property within the boundaries of CFD No. 23 IA6 which (a) has been designated with specific boundaries and acreage on a Small Lot Final Subdivision Map as open space, or (b) is classified by the City zoning code or County Assessor as open space, or (c) has been irrevocably offered for dedication as open space to the federal government, the State of California, the County, the City, any other public agency, a private, non-profit organization, or (d) is encumbered by an easement or other restriction required by the City limiting the use of such property to open space.

“Outstanding Bonds” means all Bonds, which remain outstanding as defined in the Indenture pursuant to which such Bonds were issued.

“Pay as You Go Costs” means that portion of the Facilities Special Tax Requirement attributable to the direct payment for the acquisition and/or construction of public improvements, which are authorized to be financed by CFD No. 23 IA6.

“Permit Ready Multi-Family/Non-Residential Property” means an Assessor’s Parcel of Taxable Property zoned for multi-family or non-residential land use for which all discretionary entitlements have been obtained, including without limitation, development plan review and improvement plan approval, such that building permits may be issued without further approvals for the construction of multi-family Residential Units or non-residential buildings within such Assessor’s Parcel. The City shall have sole discretion, based upon available development information, in classifying an Assessor’s Parcel as Permit Ready Multi-Family/Non-Residential Property.

“Planned Development” means the planned number of Residential Units, MHD Multi-Family Attached Property Acreage, MMD Multi-Family Attached Property Acreage, and Non-Residential Property Acreage planned within CFD No. 23 IA6, set forth in Attachment B or, following the Effective Tax Rate Evaluation, Attachment D of this Amended Rate and Method of Apportionment, as amended by the future recordation of all Large Lot Maps and Small Lot Final Subdivision Maps within CFD No. 23 IA6.

“Price Point Study” means an analysis, prepared by an independent firm, to verify the estimated average sales price within each land use category of Residential Property given the project location and current market conditions.

“Property Owner Association Property” means any property within the boundaries of CFD No. 23 IA6, which is (a) owned by a property owner association or (b) designated with specific boundaries and Acreage on a Small Lot Final Subdivision Map as property owner association property. As used in this definition, a property owner association includes any master or sub-association.

“Proportionately” means for Taxable Property that the ratio of the Facilities Special Tax levy to the Maximum Facilities Special Tax (or Effective Tax Rate Evaluation Maximum Facilities Special Tax) and the Services Special Tax levy to the Maximum Services Special Tax is equal for all Assessors’ Parcels within each classification (Developed Property, Single Family Final Map Property, Permit Ready Multi-Family/Non-Residential Property, Large Lot Property, etc.) within CFD No. 23 IA6.

“Public Property” means any property within the boundaries of CFD No. 23 IA6, which (a) is owned by a public agency, (b) has been irrevocably offered for dedication to a public agency, or (c) is designated with specific boundaries and Acreage on a Small Lot Final Subdivision Map as property, which will be owned by a public agency. For purposes of this definition, a public agency includes the federal government, the State of California, the County, the City, or any other public agency.

“Residential Floor Area” means all of the square footage of living area within the perimeter of a residential structure, not including any carport, walkway, garage, overhang, patio, enclosed patio, or similar area. The determination of Residential Floor Area shall be made by the CFD No. 23 IA6 Administrator by reference to appropriate records kept by the City’s building department. Residential Floor Area for a residential structure will be based on the building permit(s) issued for such structure prior to it being classified as Developed Property, and shall not change as a result of additions or modifications made to such structure after such classification as Developed Property.

“Residential Lot” means an individual lot of land for which a building permit could be issued to construct a Residential Unit.

“Residential Property” means, for each Fiscal Year, all Taxable Property for which a building permit could be issued for purposes of constructing Residential Units, including Single-Family Detached Property – SF/SFHD Zoning, Single-Family Detached Property – MLD Zoning, MHD Multi-Family Attached Property, and MMD Multi-Family Attached Property.

“Residential Unit” means a residential dwelling unit, not including guest quarters or “granny flats” as allowed by the City zoning code.

“Services Administrative Expenses” means the actual or reasonably estimated costs directly related to the administration of the Services Special Tax including, but not limited to, the following: the costs of computing the Services Special Taxes and preparing the annual Services Special Tax collection schedules (whether by the City or designee thereof or both); the costs of collecting the Services Special Taxes (whether by the County, the City, or otherwise); the costs associated with preparing Special Tax disclosure statements and responding to public inquiries regarding the Services Special Tax; and the costs of the City, CFD No. 23 IA6, or any designee thereof related to any appeal of the levy or application of the Services Special Tax. Services Administrative Expenses shall also include amounts estimated or advanced by the City or CFD No. 23 IA6 for any other administrative purposes related to the Services Special Tax.

“Services Special Tax” means the annual Special Tax to be levied in each Fiscal Year on each Assessor’s Parcel of Taxable Property to fund the Services Special Tax Requirement.

“Services Special Tax Escalation Factor” means the June annualized percentage change of the Consumer Price Index for all Urban Consumers, for the San Francisco-Oakland-San Jose area, not to exceed four percent (4%). In the event that the percentage change is negative, the Services Special Tax Escalation Factor shall be equal to zero.

“Services Special Tax Requirement” means the amount of Services Special Tax revenue required in any Fiscal Year for CFD No. 23 IA6 to: (i) Pay Services Administrative Expenses in an amount designated by the City; (ii) pay Authorized Services expenses; (iii) pay any amounts required to establish or replenish any repair and contingency funds, capital improvement funds, or reserve funds related to

the Authorized Services expenses; (iv) cover any shortfalls that exist if, in any Fiscal Year, the levy of the Facilities Special Tax on each Assessor's Parcel of Taxable Property is insufficient to pay the Facilities Special Tax Requirement in that Fiscal Year. Facilities Special Tax Requirement shortfalls shall not include Pay As You Go Costs, and (v) pay for reasonably anticipated delinquent Services Special Taxes based on the delinquency rate for Services Special Taxes levied in the previous Fiscal Year; less (vi) a credit for funds available to reduce the annual Services Special Tax levy as determined by the CFD No. 23 IA6 Administrator.

"Single-Family Detached Property – MLD Zoning" means, for each Fiscal Year, all Taxable Property for which a building permit could be issued for purposes of constructing one or more detached or attached Residential Units with a permitted density range of 7-12 Residential Units per Acre and more fully described in the Folsom Plan Area Specific Plan adopted on June 28, 2011 and as amended by the City Council.

"Single-Family Detached Property – SF/SFHD Zoning" means, for each Fiscal Year, all Taxable Property for which a building permit could be issued for purposes of constructing one or more Residential Units. Single-Family Detached Property – SF/SFHD Zoning shall consist of either single-family property with a permitted density range of 1-4 Residential Units per Acre or single-family high density property with a permitted density range of 4-7 Residential Units per Acre, which is more fully described in the Folsom Plan Area Specific Plan adopted on June 28, 2011 and as amended by the City Council.

"Special Tax" means the annual Facilities Special Tax and Services Special Tax to be levied in each Fiscal Year on each Assessor's Parcel of Taxable Property to fund the Facilities Special Tax Requirement and the Services Special Tax Requirement.

"Small Lot Final Map Property" means, for each Fiscal Year, all Taxable Property for which a Small Lot Final Subdivision Map was recorded prior to June 30 of the previous Fiscal Year.

"Small Lot Final Map Remainder Property" means an Assessor's Parcel that is created from the subdivision of Large Lot Property by the recordation of a Small Lot Final Subdivision Map that has not yet been mapped for final development approval. Small Lot Final Map Remainder Property is that portion of property for which the Small Lot Final Subdivision Map definition does not apply (i.e., does not contain individual lots for which building permits may be issued for Residential Units without further subdivision of such property). Each Fiscal Year, all Taxable Property classified as Small Lot Final Map Remainder Property, as of June 30 of the previous Fiscal Year, will be considered Large Lot Property.

"Small Lot Final Subdivision Map" means a subdivision of property created by recordation of a final subdivision map, parcel map or lot line adjustment, approved by the City pursuant to the Subdivision Map Act (California Government Code Section 66410 et seq.) or recordation of a condominium plan pursuant to California Civil Code 1352, that creates individual lots for which building permits may be issued for Residential Units without further subdivision of such property.

"State" means the State of California.

"Taxable Property" means all of the Assessor's Parcels within the boundaries of CFD No. 23 IA6 that are not exempt from the CFD No. 23 IA6 Special Tax pursuant to law or Section F below.

“Total Effective Tax Rate” means the percentage of the Total Estimated Tax Burden as compared to the estimated average sales price identified in the Price Point Study for each land use category of Residential Property.

“Total Estimated Tax Burden” means the total amount of overlapping property taxes anticipated to be levied upon a Residential Unit, based upon the estimated average sales price identified in the Price Point Study and existing property tax rates for the current Fiscal Year. Existing property tax rates shall reflect the actual property tax rates levied upon Taxable Property in the Fiscal Year that the Effective Tax Rate Evaluation is completed.

“Trustee” means the entity appointed pursuant to an Indenture to act as the trustee, fiscal agent, or paying agent or a combination thereof.

“Undeveloped Property” means, for each Fiscal Year, all Taxable Property not classified as Developed Property, Small Lot Final Map Property, Permit Ready Multi-Family/Non-Residential Property, or Large Lot Property.

B. ASSIGNMENT TO LAND USE CATEGORIES

Each Fiscal Year, using City and County records, City zoning information, and land use development plans, all Assessor’s Parcels within the boundaries of CFD No. 23 IA6 shall be designated as either Taxable Property or Tax-Exempt Property.

All Taxable Property shall be further classified as Developed Property, Small Lot Final Map Property, Permit Ready Multi-Family/Non-Residential Property, Large Lot Property, or Undeveloped Property and shall be subject to the levy of the annual Special Tax determined pursuant to Sections C and D below.

C. FACILITIES SPECIAL TAX

D.

A Maximum Facilities Special Tax shall be assigned to all Taxable Property within CFD No. 23 IA6 according to the Maximum Facilities Special Tax Rates set forth in Attachment A of this Amended Rate and Method of Apportionment.

Once assigned, the sum of the total Maximum Facilities Special Tax shall be equal to or greater than the Minimum Facilities Revenue, unless adjusted by an Effective Tax Rate Evaluation as described below. The Minimum Facilities Revenue for Fiscal Year 2023-2024 is set forth in Attachment B of this Amended Rate and Method of Apportionment.

On each July 1, commencing on July 1, 2024, the Maximum Facilities Special Tax Rates and Minimum Facilities Revenue shall be increased by the Facilities Special Tax Escalation Factor of the Maximum Facilities Special Tax Rates and Minimum Facilities Revenue in effect for the previous Fiscal Year.

C.1. Future Assessor's Parcel Changes – Prior to an Effective Tax Rate Evaluation

The Maximum Facilities Special Tax shall be assigned to all future Assessor's Parcel(s) created from a subdivision, lot line adjustment, or merger of one or more Assessor's Parcels so that the revised sum of the total Maximum Facilities Special Tax revenue is not less than the Minimum Facilities Revenue set forth in Attachment B of this Amended Rate and Method of Apportionment.

Undeveloped Property Subdividing into Large Lot Property

When Undeveloped Property subdivides into Large Lot Property, the Maximum Facilities Special Tax shall be calculated for all Taxable Property as if all of the Taxable Property was classified as Developed Property. The expected Developed Property Maximum Facilities Special Tax for any Large Lot Property and any remaining Undeveloped Property shall be based upon the Planned Development for the Large Lot Property and remaining Undeveloped Property.

If the sum of the total expected Developed Property Maximum Facilities Special Tax generated by all of the Taxable Property is greater than or equal to the Minimum Facilities Revenue, there will be no further adjustments to the Developed Property, Small Lot Final Map Property and Permit Ready Multi-Family/Non-Residential Property Maximum Facilities Special Tax Rates for the Large Lot Property created from the Undeveloped Property subdivision.

If the sum of the total expected Developed Property Maximum Facilities Special Tax is less than the Minimum Facilities Revenue, the Developed Property, Small Lot Final Map Property and Permit Ready Multi-Family/Non-Residential Property Maximum Facilities Special Tax Rates shall be Proportionately increased, on the Large Lot Property created from the Undeveloped Property subdivision, until the sum of the total expected Developed Property Maximum Facilities Special Tax is equal to the Minimum Facilities Revenue. Further, if the sum of the total current Maximum Facilities Special Tax is less than the Minimum Facilities Revenue, the Maximum Facilities Special Tax Rates for the Large Lot Property and any remaining Undeveloped Property created from the Undeveloped Property subdivision shall be Proportionately increased until the sum of the total current Maximum Facilities Special Tax is equal to the Minimum Facilities Revenue. Attachment B of this Amended Rate and Method of Apportionment shall be updated to reflect any increases to the Maximum Facilities Special Tax Rates from the Undeveloped Property subdivision. The Developed Property, Small Lot Final Map Property and Permit Ready Multi-Family/Non-Residential Property Maximum Facilities Special Tax Rates shall not be adjusted for any Taxable Property already classified as Developed Property, Small Lot Final Map Property or Permit Ready Multi-Family/Non-Residential Property.

Large Lot Property Subdividing into Small Lot Final Map Property and Permit Ready Multi-Family/Non-Residential Property

When Large Lot Property subdivides into Small Lot Final Map Property or Permit Ready Multi-Family/Non-Residential Property, the Maximum Facilities Special Tax shall be calculated for all Taxable Property as if all of the Taxable Property was classified as Developed Property. If the Large Lot Property subdivision also creates Small Lot Final Map Remainder Property, the expected Developed Property Maximum Facilities Special Tax for the Small Lot Final Map Remainder Property shall be based upon the Planned Development for the Small Lot Final Map Remainder Property. The expected Developed Property Maximum Facilities Special Tax for any remaining Large Lot Property and Undeveloped Property shall be based upon the Planned Development of the Large Lot Property and the Undeveloped Property.

If the sum of the total expected Developed Property Maximum Facilities Special Tax is greater than or equal to the Minimum Facilities Revenue, there will be no further adjustments to the Developed Property, Small Lot Final Map Property and Permit Ready Multi-Family/Non-Residential Property Maximum Facilities Special Tax Rates for the Small Lot Final Map Property, Small Lot Final Map Remainder Property and Permit Ready Multi-Family/Non-Residential Property created from the Large Lot Property subdivision.

If the sum of the total expected Developed Property Maximum Facilities Special Tax is less than the Minimum Facilities Revenue, and such difference is not eliminated by the full or partial prepayment of the Effective Tax Rate Evaluation Maximum Facilities Special Tax pursuant to Section K, the Developed Property, Small Lot Final Map Property and Permit Ready Multi-Family/Non-Residential Property Maximum Facilities Special Tax Rates shall be Proportionately increased, on the Small Lot Final Map Property, Small Lot Final Map Remainder Property and Permit Ready Multi-Family/Non-Residential Property created from the Large Lot Property subdivision, until the sum of the total expected Developed Property Maximum Facilities Special Tax is equal to the Minimum Facilities Revenue. Attachment B of this Amended Rate and Method of Apportionment shall be updated to reflect any increases to the Maximum Facilities Special Tax Rates from the Large Lot Property subdivision. The Developed Property, Small Lot Final Map Property and Permit Ready Multi-Family/Non-Residential Property Maximum Facilities Special Tax Rates shall not be adjusted for any Taxable Property already classified as Developed Property, Small Lot Final Map Property or Permit Ready Multi-Family/Non-Residential Property created prior to the Large Lot Property subdivision.

C.2. Effective Tax Rate Evaluation

Prior to the issuance of the first building permit or the first series of Bonds within CFD No. 23 IA6, whichever comes earlier, an Effective Tax Rate Evaluation will be completed. Following the Effective Tax Rate Evaluation, Attachment C of this Amended Rate and Method of Apportionment will be updated to reflect the Effective Tax Rate Evaluation Maximum Facilities Special Tax Rate for all Taxable Property in CFD No. 23 IA6.

Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates

As part of the Effective Tax Rate Evaluation, a Price Point Study will be prepared and estimated average sales prices will be established for each Residential Property land use category. Using the estimated average sales price information determined in the Price Point Study, the Total Estimated Tax Burden and Total Effective Tax Rate will be calculated, using the Developed Property Maximum Facilities Special Tax Rates set forth in Attachment A, for each Residential Property land use category. If the calculated Total Effective Tax Rate is less than or equal to the Total Maximum Effective Tax Rate for a Residential Property land use category, the Maximum Facilities Special Tax Rate shall not be adjusted and will be assigned using the Developed Property Maximum Facilities Special Tax Rates set forth in Attachment A. Attachment C of this Amended Rate and Method of Apportionment will be updated to set forth the Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rate for each Residential Property land use category.

If the Total Effective Tax Rate for any Residential Property land use category exceeds the Total Maximum Effective Tax Rate, the Developed Property Maximum Facilities Special Tax Rate set forth in Attachment A shall be reduced until the Total Effective Tax Rate is less than or equal to

the Total Maximum Effective Tax Rate for that Residential Property land use category. Attachment C of this Amended Rate and Method of Apportionment will be updated to set forth the Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rate for each Residential Property land use category.

Effective Tax Rate Evaluation Minimum Facilities Revenue

As a result of the Effective Tax Rate Evaluation, if the calculated Total Effective Tax Rate is less than or equal to the Total Maximum Effective Tax Rate for a Residential Property land use category used in the Minimum Facilities Revenue calculation, the Developed Property Maximum Facilities Special Tax Rate for the applicable Residential Property land use category shall not be adjusted and the Effective Tax Rate Evaluation Developed Property Maximum Facilities Special Tax Rate will be assigned using the Developed Property Maximum Facilities Special Tax Rates set forth in Attachment B. Attachment D of this Amended Rate and Method of Apportionment will be updated to set forth the Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rate for each Residential Property land use category and the Effective Tax Rate Evaluation Minimum Facilities Revenue.

If the calculated Total Effective Tax Rate exceeds the Total Maximum Effective Tax Rate for a Residential Property land use category used in the Minimum Facilities Revenue calculation, the Effective Tax Rate Evaluation Developed Property Maximum Facilities Special Tax Rate will be assigned using the Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates set forth in Attachment C. Attachment D of this Amended Rate and Method of Apportionment will be updated to set forth the Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rate for each Residential Property land use category and the Effective Tax Rate Evaluation Minimum Facilities Revenue.

C.3. Future Assessor's Parcel Changes – After an Effective Tax Rate Evaluation

The Effective Tax Rate Evaluation Maximum Facilities Special Tax shall be assigned to all future Assessor's Parcel(s) created from a subdivision, lot line adjustment, or merger of one or more Assessor's Parcels so that the revised sum of the total Effective Tax Rate Evaluation Maximum Facilities Special Tax revenue is not less than the total Effective Tax Rate Evaluation Minimum Facilities Revenue set forth in Attachment D of this Amended Rate and Method of Apportionment.

Undeveloped Property Subdividing into Large Lot Property

When Undeveloped Property subdivides into Large Lot Property, the Effective Tax Rate Evaluation Maximum Facilities Special Tax shall be calculated for all Taxable Property as if all of the Taxable Property was classified as Developed Property. The expected Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax for any Large Lot Property and any remaining Undeveloped Property shall be based upon the Planned Development for the Large Lot Property and remaining Undeveloped Property.

If the sum of the total expected Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax generated by all of the Taxable Property is greater than or equal to the Effective Tax Rate Evaluation Minimum Facilities Revenue, there will be no further adjustments to the Developed Property, Small Lot Final Map Property and Permit Ready Multi-Family/Non-Residential Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates for the Large Lot Property created from the Undeveloped Property subdivision.

If the sum of the total expected Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax is less than the Effective Tax Rate Evaluation Minimum Facilities Revenue, the Developed Property, Small Lot Final Map Property and Permit Ready Multi-Family/Non-Residential Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates shall be Proportionately increased, on the Large Lot Property created from the Undeveloped Property subdivision, until the sum of the total expected Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax is equal to the Effective Tax Rate Evaluation Minimum Facilities Revenue. Further, if the sum of the total current Effective Tax Rate Evaluation Maximum Facilities Special Tax is less than the Effective Tax Rate Evaluation Minimum Facilities Revenue, the Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates for the Large Lot Property and any remaining Undeveloped Property created from the Undeveloped Property subdivision shall be Proportionately increased until the sum of the total current Effective Tax Rate Evaluation Maximum Facilities Special Tax is equal to the Effective Tax Rate Evaluation Minimum Facilities Revenue. Attachment D of this Amended Rate and Method of Apportionment shall be updated to reflect any increases to the Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates from the Undeveloped Property subdivision. The Developed Property, Small Lot Final Map Property and Permit Ready Multi-Family/Non-Residential Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates shall not be adjusted for any Taxable Property already classified as Developed Property, Small Lot Final Map Property or Permit Ready Multi-Family/Non-Residential Property.

Large Lot Property Subdividing into Small Lot Final Map Property and Permit Ready Multi-Family/Non-Residential Property

When Large Lot Property subdivides into Small Lot Final Map Property or Permit Ready Multi-Family/Non-Residential Property, the Effective Tax Rate Evaluation Maximum Facilities Special Tax shall be calculated for all Taxable Property as if all of the Taxable Property was classified as Developed Property. If the Large Lot Property subdivision also creates Small Lot Final Map Remainder Property, the expected Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax for the Small Lot Final Map Remainder Property shall be based upon the Planned Development for the Small Lot Final Map Remainder Property. The expected Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax for any remaining Large Lot Property and Undeveloped Property shall be based upon the Planned Development of the Large Lot Property and the Undeveloped Property.

If the sum of the total expected Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax is greater than or equal to the Effective Tax Rate Evaluation Minimum Facilities Revenue, there will be no further adjustments to the Developed Property, Small Lot Final Map Property and Permit Ready Multi-Family/Non-Residential Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates for the Small Lot Final Map Property, Small Lot Final Map Remainder Property and Permit Ready Multi-Family/Non-Residential Property created from the Large Lot Property subdivision.

If the sum of the total expected Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax is less than the Effective Tax Rate Evaluation Minimum Facilities Revenue, and such difference is not eliminated by the full or partial prepayment of the Effective Tax Rate Evaluation Maximum Facilities Special Tax pursuant to Section K, the Developed Property, Small Lot Final Map Property and Permit Ready Multi-Family/Non-Residential Property Effective Tax

Rate Evaluation Maximum Facilities Special Tax Rates shall be Proportionately increased, on the Small Lot Final Map Property, Small Lot Final Map Remainder Property and Permit Ready Multi-Family/Non-Residential Property created from the Large Lot Property subdivision, until the sum of the total expected Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax is equal to the Effective Tax Rate Evaluation Minimum Facilities Revenue. Attachment D of this Amended Rate and Method of Apportionment shall be updated to reflect any increases to the Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates from the Large Lot Property subdivision. The Developed Property, Small Lot Final Map Property and Permit Ready Multi-Family/Non-Residential Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates shall not be adjusted for any Taxable Property already classified as Developed Property, Small Lot Final Map Property or Permit Ready Multi-Family/Non-Residential Property created prior to the Large Lot Property subdivision.

C.4. Method of Apportionment of Facilities Special Tax

Using the definitions and procedures described herein, the CFD No. 23 IA6 Administrator shall determine the Facilities Special Tax Requirement and levy the Facilities Special Tax until the amount of Facilities Special Taxes equals the Facilities Special Tax Requirement. The Facilities Special Tax shall be levied each Fiscal Year as follows:

Prior to an Effective Tax Rate Evaluation

First: The Facilities Special Tax shall be levied Proportionately on all Developed Property at a rate up to 100% of the Maximum Facilities Special Tax in order to satisfy the Facilities Special Tax Requirement.

Second: If additional monies are needed to satisfy the Facilities Special Tax Requirement after the first step has been completed, the Facilities Special Tax shall be levied Proportionately on all Small Lot Final Map Property at a rate up to 100% of the Maximum Facilities Special Tax. The Facilities Special Tax shall be levied on Small Lot Final Map Property for the entire portion of the Facilities Special Tax Requirement, excluding only Pay As You Go Costs.

Third: If additional monies are needed to satisfy the Facilities Special Tax Requirement after the first two steps have been completed, the Facilities Special Tax shall be levied Proportionately on all Permit Ready Multi-Family/Non-Residential Property at a rate up to 100% of the Maximum Facilities Special Tax. The Facilities Special Tax shall be levied on Permit Ready Multi-Family/Non-Residential Property for the entire portion of the Facilities Special Tax Requirement, excluding only Pay As You Go Costs.

Fourth: If additional monies are needed to satisfy the Facilities Special Tax Requirement after the first three steps have been completed, the Facilities Special Tax shall be levied Proportionately on all Large Lot Property at a rate up to 100% of the Maximum Facilities Special Tax. The Facilities Special Tax shall be levied on Large Lot Property for the entire portion of the Facilities Special Tax Requirement, excluding only Pay As You Go Costs.

Fifth: If additional monies are needed to satisfy the Facilities Special Tax Requirement after the first four steps have been completed, the Facilities Special Tax shall be levied Proportionately on all Undeveloped Property at a rate up to 100% of the Maximum Facilities Special Tax. The Facilities Special Tax shall be levied on Undeveloped Property for the entire portion of the Facilities Special Tax Requirement, excluding only Pay As You Go Costs.

After an Effective Tax Rate Evaluation

First: The Facilities Special Tax shall be levied Proportionately on all Developed Property at a rate up to 100% of the Effective Tax Rate Evaluation Maximum Facilities Special Tax in order to satisfy the Facilities Special Tax Requirement.

Second: If additional monies are needed to satisfy the Facilities Special Tax Requirement after the first step has been completed, the Facilities Special Tax shall be levied Proportionately on all Small Lot Final Map Property at a rate up to 100% of the Effective Tax Rate Evaluation Maximum Facilities Special Tax. The Facilities Special Tax shall be levied on Small Lot Final Map Property for the entire portion of the Facilities Special Tax Requirement, excluding only Pay As You Go Costs.

Third: If additional monies are needed to satisfy the Facilities Special Tax Requirement after the first two steps have been completed, the Facilities Special Tax shall be levied Proportionately on all Permit Ready Multi-Family/Non-Residential Property at a rate up to 100% of the Effective Tax Rate Evaluation Maximum Facilities Special Tax. The Facilities Special Tax shall be levied on Permit Ready Multi-Family/Non-Residential Property for the entire portion of the Facilities Special Tax Requirement, excluding only Pay As You Go Costs.

Fourth: If additional monies are needed to satisfy the Facilities Special Tax Requirement after the first three steps have been completed, the Facilities Special Tax shall be levied Proportionately on all Large Lot Property at a rate up to 100% of the Effective Tax Rate Evaluation Maximum Facilities Special Tax. The Facilities Special Tax shall be levied on Large Lot Property for the entire portion of the Facilities Special Tax Requirement, excluding only Pay As You Go Costs.

Fifth: If additional monies are needed to satisfy the Facilities Special Tax Requirement after the first four steps have been completed, the Facilities Special Tax shall be levied Proportionately on all Undeveloped Property at a rate up to 100% of the Effective Tax Rate Evaluation Maximum Facilities Special Tax. The Facilities Special Tax shall be levied on Undeveloped Property for the entire portion of the Facilities Special Tax Requirement, excluding only Pay As You Go Costs.

E. SERVICES SPECIAL TAX

F.

A Services Special Tax shall be assigned to all Taxable Property within CFD No. 23 IA6 according to the Maximum Services Special Tax Rates set forth in Attachment A of this Amended Rate and Method of Apportionment.

D.1. Increase in the Maximum Services Special Tax

On each July 1, commencing on July 1, 2024, the Maximum Services Special Tax Rates shall be increased by the Services Special Tax Escalation Factor of the Maximum Services Special Tax Rates in effect for the previous Fiscal Year.

D.2. Method of Apportionment of Services Special Tax

If, in any Fiscal Year, the Facilities Special Tax is levied against each Assessor's Parcel of Taxable Property within CFD No. 23 IA6 and the Facilities Special Tax revenues generated are insufficient

to pay the Facilities Special Tax Requirement such shortfall shall be deemed a component of the Services Special Tax Requirement in that Fiscal Year, and proceeds from the levy of the Services Special Tax shall first be applied to mitigate the shortfall in the Facilities Special Tax Requirement before being used to pay for Authorized Services. The Services Special Tax revenue shall not be applied to any Facilities Special Tax Requirement shortfalls attributable to Pay As You Go Costs authorized to be financed by CFD No. 23 IA6.

Using the definitions and procedures described herein, the CFD No. 23 IA6 Administrator shall determine the Services Special Tax Requirement and levy the Services Special Tax until the amount of Services Special Tax equals the Services Special Tax Requirement. The Services Special Tax shall be levied each Fiscal Year as follows:

First: The Services Special Tax shall be levied Proportionately on all Developed Property at a rate up to 100% of the Maximum Services Special Tax in order to satisfy the Services Special Tax Requirement.

Second: If additional monies are needed to satisfy the Services Special Tax Requirement after the first step has been completed, the Services Special Tax shall be levied Proportionately on all Small Lot Final Map Property at a rate up to 100% of the Maximum Services Special Tax in order to satisfy the Services Special Tax Requirement.

Third: If additional monies are needed to satisfy the Services Special Tax Requirement after the first two steps have been completed, the Services Special Tax shall be levied Proportionately on all Permit Ready Multi-Family/Non-Residential Property at a rate up to 100% of the Maximum Services Special Tax in order to satisfy the Services Special Tax Requirement.

Fourth: If additional monies are needed to satisfy the Services Special Tax Requirement after the three steps have been completed, the Services Special Tax shall be levied Proportionately on all Large Lot Property at a rate up to 100% of the Maximum Services Special Tax in order to satisfy the Services Special Tax Requirement.

G. DELINQUENCIES

Notwithstanding the above, under no circumstances will the CFD No. 23 IA6 Facilities Special Tax levied against any Assessor's Parcel of Developed Property classified as Residential Property, in any Fiscal Year, be increased as a consequence of the delinquency or default in the payment of the CFD No. 23 IA6 Facilities Special Taxes by the owner or owners of any other Taxable Property by more than ten percent (10%) above the amount that would have been levied against such Assessor's Parcel in such Fiscal Year had there been no delinquencies or defaults.

H. EXEMPTIONS

- F.1.** The CFD No. 23 IA6 Administrator shall classify the following as Exempt Property: Public Property, Property Owner Association Property, Open Space Property, Assessor's Parcels exempt from the Special Tax pursuant to Section 53340 of the Act, and Assessor's Parcels with public or utility

easements making impractical their utilization for any use other than the purposes set forth in the easement.

- F.2.** The Maximum Facilities Special Tax obligation or, if applicable, the Effective Tax Rate Evaluation Maximum Facilities Special Tax obligation for Taxable Property which will be transferred or dedicated to a public agency and will be classified as Public Property shall be prepaid in full by the seller, pursuant to Section K, prior to the transfer/dedication of such Taxable Property. Until the Maximum Facilities Special Tax obligation or, if applicable, the Effective Tax Rate Evaluation Maximum Facilities Special Tax obligation for any such Taxable Property is prepaid, the Taxable Property shall continue to be subject to the levy of the Facilities Special Tax. An exception to this may be made if an Assessor's Parcel of Public Property, such as a school site, is relocated to an Assessor's Parcel of Taxable Property, in which case the Assessor's Parcel of previously Public Property becomes Taxable Property and the Assessor's Parcel of previously Taxable Property becomes Public Property. This trading of an Assessor's Parcel from Taxable Property to Public Property will be permitted to the extent there is no loss in Maximum Facilities Special Tax revenue or, if applicable, Effective Tax Rate Evaluation Maximum Facilities Special Tax revenue, and the transfer is agreed to by the owners of all Assessor's Parcels involved in the transfer and the City Council.
- F.3.** If the use of an Assessor's Parcel changes so that such Assessor's Parcel is no longer eligible to be classified as one of the uses set forth in Section F.1 above that would make such Assessor's Parcel eligible to continue to be classified as Exempt Property, such Assessor's Parcel shall cease to be classified as Exempt Property and shall be deemed to be Taxable Property and subject to the Special Tax.

J. TRANSFERS

Prior to the issuance of the first series of Bonds within CFD No. 23 IA6, the City may permit the transfer of Maximum Facilities Special Tax or Effective Tax Rate Evaluation Maximum Facilities Special Tax from one Assessor's Parcel to another Assessor's Parcel. Before recordation of a Small Lot Final Subdivision Map, if a subdivision map is required, the City may permit a transfer if the number of planned Residential Units, Multi-Family Attached Property Acreage, or Non-Residential Property Acreage is transferred from one Assessor's Parcel(s) to another Assessor's Parcel(s) in any portion of Large Lot Property. The City may, in its sole discretion, allow for a transfer of the Maximum Facilities Special Tax or Effective Tax Rate Evaluation Maximum Facilities Special Tax from one Assessor's Parcel to another Assessor's Parcel provided such a transfer shall be allowed only if (1) all adjustments are agreed to in writing by the affected property owners and the City's Finance Director, and (2) there is no reduction in the sum of the total Maximum Facilities Special Tax or sum of the total Effective Tax Rate Evaluation Maximum Facilities Special Tax as a result of the transfer. Should a transfer result in an amendment to Attachment B or, following an Effective Tax Rate Evaluation, Attachment D of this Amended Rate and Method of Apportionment, the requesting property owner shall bear the costs to affect the transfer in the CFD No. 23 IA6 records and prepare the required amendments to Attachment B or, following an Effective Tax Rate Evaluation, Attachment D of this Amended Rate and Method of Apportionment.

K. INTERPRETATIONS

The City reserves the right to make minor administrative and technical changes to this document that do not materially affect the Amended Rate and Method of Apportionment of Special Tax. In addition, the interpretation and application of any section of this document shall be at the City's discretion. Interpretations may be made by the City by ordinance or resolution for purposes of clarifying any vagueness or ambiguity in this Amended Rate and Method of Apportionment of Special Tax.

L. REVIEW/APPEALS

The CFD No. 23 IA6 Administrator may establish such procedures, as it deems necessary to undertake the review of any such appeal. The CFD No. 23 IA6 Administrator shall interpret this Amended Rate and Method of Apportionment of Special Tax and make determinations relative to the annual administration of the Special Tax and any property owner appeals, as herein specified.

Any property owner may file a written appeal of the Special Tax with the CFD No. 23 IA6 Administrator claiming that the amount or application of the Special Tax is not correct. The appeal must be filed not later than one calendar year after having paid the Special Taxes that are disputed, and the appellant must be current in all payments of Special Taxes. In addition, during the term of the appeal process, all Special Taxes levied must be paid on or before the payment date established when the levy was made. The appeal must specify the reasons why the appellant claims the Special Taxes are in error. The CFD No. 23 IA6 Administrator shall review the appeal, meet with the appellant if the CFD No. 23 IA6 Administrator deems necessary, and advise the appellant of its determination.

If the property owner disagrees with the CFD No. 23 IA6 Administrator's decision relative to the appeal, the owner may file a written notice with the City Manager appealing the amount of the Special Tax levied on such Assessor's Parcel. If following such consultation and action, if any, by the City Manager, the property owner believes such error still exists, such person may file a written notice with the City Council appealing the amount of the Special Tax levied on such Assessor's Parcel. The decision of the City shall be final and binding to all persons. If the decision of the CFD No. 23 IA6 Administrator or subsequent decision by the City Manager or City Council requires the Special Taxes to be modified or changed in favor of the property owner, no cash refund shall be made for prior years' Special Taxes, but an adjustment shall be made to credit future Special Taxes. This procedure shall be exclusive and its exhaustion by any property owner shall be a condition precedent to filing any legal action by such owner.

M. MANNER OF COLLECTION

The annual Special Tax shall be collected in the same manner and at the same time as ordinary ad valorem property taxes; provided, however, that CFD No. 23 IA6, may, at the sole discretion of the City, directly bill the Special Tax, may collect Special Taxes at a different time or in a different manner as necessary to meet its financial obligations, and may covenant to foreclose and may actually foreclose on Assessor's Parcels of Taxable Property that are delinquent in the payment of Special Taxes.

N. PREPAYMENT OF FACILITIES SPECIAL TAX

The Facilities Special Tax obligation of an Assessor's Parcel of Taxable Property may be prepaid and permanently satisfied as described herein; provided that there are no delinquent Special Taxes with respect to such Assessor's Parcel at the time of prepayment. An owner of an Assessor's Parcel intending to prepay the Facilities Special Tax obligation shall provide the CFD No. 23 IA6 Administrator with written notice of intent to prepay. Within 30 days of receipt of such written notice, the CFD No. 23 IA6 Administrator shall notify such owner of the prepayment amount of such Assessor's Parcel. Prepayment must be made not less than 60 days prior to the next occurring date that notice of redemption of Bonds, whichever date is earlier, from the proceeds of such prepayment may be given to the Trustee pursuant to the Indenture. The CFD No. 23 IA6 Administrator may charge a fee for providing this service.

K.1. Prepayment in Full

As of the proposed date of prepayment, the Prepayment Amount shall be calculated as follows:

Step 1: Determine the current Fiscal Year Maximum Facilities Special Tax for the Assessor's Parcel based on the assignment of the Maximum Facilities Special Tax described in Section C. If an Effective Tax Rate Evaluation has occurred, determine the current Fiscal Year Effective Tax Rate Evaluation Maximum Facilities Special Tax for the Assessor's Parcel based on the assignment of the Effective Tax Rate Evaluation Maximum Facilities Special Tax described in Section C. If the Assessor's Parcel is not already classified as Developed Property, the Maximum Facilities Special Tax (or Effective Tax Rate Evaluation Maximum Facilities Special Tax) shall be assigned as though the Assessor's Parcel was already designated as Developed Property.

Step 2: Calculate the annual revenue produced, by annually applying the Facilities Special Tax Escalation Factor, from the Maximum Facilities Special Tax (or Effective Tax Rate Evaluation Maximum Facilities Special Tax) from the date of prepayment through the Facilities Special Tax Term, except that this final date may be amended by the City no later than the time of the calculation of the prepayment. If the final date used in the prepayment calculation is amended by the City, this amended final date shall apply to any and all prepayment calculations from that point forward.

Step 3: Calculate the present value of the Assessor's Parcel's annual Maximum Facilities Special Tax (or Effective Tax Rate Evaluation Maximum Facilities Special Tax) revenue stream determined in Step 2. The present value shall be calculated using a discount rate that earns a rate of interest that, when the prepayment is invested in City permitted and available investments, would produce annual revenues equal to the amounts calculated in Step 2.

If there are Outstanding Bonds at the time of the Prepayment Amount calculation, the Prepayment Amount shall be first allocated to the Redemption Amount. If the Prepayment Amount is insufficient to fund the Redemption Amount, then the Prepayment Amount shall be increased to equal the Redemption Amount.

The Redemption Amount is calculated as follows:

Step 1: Divide the Maximum Facilities Special Tax (or Effective Tax Rate Evaluation Maximum Facilities Special Tax) computed pursuant to Step 1 of Section K.1 by the total Maximum

Facilities Special Taxes (or total Effective Tax Rate Evaluation Maximum Facilities Special Taxes) for the entire CFD No. 23 IA6, based on the Maximum Facilities Special Taxes (or Effective Tax Rate Evaluation Maximum Facilities Special Taxes) that could be charged in the current Fiscal Year if all Taxable Property were designated as Developed Property, excluding any Assessor's Parcels which have prepaid the Maximum Facilities Special Tax (or Effective Tax Rate Evaluation Maximum Facilities Special Tax) obligation (the "Prepayment Quotient").

Step 2: Multiply the Prepayment Quotient by the Outstanding Bonds to compute the amount of Outstanding Bonds to be redeemed (the "Bond Redemption Amount").

Step 3: Multiply the Bond Redemption Amount by the applicable redemption premium, if any, on the Outstanding Bonds to be redeemed.

Step 4: Compute the amount needed to pay interest on the Bond Redemption Amount from the first Bond interest payment date following the current Fiscal Year until the earliest redemption date for the Outstanding Bonds.

Step 5: Determine that portion of Facilities Special Taxes levied on the Assessor's Parcel in the current Fiscal Year to satisfy the Facilities Special Tax Requirement, which have not yet been paid.

Step 6: A reserve fund credit shall equal the lesser of: (a) the expected reduction in the reserve requirement (as defined in the Indenture for the Bonds), if any, associated with the redemption of Outstanding Bonds as a result of the prepayment, or (b) the amount derived by subtracting the new reserve requirement (as defined in the Indenture for the Bonds) in effect after the redemption of Outstanding Bonds as a result of the prepayment from the balance in the reserve fund on the prepayment date, but in no event shall such amount be less than zero. Such reserve fund credit will not decrease the balance in the reserve fund below the new reserve requirement.

Step 7: If any capitalized interest for the Outstanding Bonds will not have been expended at the time of the first interest and/or principal payment following the current Fiscal Year, a capitalized interest credit shall be calculated by multiplying the quotient computed pursuant to Step 1 by the expected balance in the capitalized interest fund after such first interest payment.

Step 8: The redemption amount is equal to the sum of the amounts computed pursuant to Steps 2, 3, 4, and 5, less the amount computed pursuant to Steps 6 and 7 (the "Redemption Amount").

If the Prepayment Amount exceeds the Redemption Amount, then any remaining Prepayment Amount, after allocating the Redemption Amount, shall be designated as Pay as You Go Costs.

The Prepayment Amount shall include any fees or expenses, including the costs of computation of the prepayment, the costs to invest the prepayment proceeds, the cost of redeeming Bonds, and the costs of recording any notices to evidence the prepayment and the redemption (the "Administrative Fees and Expenses").

In addition, the City has the authority to adjust the Prepayment Amount calculated above if a portion or all of the current property tax bill and the portion attributable to the payment of the Facilities Special Tax has not been used to make an interest and/or principal payment on the Bonds.

Notwithstanding the foregoing, no Facilities Special Tax prepayment shall be allowed unless the amount of Maximum Facilities Special Taxes (or Effective Tax Rate Evaluation Maximum Facilities Special Taxes), net of any priority administration, if any as defined in the Bond documents, that may be levied on Taxable Property, in each Fiscal Year, both prior to and after the proposed prepayment, is at least 1.1 times the annual debt service on all Outstanding Bonds to be paid from the Maximum Facilities Special Taxes (or Effective Tax Rate Evaluation Maximum Facilities Special Taxes) in each Fiscal Year.

K.2. Prepayment in Part

The Facilities Special Tax obligation may be partially prepaid in any percentage of the full Prepayment Amount. The amount of the partial prepayment shall be calculated as in the above Section K.1; except that a partial prepayment shall be calculated according to the following formula:

$$PP = ((PE - A) \times F) + A$$

These terms have the following meaning:

PP = the Partial Prepayment Amount

PE = the Prepayment Amount calculated according to Section K.1 above

A = the Administrative Fees and Expenses calculated according to Section K.1 above

F = the percent by which the owner of the Assessor's Parcel(s) is partially prepaying the Facilities Special Tax obligation.

The owner of an Assessor's Parcel who desires to partially prepay the Facilities Special Tax obligation shall notify the CFD No. 23 IA6 Administrator of (i) such owner's intent to partially prepay the Facilities Special Tax obligation, (ii) the amount of partial prepayment expressed in increments equal to percentage of the full Prepayment Amount, and (iii) the company or agency that will be acting as the escrow agent, if applicable. Partial prepayment must be made not less than 60 days prior to the next occurring date that notice of redemption of Bonds, whichever date is earlier, from the proceeds of such prepayment may be given to the Trustee pursuant to the Indenture. The CFD No. 23 IA6 Administrator may charge a fee for providing this service.

With respect to any Assessor's Parcel that is partially prepaid, the CFD No. 23 IA6 Administrator shall indicate in the records of CFD No. 23 IA6 that there has been a partial prepayment of the Facilities Special Tax obligation and that a portion of the Facilities Special Tax obligation equal to the outstanding percentage $(1.00 - F)$ of the remaining Facilities Special Tax obligation shall continue to be authorized to be levied on such Assessor's Parcel pursuant to Section C.

Notwithstanding the foregoing, no partial prepayment shall be allowed unless the amount of Maximum Facilities Special Taxes (or Effective Tax Rate Evaluation Maximum Facilities Special Taxes), net of any priority administration, if any as defined in the Bond documents, that may be levied on Taxable Property, in each Fiscal Year, both prior to and after the proposed partial

prepayment, is at least 1.1 times the annual debt service on all Outstanding Bonds to be paid from the Maximum Facilities Special Taxes (or Effective Tax Rate Evaluation Maximum Facilities Special Taxes) in each Fiscal Year.

O. TERM OF SPECIAL TAX

The Maximum Facilities Special Tax and Effective Tax Rate Evaluation Maximum Facilities Special Tax shall be levied commencing in Fiscal Year 2023-2024 to the extent necessary to fully satisfy the Facilities Special Tax Requirement and shall be levied for the Facilities Special Tax Term.

The Maximum Services Special Tax shall be levied commencing in Fiscal Year 2023-2024 and shall be levied in perpetuity, unless and until such time the City determines that revenues are no longer needed to pay the Services Special Tax Requirement.

**ATTACHMENT A
 City of Folsom
 Community Facilities District No. 23 (Folsom Ranch)
 Improvement Area 6
 Maximum Special Tax Rates
 (Fiscal Year 2023-2024)**

Land Use Category	Residential Floor Area	2023-2024 Maximum Facilities Special Tax Rate⁽¹⁾	2023-2024 Maximum Services Special Tax Rate⁽²⁾	Taxed Per
Developed Property:				
Single-Family Detached Property – SF/SFHD Zoning	≥ 3,600	\$0	\$0	Residential Unit
Single-Family Detached Property – SF/SFHD Zoning	3,200 – 3,599	0	0	Residential Unit
Single-Family Detached Property – SF/SFHD Zoning	2,800 – 3,199	0	0	Residential Unit
Single-Family Detached Property – SF/SFHD Zoning	2,400 – 2,799	0	0	Residential Unit
Single-Family Detached Property – SF/SFHD Zoning	2,000 – 2,399	0	0	Residential Unit
Single-Family Detached Property – SF/SFHD Zoning	< 2,000	0	0	Residential Unit
Single-Family Detached Property – MLD Zoning	≥ 3,600	0	0	Residential Unit
Single-Family Detached Property – MLD Zoning	3,200 – 3,599	0	0	Residential Unit
Single-Family Detached Property – MLD Zoning	2,800 – 3,199	0	0	Residential Unit
Single-Family Detached Property – MLD Zoning	2,400 – 2,799	0	0	Residential Unit
Single-Family Detached Property – MLD Zoning	2,000 – 2,399	0	0	Residential Unit
Single-Family Detached Property – MLD Zoning	< 2,000	0	0	Residential Unit
MMD Multi-Family Attached Property	Not Applicable	0	332	Acre
MHD Multi-Family Attached Property	Not Applicable	0	332	Acre
Non-Residential Property	Not Applicable	0	0	Acre

**ATTACHMENT A
 City of Folsom
 Community Facilities District No. 23 (Folsom Ranch)
 Improvement Area 6
 Maximum Special Tax Rates
 (Fiscal Year 2023-2024)**

Land Use Category	Residential Floor Area	2023-2024 Maximum Facilities Special Tax Rate⁽¹⁾	2023-2024 Maximum Services Special Tax Rate⁽²⁾	Taxed Per
Small Lot Final Map Property:				
Single-Family Detached Property – SF/SFHD Zoning	Not Applicable	\$0	\$0	Residential Lot
Single-Family Detached Property – MLD Zoning	Not Applicable	0	0	Residential Lot
Permit Ready Multi-Family/Non-Residential Property	Not Applicable	\$0	\$332 ⁽³⁾	Acre
Large Lot Property	Not Applicable	\$0	\$332 ⁽³⁾	Acre
Undeveloped Property	Not Applicable	\$0	\$332 ⁽³⁾	Acre

- (1) On each July 1, commencing on July 1, 2024, the Maximum Facilities Special Tax Rates shall be increased by the Facilities Special Tax Escalation Factor of the Maximum Facilities Special Tax Rates in effect for the previous Fiscal Year.
- (2) On each July 1, commencing on July 1, 2024, the Maximum Services Special Tax Rates shall be increased by an amount equal to the Services Special Tax Escalation Factor of the Maximum Services Special Tax Rates in effect for the previous Fiscal Year.
- (3) Excludes Non-Residential Property.

ATTACHMENT B
City of Folsom
Community Facilities District No. 23 (Folsom Ranch)
Improvement Area 6
Minimum Facilities Revenue
(Fiscal Year 2023-2024)

Land Use Category	Planned Number of Residential Units / Acres	2023-2024 Developed Property Maximum Facilities Special Tax Rate(1)(2)	2023-2024 Minimum Facilities Revenue (1)(3)
Developed Property:			
Single-Family Detached Property – SF/SFHD Zoning ⁽⁴⁾	0	\$0	\$0
Single-Family Detached Property – MLD Zoning ⁽⁴⁾	0	0	0
MMD Multi-Family Attached Property	9.19	0	0
MHD Multi-Family Attached Property	8.54	0	0
Non-Residential Property	9.99	0	0
Total Minimum Facilities Revenue			\$0

- (1) On each July 1, commencing on July 1, 2024, the Developed Property Maximum Facilities Special Tax Rates and Minimum Facilities Revenue shall be increased by the Facilities Special Tax Escalation Factor of the Developed Property Maximum Facilities Special Tax Rates and Minimum Facilities Revenue in effect for the previous Fiscal Year.
- (2) As a result of future Assessor’s Parcel changes, described in Section C.1, the assigned Maximum Facilities Special Tax Rates for Developed Property may exceed the Developed Property Maximum Facilities Special Tax Rates set forth in this table.
- (3) The total Minimum Facilities Revenue may be decreased as result of all or a portion of Maximum Facilities Special Tax obligations being prepaid and permanently satisfied pursuant to Section K.
- (4) Based upon the Developed Property Maximum Facilities Special Tax Rate for Single-Family Detached Property – SF/SFHD Zoning and Single-Family Detached Property – MLD Zoning with Residential Floor Area of less than 2,000 square feet.

**ATTACHMENT C
 City of Folsom
 Community Facilities District No. 23 (Folsom Ranch)
 Improvement Area 6
 Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates
 (Fiscal Year 2023-2024)**

Land Use Category	Residential Floor Area	2023-2024 Effective Tax Rate Evaluation Maximum Facilities Special Tax Rate⁽¹⁾⁽²⁾	Taxed Per
Developed Property:			
Single-Family Detached Property – SF/SFHD Zoning	≥ 3,600	\$0	Residential Unit
Single-Family Detached Property – SF/SFHD Zoning	3,200 – 3,599	0	Residential Unit
Single-Family Detached Property – SF/SFHD Zoning	2,800 – 3,199	0	Residential Unit
Single-Family Detached Property – SF/SFHD Zoning	2,400 – 2,799	0	Residential Unit
Single-Family Detached Property – SF/SFHD Zoning	2,000 – 2,399	0	Residential Unit
Single-Family Detached Property – SF/SFHD Zoning	< 2,000	0	Residential Unit
Single-Family Detached Property – MLD Zoning	≥ 3,600	0	Residential Unit
Single-Family Detached Property – MLD Zoning	3,200 – 3,599	0	Residential Unit
Single-Family Detached Property – MLD Zoning	2,800 – 3,199	0	Residential Unit
Single-Family Detached Property – MLD Zoning	2,400 – 2,799	0	Residential Unit
Single-Family Detached Property – MLD Zoning	2,000 – 2,399	0	Residential Unit
Single-Family Detached Property – MLD Zoning	< 2,000	0	Residential Unit
MMD Multi-Family Attached Property	Not Applicable	0	Acre
MHD Multi-Family Attached Property	Not Applicable	0	Acre
Non-Residential Property	Not Applicable	0	Acre

ATTACHMENT C
City of Folsom
Community Facilities District No. 23 (Folsom Ranch)
Improvement Area 6
Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates
(Fiscal Year 2023-2024)

Land Use Category	Residential Floor Area	2023-2024 Effective Tax Rate Evaluation Maximum Facilities Special Tax Rate ⁽¹⁾⁽²⁾	Taxed Per
Small Lot Final Map Property:			
Single-Family Detached Property – SF/SFHD Zoning	Not Applicable	\$0	Residential Lot
Single-Family Detached Property – MLD Zoning	Not Applicable	0	Residential Lot
Permit Ready Multi-Family/Non-Residential Property	Not Applicable	\$0	Acre
Large Lot Property	Not Applicable	\$0	Acre
Undeveloped Property	Not Applicable	\$0	Acre

- (1) Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates will be inserted following the Effective Tax Rate Evaluation.
- (2) On each July 1, commencing in the Fiscal Year after the Effective Tax Rate Evaluation occurs, the Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates shall be increased by the Facilities Special Tax Escalation Factor of the Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates in effect for the previous Fiscal Year.

ATTACHMENT D
City of Folsom
Community Facilities District No. 23 (Folsom Ranch)
Improvement Area 6
Effective Tax Rate Evaluation Minimum Facilities Revenue
(Fiscal Year 2023-2024)

Land Use Category	Planned Number of Residential Units / Acres⁽¹⁾	2023-2024 Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rate⁽¹⁾⁽²⁾⁽³⁾	2023-2024 Effective Tax Rate Evaluation Minimum Facilities Revenue⁽¹⁾⁽²⁾⁽⁴⁾
Developed Property:			
Single-Family Detached Property – SF/SFHD Zoning ⁽⁵⁾	0	\$0	\$0
Single-Family Detached Property – MLD Zoning ⁽⁵⁾	0	0	0
MMD Multi-Family Attached Property	9.19	0	0
MHD Multi-Family Attached Property	8.54	0	0
Non-Residential Property	9.99	0	0
Total Effective Tax Rate Evaluation Minimum Facilities Revenue			\$0

- (1) Planned Number of Residential Units/Acres, Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rate and Effective Tax Rate Evaluation Minimum Facilities Revenue to be inserted following the Effective Tax Rate Evaluation.
- (2) On each July 1, commencing in the Fiscal Year after the Effective Tax Rate Evaluation occurs, the Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates and Effective Tax Rate Evaluation Minimum Facilities Revenue shall be increased by the Facilities Special Tax Escalation Factor of the Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates and Effective Tax Rate Evaluation Minimum Facilities Revenue in effect for the previous Fiscal Year.
- (3) As a result of future Assessor’s Parcel changes, described in Section C.3, the assigned Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates may exceed the Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates set forth in this table.
- (4) The total Effective Tax Rate Evaluation Minimum Facilities Revenue may be decreased as result of all or a portion of Effective Tax Rate Evaluation Maximum Facilities Special Tax obligations being prepaid and permanently satisfied pursuant to Section K.

- (5) Based upon the Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rate for Single-Family Detached Property – SF/SFHD Zoning and Single-Family Detached Property – MLD Zoning with Residential Floor Area of less than 2,000 square feet.

EXHIBIT B**NOTICE OF PUBLIC HEARING
REGARDING PROPOSED CHANGES TO
IMPROVEMENT AREA NO. 6 OF THE CITY OF FOLSOM'S COMMUNITY
FACILITIES DISTRICT NO. 23 (FOLSOM RANCH)**

**Tuesday, October 24, 2023
6:30 p.m.
Folsom City Hall
50 Natoma Street, Folsom, California**

On Tuesday, [September 12], 2023, the City Council (the "City Council") of the City of Folsom (the "City") adopted its Resolution No. [] (the "Resolution of Consideration") by which it has scheduled a public hearing to give consideration to amending the powers currently conferred upon the City Council by the City's Community Facilities District No. 23 (Folsom Ranch) (the "Community Facilities District") for its Improvement Area No. 6.

At a special election within Improvement Area No. 6 held on May 26, 2020, the City Council was authorized, among other things, to levy a special tax to finance the acquisition and construction of certain public facilities (the "Facilities") and certain public services (the "Services") and to issue debt to finance the Facilities. The Community Facilities District was formed under the "Mello-Roos Community Facilities Act of 1982," Chapter 2.5, Part 1, Division 2, Title 5 of the Government Code of the State of California, commencing with Section 53311 (the "Act"). At a special election held on July 26, 2022, the City Council was authorized to amend the authorized rate and method of apportionment and manner of collection of the special tax (the "2022 RMA") to adjust the maximum special tax rates based on the planned development within Improvement Area No. 6.

The Act provides that changes in the powers conferred upon the City Council by the Community Facilities District may be considered and submitted to the qualified electors of the Community Facilities District. The first step in that process is to describe the proposed changes and to schedule and hold a public hearing on them. In its Resolution of Consideration, the City Council has set forth the proposed changes (the "Proposed Amendments") and scheduled the public hearing.

This Notice contains a brief summary of the Proposed Amendments, but you are referred to the Resolution of Consideration for the definitive description of the Proposed Amendments, including a description of the amended rate and method of apportionment.

The Public Hearing: The City of Folsom City Council will hold the public hearing on Tuesday, October 24, 2023, at 6:30 p.m. at the City Hall, 50 Natoma Street, Folsom, CA 95630.

At the public hearing, any persons interested, including all taxpayers, property owners and registered voters within the Community Facilities District, may appear and be heard, and the oral or written testimony of all interested persons or taxpayers for or against any of the proposed

changes to the authority conferred on the City Council by the Community Facilities District, will be heard and considered.

Any protests to the proposed changes may be made orally or in writing by any interested persons or taxpayers, except that any protests pertaining to the regularity or sufficiency of the proceedings shall be in writing and shall clearly set forth the irregularities and defects to which objection is made. The City Council may waive any irregularities in the form or content of any written protest and at the public hearing may correct minor defects in the proceedings. All written protests not presented in person by the protester at the public hearing must be filed with the City Clerk at or before the time fixed for the public hearing in order to be received and considered. Any written protest may be withdrawn in writing at any time before the conclusion of the public hearing.

Written protests by a majority of the registered voters residing and registered within the Community Facilities District (provided they number at least 6), or by the owners of a majority of the land area within the Community Facilities District not exempt from the special tax, will require suspension of these proceedings for at least one year. If such protests are directed only against certain elements of the proposed changes, only those elements need be excluded from the proceedings.

The Proposed Amendments: The proposed changes are to amend the authority to levy the special tax by eliminating the Facilities Special Tax (as defined in the 2022 RMA). For a definitive description of the Proposed Amendments you are referred to the Resolution of Consideration itself, a copy of which is available from the City Clerk.

For the Proposed Amendments to take effect, a public hearing must be held on the Proposed Amendments and the qualified electors within the Community Facilities District must approve the Proposed Amendments by a two-thirds vote. As the Community Facilities District is uninhabited, or inhabited by fewer than 12 registered voters, the qualified electors are, pursuant to the Act, the owners of property within the Community Facilities District.

Dated: October [], 2023.

City Clerk
City of Folsom

ATTACHMENT 2

**AMENDED RATE AND METHOD OF APPORTIONMENT FOR
CITY OF FOLSOM
COMMUNITY FACILITIES DISTRICT NO. 23
(FOLSOM RANCH)
Improvement Area No. 6
2023 Amendment**

A Special Tax, as hereinafter defined, shall be levied on each Assessor's Parcel of Taxable Property within the City of Folsom Community Facilities District No. 23 (Folsom Ranch) Improvement Area No. 6 (CFD No. 23 IA6) and collected each Fiscal Year in an amount determined by the CFD No. 23 IA6 Administrator through the application of the Amended Rate and Method of Apportionment as described below. All of the real property within CFD No. 23 IA6, unless exempted by law or by the provisions hereof, shall be taxed for the purposes, to the extent and in the manner herein provided.

A. GENERAL DEFINITIONS

The terms hereinafter set forth have the following meaning:

“Acre or Acreage” means the land area of an Assessor’s Parcel as shown on County records, such as an Assessor’s Parcel Map and secured roll data, or if the land area is not shown on an Assessor’s Parcel Map, the land area shown on the applicable Large Lot Map, Small Lot Final Subdivision Map, condominium plan, record of survey, or other recorded document creating or describing the parcel. If the preceding maps for a land area are not available, the Acreage of such land area may be determined utilizing available spatial data and GIS. The square footage of an Assessor’s Parcel is equal to the Acreage of such parcel multiplied by 43,560.

“Act” means the Mello-Roos Community Facilities Act of 1982, as amended, being Chapter 2.5, Division 2 of Title 5 of the Government Code of the State of California.

“Assessor’s Parcel” or “Parcel” means a lot or parcel shown in an Assessor’s Parcel Map with an assigned Assessor’s Parcel number.

“Assessor’s Parcel Map” means an official map of the County Assessor of the County designating lots or parcels by an Assessor’s Parcel number.

“Authorized Services” means the landscape corridor, enhanced open space and street light maintenance, services, and expenses authorized to be financed by CFD No. 23 IA6.

“Bond Year” means a one year period beginning on September 2nd in each year and ending on September 1st in the following year, unless defined differently in the applicable Indenture.

“Bonds” means any bonds or other debt (as defined in the Act), whether in one or more series, issued by CFD No. 23 IA6 under the Act.

“CFD No. 23 IA6” means City of Folsom Community Facilities District No. 23 (Folsom Ranch) Improvement Area No. 6.

“CFD No. 23 IA6 Administrator” means the City’s Finance Director, or designee thereof, responsible for determining the Facilities Special Tax Requirement, Services Special Tax Requirement and providing for the levy and collection of the Special Taxes.

“City” means the City of Folsom.

“City Council” means the City Council of the City, acting as the legislative body of CFD No. 23 IA6.

“County” means the County of Sacramento.

“Developed Property” means, for each Fiscal Year, all Taxable Property for which a building permit for new construction was issued prior to June 30 of the previous Fiscal Year.

“Effective Tax Rate Evaluation” means an evaluation of the Total Effective Tax Rate of Residential Property at the time of such evaluation. The Effective Tax Rate Evaluation will be based upon a prepared Price Point Study to determine the Total Effective Tax Rate for Residential Property, based upon the calculated Total Estimated Tax Burden.

“Effective Tax Rate Evaluation Maximum Facilities Special Tax” means the total maximum annual Facilities Special Tax, as determined during the Effective Tax Rate Evaluation, in accordance with the provisions of Section C.2, which may be levied in any Fiscal Year on any Assessor’s Parcel of Taxable Property.

“Effective Tax Rate Evaluation Maximum Facilities Special Tax Rate” means the maximum annual Facilities Special Tax rate for each land use category of Taxable Property that will be set forth in Attachment C, following the Effective Tax Rate Evaluation, which may be levied in any Fiscal Year on any Assessor’s Parcel of Taxable Property.

“Effective Tax Rate Evaluation Minimum Facilities Revenue” means, following the Effective Tax Rate Evaluation, the total minimum amount of CFD No. 23 IA6 Effective Tax Rate Evaluation Maximum Facilities Special Tax, as adjusted annually by the Facilities Special Tax Escalation Factor after the Fiscal Year in which the Effective Tax Rate Evaluation occurs, less any Effective Tax Rate Evaluation Maximum Facilities Special Tax amounts prepaid and permanently satisfied pursuant to Section K. The Effective Tax Rate Evaluation Minimum Facilities Revenue, based on Planned Development, is set forth in Attachment D of this Amended Rate and Method of Apportionment.

“Exempt Property” means all Assessors’ Parcels that are exempt from the Special Tax pursuant to Section F. Assessor’s Parcels exempt from the Special Tax pursuant to Section 53340 of the Act shall also be designated as Exempt Property.

“Facilities Administrative Expenses” means the actual or reasonably estimated costs directly related to the administration of the Facilities Special Tax including, but not limited to, the following: the costs of computing the Facilities Special Tax and preparing the annual Facilities Special Tax collection schedules (whether by the City or designee thereof or both); the costs of collecting the Facilities Special Taxes (whether by the County, the City, or otherwise); the costs of remitting the Facilities Special Taxes to the Trustee; the costs of the Trustee (including its legal counsel) in the discharge of the duties required of it under the Indenture; the costs to the City, CFD No. 23 IA6, or any designee thereof of complying with arbitrage rebate requirements or responding to questions from the IRS or

SEC pertaining to any Bonds or any audit of any Bonds by the SEC or IRS; the costs to the City, CFD No. 23 IA6, or any designee thereof of providing continuing disclosure regarding the Bonds pursuant to applicable state or federal securities law; the costs associated with preparing Facilities Special Tax disclosure statements and responding to public inquiries regarding the Facilities Special Taxes; the costs of the City, CFD No. 23 IA6, or any designee thereof related to any appeal of the levy or application of the Facilities Special Tax; the costs associated with the release of funds from an escrow account, if any; and the costs associated with computing and preparing the Effective Tax Rate Evaluation, including the Price Point Study. Facilities Administrative Expenses shall also include amounts estimated or advanced by the City or CFD No. 23 IA6 for any other administrative purposes, including, but not limited to, attorney's fees and other costs related to commencing and pursuing to completion any foreclosure of delinquent Facilities Special Taxes.

"Facilities Special Tax" means the annual Special Tax to be levied in each Fiscal Year on each Assessor's Parcel of Taxable Property to fund the Facilities Special Tax Requirement.

"Facilities Special Tax Escalation Factor" means two percent (2%) annually.

"Facilities Special Tax Requirement" means that amount of Special Tax revenue required in any Fiscal Year for CFD No. 23 IA6 to: (i) Pay Facilities Administrative Expenses in an amount designated by the City; (ii) pay annual debt service on all Outstanding Bonds due in the Bond Year beginning in such Fiscal Year; (iii) pay other periodic costs on Outstanding Bonds, including but not limited to, credit enhancement and rebate payments on Outstanding Bonds; (iv) pay any amounts required to establish or replenish any reserve funds for all Outstanding Bonds in accordance with the Indenture; (v) pay for reasonably anticipated delinquent Special Taxes based on the delinquency rate for Special Taxes levied in the previous Fiscal Year and known upcoming delinquencies; and (vi) pay for Pay As You Go Costs; less (vii) a credit for funds available to reduce the annual Facilities Special Tax levy as determined by the CFD No. 23 IA6 Administrator pursuant to the Indenture.

"Facilities Special Tax Term" means the earlier of Fiscal Year 2079-2080 or the Fiscal Year occurring 50 years following the Fiscal Year in which the first building permit was issued or the first series of Bonds was issued within CFD No. 23 IA6.

"Fiscal Year" means the period starting July 1 and ending on the following June 30.

"Indenture" means the indenture, fiscal agent agreement, trust agreement, resolution or other instrument pursuant to which Bonds are issued, as modified, amended and/or supplemented from time to time, and any instrument replacing or supplementing the same.

"Large Lot Map" means a recorded subdivision map creating larger parcels by land use. The Large Lot Map does not create individual lots for which building permits may be issued for single-family Residential Units.

"Large Lot Property" means, for each Fiscal Year, all Taxable Property for which a Large Lot Map was recorded prior to June 30 of the previous Fiscal Year, excluding any portion(s) thereof classified as Developed Property, Small Lot Final Map Property, or Permit Ready Multi-Family/Non-Residential Property. Large Lot Property also means, for each Fiscal Year, all Taxable Property classified as Small Lot Final Map Remainder Property as of June 30 of the previous Fiscal Year.

“Maximum Facilities Special Tax” means the total maximum annual Facilities Special Tax, determined in accordance with the provisions of Section C, which may be levied in any Fiscal Year on any Assessor’s Parcel of Taxable Property.

“Maximum Facilities Special Tax Rate” means the maximum annual Facilities Special Tax rate for each land use category of Taxable Property, as shown in Attachment A, which may be levied in any Fiscal Year on any Assessor’s Parcel of Taxable Property.

“Maximum Services Special Tax” means the total maximum annual Services Special Tax, determined in accordance with the provisions of Section D, which may be levied in any Fiscal Year on any Assessor’s Parcel of Taxable Property.

“Maximum Services Special Tax Rate” means the maximum annual Services Special Tax rate for each land use category of Taxable Property, as shown in Attachment A, which may be levied in any Fiscal Year on any Assessor’s Parcel of Taxable Property.

“Maximum Special Tax” means the total annual Maximum Facilities Special Tax (or Effective Tax Rate Evaluation Maximum Facilities Special Tax) and Maximum Services Special Tax, determined in accordance with the provisions of Section C and Section D, which may be levied in any Fiscal Year on any Assessor’s Parcel of Taxable Property.

“Maximum Total Effective Tax Rate” means 1.80%, unless the City determines, in its sole discretion, that a higher Maximum Total Effective Tax Rate is appropriate.

“MHD Multi-Family Attached Property” means all Assessor’s Parcels for which a building permit could be issued for purposes of constructing one or more attached Residential Units per Assessor’s Parcel with a permitted density range of greater than 20 Residential Units per Acre and more fully described in the Folsom Plan Area Specific Plan adopted on June 28, 2011 and as amended by the City Council. MHD Multi-Family Attached Property shall also include an Assessor’s Parcel or that portion of an Assessor’s Parcel designated as a Mixed Use Residential Parcel.

“Minimum Facilities Revenue” means the minimum amount of total CFD No. 23 IA6 Maximum Facilities Special Tax, as adjusted annually by the Facilities Special Tax Escalation Factor, less any Maximum Facilities Special Tax amounts prepaid and permanently satisfied pursuant to Section K. The Minimum Facilities Revenue, based on Planned Development, is set forth in Attachment B of this Amended Rate and Method of Apportionment.

“Mixed Use Residential Parcel” means a mixed use Assessor’s Parcel that is designated for residential land use. If the mixed use Assessor’s Parcel contains a combination of residential land use and non-residential land use, only that portion of an Assessor’s Parcel designated for residential land use shall be classified as a Mixed Use Residential Parcel and the remaining non-residential land use of the Assessor’s Parcel shall be classified as Non-Residential Property.

“MMD Multi-Family Attached Property” means all Assessor’s Parcels for which a building permit could be issued for purposes of constructing one or more attached Residential Units per Assessor’s Parcel with a permitted density range of 12-20 Residential Units per Acre and more fully described in the Folsom Plan Area Specific Plan adopted on June 28, 2011 and as amended by the City Council.

“Non-Residential Property” means, for each Fiscal Year, all Taxable Property for which a building permit could be issued for purposes of constructing non-residential buildings.

“Open Space Property” means property within the boundaries of CFD No. 23 IA6 which (a) has been designated with specific boundaries and acreage on a Small Lot Final Subdivision Map as open space, or (b) is classified by the City zoning code or County Assessor as open space, or (c) has been irrevocably offered for dedication as open space to the federal government, the State of California, the County, the City, any other public agency, a private, non-profit organization, or (d) is encumbered by an easement or other restriction required by the City limiting the use of such property to open space.

“Outstanding Bonds” means all Bonds, which remain outstanding as defined in the Indenture pursuant to which such Bonds were issued.

“Pay as You Go Costs” means that portion of the Facilities Special Tax Requirement attributable to the direct payment for the acquisition and/or construction of public improvements, which are authorized to be financed by CFD No. 23 IA6.

“Permit Ready Multi-Family/Non-Residential Property” means an Assessor’s Parcel of Taxable Property zoned for multi-family or non-residential land use for which all discretionary entitlements have been obtained, including without limitation, development plan review and improvement plan approval, such that building permits may be issued without further approvals for the construction of multi-family Residential Units or non-residential buildings within such Assessor’s Parcel. The City shall have sole discretion, based upon available development information, in classifying an Assessor’s Parcel as Permit Ready Multi-Family/Non-Residential Property.

“Planned Development” means the planned number of Residential Units, MHD Multi-Family Attached Property Acreage, MMD Multi-Family Attached Property Acreage, and Non-Residential Property Acreage planned within CFD No. 23 IA6, set forth in Attachment B or, following the Effective Tax Rate Evaluation, Attachment D of this Amended Rate and Method of Apportionment, as amended by the future recordation of all Large Lot Maps and Small Lot Final Subdivision Maps within CFD No. 23 IA6.

“Price Point Study” means an analysis, prepared by an independent firm, to verify the estimated average sales price within each land use category of Residential Property given the project location and current market conditions.

“Property Owner Association Property” means any property within the boundaries of CFD No. 23 IA6, which is (a) owned by a property owner association or (b) designated with specific boundaries and Acreage on a Small Lot Final Subdivision Map as property owner association property. As used in this definition, a property owner association includes any master or sub-association.

“Proportionately” means for Taxable Property that the ratio of the Facilities Special Tax levy to the Maximum Facilities Special Tax (or Effective Tax Rate Evaluation Maximum Facilities Special Tax) and the Services Special Tax levy to the Maximum Services Special Tax is equal for all Assessors’ Parcels within each classification (Developed Property, Single Family Final Map Property, Permit Ready Multi-Family/Non-Residential Property, Large Lot Property, etc.) within CFD No. 23 IA6.

“Public Property” means any property within the boundaries of CFD No. 23 IA6, which (a) is owned by a public agency, (b) has been irrevocably offered for dedication to a public agency, or (c) is designated with specific boundaries and Acreage on a Small Lot Final Subdivision Map as property, which will be owned by a public agency. For purposes of this definition, a public agency includes the federal government, the State of California, the County, the City, or any other public agency.

“Residential Floor Area” means all of the square footage of living area within the perimeter of a residential structure, not including any carport, walkway, garage, overhang, patio, enclosed patio, or similar area. The determination of Residential Floor Area shall be made by the CFD No. 23 IA6 Administrator by reference to appropriate records kept by the City’s building department. Residential Floor Area for a residential structure will be based on the building permit(s) issued for such structure prior to it being classified as Developed Property, and shall not change as a result of additions or modifications made to such structure after such classification as Developed Property.

“Residential Lot” means an individual lot of land for which a building permit could be issued to construct a Residential Unit.

“Residential Property” means, for each Fiscal Year, all Taxable Property for which a building permit could be issued for purposes of constructing Residential Units, including Single-Family Detached Property – SF/SFHD Zoning, Single-Family Detached Property – MLD Zoning, MHD Multi-Family Attached Property, and MMD Multi-Family Attached Property.

“Residential Unit” means a residential dwelling unit, not including guest quarters or “granny flats” as allowed by the City zoning code.

“Services Administrative Expenses” means the actual or reasonably estimated costs directly related to the administration of the Services Special Tax including, but not limited to, the following: the costs of computing the Services Special Taxes and preparing the annual Services Special Tax collection schedules (whether by the City or designee thereof or both); the costs of collecting the Services Special Taxes (whether by the County, the City, or otherwise); the costs associated with preparing Special Tax disclosure statements and responding to public inquiries regarding the Services Special Tax; and the costs of the City, CFD No. 23 IA6, or any designee thereof related to any appeal of the levy or application of the Services Special Tax. Services Administrative Expenses shall also include amounts estimated or advanced by the City or CFD No. 23 IA6 for any other administrative purposes related to the Services Special Tax.

“Services Special Tax” means the annual Special Tax to be levied in each Fiscal Year on each Assessor’s Parcel of Taxable Property to fund the Services Special Tax Requirement.

“Services Special Tax Escalation Factor” means the June annualized percentage change of the Consumer Price Index for all Urban Consumers, for the San Francisco-Oakland-San Jose area, not to exceed four percent (4%). In the event that the percentage change is negative, the Services Special Tax Escalation Factor shall be equal to zero.

“Services Special Tax Requirement” means the amount of Services Special Tax revenue required in any Fiscal Year for CFD No. 23 IA6 to: (i) Pay Services Administrative Expenses in an amount designated by the City; (ii) pay Authorized Services expenses; (iii) pay any amounts required to establish or replenish any repair and contingency funds, capital improvement funds, or reserve funds related to

the Authorized Services expenses; (iv) cover any shortfalls that exist if, in any Fiscal Year, the levy of the Facilities Special Tax on each Assessor's Parcel of Taxable Property is insufficient to pay the Facilities Special Tax Requirement in that Fiscal Year. Facilities Special Tax Requirement shortfalls shall not include Pay As You Go Costs, and (v) pay for reasonably anticipated delinquent Services Special Taxes based on the delinquency rate for Services Special Taxes levied in the previous Fiscal Year; less (vi) a credit for funds available to reduce the annual Services Special Tax levy as determined by the CFD No. 23 IA6 Administrator.

"Single-Family Detached Property – MLD Zoning" means, for each Fiscal Year, all Taxable Property for which a building permit could be issued for purposes of constructing one or more detached or attached Residential Units with a permitted density range of 7-12 Residential Units per Acre and more fully described in the Folsom Plan Area Specific Plan adopted on June 28, 2011 and as amended by the City Council.

"Single-Family Detached Property – SF/SFHD Zoning" means, for each Fiscal Year, all Taxable Property for which a building permit could be issued for purposes of constructing one or more Residential Units. Single-Family Detached Property – SF/SFHD Zoning shall consist of either single-family property with a permitted density range of 1-4 Residential Units per Acre or single-family high density property with a permitted density range of 4-7 Residential Units per Acre, which is more fully described in the Folsom Plan Area Specific Plan adopted on June 28, 2011 and as amended by the City Council.

"Special Tax" means the annual Facilities Special Tax and Services Special Tax to be levied in each Fiscal Year on each Assessor's Parcel of Taxable Property to fund the Facilities Special Tax Requirement and the Services Special Tax Requirement.

"Small Lot Final Map Property" means, for each Fiscal Year, all Taxable Property for which a Small Lot Final Subdivision Map was recorded prior to June 30 of the previous Fiscal Year.

"Small Lot Final Map Remainder Property" means an Assessor's Parcel that is created from the subdivision of Large Lot Property by the recordation of a Small Lot Final Subdivision Map that has not yet been mapped for final development approval. Small Lot Final Map Remainder Property is that portion of property for which the Small Lot Final Subdivision Map definition does not apply (i.e., does not contain individual lots for which building permits may be issued for Residential Units without further subdivision of such property). Each Fiscal Year, all Taxable Property classified as Small Lot Final Map Remainder Property, as of June 30 of the previous Fiscal Year, will be considered Large Lot Property.

"Small Lot Final Subdivision Map" means a subdivision of property created by recordation of a final subdivision map, parcel map or lot line adjustment, approved by the City pursuant to the Subdivision Map Act (California Government Code Section 66410 et seq.) or recordation of a condominium plan pursuant to California Civil Code 1352, that creates individual lots for which building permits may be issued for Residential Units without further subdivision of such property.

"State" means the State of California.

"Taxable Property" means all of the Assessor's Parcels within the boundaries of CFD No. 23 IA6 that are not exempt from the CFD No. 23 IA6 Special Tax pursuant to law or Section F below.

“Total Effective Tax Rate” means the percentage of the Total Estimated Tax Burden as compared to the estimated average sales price identified in the Price Point Study for each land use category of Residential Property.

“Total Estimated Tax Burden” means the total amount of overlapping property taxes anticipated to be levied upon a Residential Unit, based upon the estimated average sales price identified in the Price Point Study and existing property tax rates for the current Fiscal Year. Existing property tax rates shall reflect the actual property tax rates levied upon Taxable Property in the Fiscal Year that the Effective Tax Rate Evaluation is completed.

“Trustee” means the entity appointed pursuant to an Indenture to act as the trustee, fiscal agent, or paying agent or a combination thereof.

“Undeveloped Property” means, for each Fiscal Year, all Taxable Property not classified as Developed Property, Small Lot Final Map Property, Permit Ready Multi-Family/Non-Residential Property, or Large Lot Property.

B. ASSIGNMENT TO LAND USE CATEGORIES

Each Fiscal Year, using City and County records, City zoning information, and land use development plans, all Assessor’s Parcels within the boundaries of CFD No. 23 IA6 shall be designated as either Taxable Property or Tax-Exempt Property.

All Taxable Property shall be further classified as Developed Property, Small Lot Final Map Property, Permit Ready Multi-Family/Non-Residential Property, Large Lot Property, or Undeveloped Property and shall be subject to the levy of the annual Special Tax determined pursuant to Sections C and D below.

C. FACILITIES SPECIAL TAX

A Maximum Facilities Special Tax shall be assigned to all Taxable Property within CFD No. 23 IA6 according to the Maximum Facilities Special Tax Rates set forth in Attachment A of this Amended Rate and Method of Apportionment.

Once assigned, the sum of the total Maximum Facilities Special Tax shall be equal to or greater than the Minimum Facilities Revenue, unless adjusted by an Effective Tax Rate Evaluation as described below. The Minimum Facilities Revenue for Fiscal Year ~~2021-2022~~2023-2024 is set forth in Attachment B of this Amended Rate and Method of Apportionment.

On each July 1, commencing on July 1, ~~2022~~2024, the Maximum Facilities Special Tax Rates and Minimum Facilities Revenue shall be increased by the Facilities Special Tax Escalation Factor of the Maximum Facilities Special Tax Rates and Minimum Facilities Revenue in effect for the previous Fiscal Year.

C.1. Future Assessor’s Parcel Changes – Prior to an Effective Tax Rate Evaluation

The Maximum Facilities Special Tax shall be assigned to all future Assessor’s Parcel(s) created from a subdivision, lot line adjustment, or merger of one or more Assessor’s Parcels so that the revised sum of the total Maximum Facilities Special Tax revenue is not less than the Minimum Facilities Revenue set forth in Attachment B of this Amended Rate and Method of Apportionment.

Undeveloped Property Subdividing into Large Lot Property

When Undeveloped Property subdivides into Large Lot Property, the Maximum Facilities Special Tax shall be calculated for all Taxable Property as if all of the Taxable Property was classified as Developed Property. The expected Developed Property Maximum Facilities Special Tax for any Large Lot Property and any remaining Undeveloped Property shall be based upon the Planned Development for the Large Lot Property and remaining Undeveloped Property.

If the sum of the total expected Developed Property Maximum Facilities Special Tax generated by all of the Taxable Property is greater than or equal to the Minimum Facilities Revenue, there will be no further adjustments to the Developed Property, Small Lot Final Map Property and Permit Ready Multi-Family/Non-Residential Property Maximum Facilities Special Tax Rates for the Large Lot Property created from the Undeveloped Property subdivision.

If the sum of the total expected Developed Property Maximum Facilities Special Tax is less than the Minimum Facilities Revenue, the Developed Property, Small Lot Final Map Property and Permit Ready Multi-Family/Non-Residential Property Maximum Facilities Special Tax Rates shall be Proportionately increased, on the Large Lot Property created from the Undeveloped Property subdivision, until the sum of the total expected Developed Property Maximum Facilities Special Tax is equal to the Minimum Facilities Revenue. Further, if the sum of the total current Maximum Facilities Special Tax is less than the Minimum Facilities Revenue, the Maximum Facilities Special Tax Rates for the Large Lot Property and any remaining Undeveloped Property created from the Undeveloped Property subdivision shall be Proportionately increased until the sum of the total current Maximum Facilities Special Tax is equal to the Minimum Facilities Revenue. Attachment B of this Amended Rate and Method of Apportionment shall be updated to reflect any increases to the Maximum Facilities Special Tax Rates from the Undeveloped Property subdivision. The Developed Property, Small Lot Final Map Property and Permit Ready Multi-Family/Non-Residential Property Maximum Facilities Special Tax Rates shall not be adjusted for any Taxable Property already classified as Developed Property, Small Lot Final Map Property or Permit Ready Multi-Family/Non-Residential Property.

Large Lot Property Subdividing into Small Lot Final Map Property and Permit Ready Multi-Family/Non-Residential Property

When Large Lot Property subdivides into Small Lot Final Map Property or Permit Ready Multi-Family/Non-Residential Property, the Maximum Facilities Special Tax shall be calculated for all Taxable Property as if all of the Taxable Property was classified as Developed Property. If the Large Lot Property subdivision also creates Small Lot Final Map Remainder Property, the expected Developed Property Maximum Facilities Special Tax for the Small Lot Final Map Remainder Property shall be based upon the Planned Development for the Small Lot Final Map Remainder Property. The expected Developed Property Maximum Facilities Special Tax for any remaining Large Lot Property and Undeveloped Property shall be based upon the Planned Development of the Large Lot Property and the Undeveloped Property.

If the sum of the total expected Developed Property Maximum Facilities Special Tax is greater than or equal to the Minimum Facilities Revenue, there will be no further adjustments to the Developed Property, Small Lot Final Map Property and Permit Ready Multi-Family/Non-Residential Property Maximum Facilities Special Tax Rates for the Small Lot Final Map Property, Small Lot Final Map Remainder Property and Permit Ready Multi-Family/Non-Residential Property created from the Large Lot Property subdivision.

If the sum of the total expected Developed Property Maximum Facilities Special Tax is less than the Minimum Facilities Revenue, and such difference is not eliminated by the full or partial prepayment of the Effective Tax Rate Evaluation Maximum Facilities Special Tax pursuant to Section K, the Developed Property, Small Lot Final Map Property and Permit Ready Multi-Family/Non-Residential Property Maximum Facilities Special Tax Rates shall be Proportionately increased, on the Small Lot Final Map Property, Small Lot Final Map Remainder Property and Permit Ready Multi-Family/Non-Residential Property created from the Large Lot Property subdivision, until the sum of the total expected Developed Property Maximum Facilities Special Tax is equal to the Minimum Facilities Revenue. Attachment B of this Amended Rate and Method of Apportionment shall be updated to reflect any increases to the Maximum Facilities Special Tax Rates from the Large Lot Property subdivision. The Developed Property, Small Lot Final Map Property and Permit Ready Multi-Family/Non-Residential Property Maximum Facilities Special Tax Rates shall not be adjusted for any Taxable Property already classified as Developed Property, Small Lot Final Map Property or Permit Ready Multi-Family/Non-Residential Property created prior to the Large Lot Property subdivision.

C.2. Effective Tax Rate Evaluation

Prior to the issuance of the first building permit or the first series of Bonds within CFD No. 23 IA6, whichever comes earlier, an Effective Tax Rate Evaluation will be completed. Following the Effective Tax Rate Evaluation, Attachment C of this Amended Rate and Method of Apportionment will be updated to reflect the Effective Tax Rate Evaluation Maximum Facilities Special Tax Rate for all Taxable Property in CFD No. 23 IA6.

Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates

As part of the Effective Tax Rate Evaluation, a Price Point Study will be prepared and estimated average sales prices will be established for each Residential Property land use category. Using the estimated average sales price information determined in the Price Point Study, the Total Estimated Tax Burden and Total Effective Tax Rate will be calculated, using the Developed Property Maximum Facilities Special Tax Rates set forth in Attachment A, for each Residential Property land use category. If the calculated Total Effective Tax Rate is less than or equal to the Total Maximum Effective Tax Rate for a Residential Property land use category, the Maximum Facilities Special Tax Rate shall not be adjusted and will be assigned using the Developed Property Maximum Facilities Special Tax Rates set forth in Attachment A. Attachment C of this Amended Rate and Method of Apportionment will be updated to set forth the Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rate for each Residential Property land use category.

If the Total Effective Tax Rate for any Residential Property land use category exceeds the Total Maximum Effective Tax Rate, the Developed Property Maximum Facilities Special Tax Rate set forth in Attachment A shall be reduced until the Total Effective Tax Rate is less than or equal to

the Total Maximum Effective Tax Rate for that Residential Property land use category. Attachment C of this Amended Rate and Method of Apportionment will be updated to set forth the Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rate for each Residential Property land use category.

Effective Tax Rate Evaluation Minimum Facilities Revenue

As a result of the Effective Tax Rate Evaluation, if the calculated Total Effective Tax Rate is less than or equal to the Total Maximum Effective Tax Rate for a Residential Property land use category used in the Minimum Facilities Revenue calculation, the Developed Property Maximum Facilities Special Tax Rate for the applicable Residential Property land use category shall not be adjusted and the Effective Tax Rate Evaluation Developed Property Maximum Facilities Special Tax Rate will be assigned using the Developed Property Maximum Facilities Special Tax Rates set forth in Attachment B. Attachment D of this Amended Rate and Method of Apportionment will be updated to set forth the Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rate for each Residential Property land use category and the Effective Tax Rate Evaluation Minimum Facilities Revenue.

If the calculated Total Effective Tax Rate exceeds the Total Maximum Effective Tax Rate for a Residential Property land use category used in the Minimum Facilities Revenue calculation, the Effective Tax Rate Evaluation Developed Property Maximum Facilities Special Tax Rate will be assigned using the Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates set forth in Attachment C. Attachment D of this Amended Rate and Method of Apportionment will be updated to set forth the Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rate for each Residential Property land use category and the Effective Tax Rate Evaluation Minimum Facilities Revenue.

C.3. Future Assessor's Parcel Changes – After an Effective Tax Rate Evaluation

The Effective Tax Rate Evaluation Maximum Facilities Special Tax shall be assigned to all future Assessor's Parcel(s) created from a subdivision, lot line adjustment, or merger of one or more Assessor's Parcels so that the revised sum of the total Effective Tax Rate Evaluation Maximum Facilities Special Tax revenue is not less than the total Effective Tax Rate Evaluation Minimum Facilities Revenue set forth in Attachment D of this Amended Rate and Method of Apportionment.

Undeveloped Property Subdividing into Large Lot Property

When Undeveloped Property subdivides into Large Lot Property, the Effective Tax Rate Evaluation Maximum Facilities Special Tax shall be calculated for all Taxable Property as if all of the Taxable Property was classified as Developed Property. The expected Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax for any Large Lot Property and any remaining Undeveloped Property shall be based upon the Planned Development for the Large Lot Property and remaining Undeveloped Property.

If the sum of the total expected Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax generated by all of the Taxable Property is greater than or equal to the Effective Tax Rate Evaluation Minimum Facilities Revenue, there will be no further adjustments to the Developed Property, Small Lot Final Map Property and Permit Ready Multi-Family/Non-Residential Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates for the Large Lot Property created from the Undeveloped Property subdivision.

If the sum of the total expected Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax is less than the Effective Tax Rate Evaluation Minimum Facilities Revenue, the Developed Property, Small Lot Final Map Property and Permit Ready Multi-Family/Non-Residential Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates shall be Proportionately increased, on the Large Lot Property created from the Undeveloped Property subdivision, until the sum of the total expected Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax is equal to the Effective Tax Rate Evaluation Minimum Facilities Revenue. Further, if the sum of the total current Effective Tax Rate Evaluation Maximum Facilities Special Tax is less than the Effective Tax Rate Evaluation Minimum Facilities Revenue, the Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates for the Large Lot Property and any remaining Undeveloped Property created from the Undeveloped Property subdivision shall be Proportionately increased until the sum of the total current Effective Tax Rate Evaluation Maximum Facilities Special Tax is equal to the Effective Tax Rate Evaluation Minimum Facilities Revenue. Attachment D of this Amended Rate and Method of Apportionment shall be updated to reflect any increases to the Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates from the Undeveloped Property subdivision. The Developed Property, Small Lot Final Map Property and Permit Ready Multi-Family/Non-Residential Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates shall not be adjusted for any Taxable Property already classified as Developed Property, Small Lot Final Map Property or Permit Ready Multi-Family/Non-Residential Property.

Large Lot Property Subdividing into Small Lot Final Map Property and Permit Ready Multi-Family/Non-Residential Property

When Large Lot Property subdivides into Small Lot Final Map Property or Permit Ready Multi-Family/Non-Residential Property, the Effective Tax Rate Evaluation Maximum Facilities Special Tax shall be calculated for all Taxable Property as if all of the Taxable Property was classified as Developed Property. If the Large Lot Property subdivision also creates Small Lot Final Map Remainder Property, the expected Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax for the Small Lot Final Map Remainder Property shall be based upon the Planned Development for the Small Lot Final Map Remainder Property. The expected Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax for any remaining Large Lot Property and Undeveloped Property shall be based upon the Planned Development of the Large Lot Property and the Undeveloped Property.

If the sum of the total expected Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax is greater than or equal to the Effective Tax Rate Evaluation Minimum Facilities Revenue, there will be no further adjustments to the Developed Property, Small Lot Final Map Property and Permit Ready Multi-Family/Non-Residential Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates for the Small Lot Final Map Property, Small Lot Final Map Remainder Property and Permit Ready Multi-Family/Non-Residential Property created from the Large Lot Property subdivision.

If the sum of the total expected Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax is less than the Effective Tax Rate Evaluation Minimum Facilities Revenue, and such difference is not eliminated by the full or partial prepayment of the Effective Tax Rate Evaluation Maximum Facilities Special Tax pursuant to Section K, the Developed Property, Small Lot Final Map Property and Permit Ready Multi-Family/Non-Residential Property Effective Tax

Rate Evaluation Maximum Facilities Special Tax Rates shall be Proportionately increased, on the Small Lot Final Map Property, Small Lot Final Map Remainder Property and Permit Ready Multi-Family/Non-Residential Property created from the Large Lot Property subdivision, until the sum of the total expected Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax is equal to the Effective Tax Rate Evaluation Minimum Facilities Revenue. Attachment D of this Amended Rate and Method of Apportionment shall be updated to reflect any increases to the Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates from the Large Lot Property subdivision. The Developed Property, Small Lot Final Map Property and Permit Ready Multi-Family/Non-Residential Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates shall not be adjusted for any Taxable Property already classified as Developed Property, Small Lot Final Map Property or Permit Ready Multi-Family/Non-Residential Property created prior to the Large Lot Property subdivision.

C.4. Method of Apportionment of Facilities Special Tax

Using the definitions and procedures described herein, the CFD No. 23 IA6 Administrator shall determine the Facilities Special Tax Requirement and levy the Facilities Special Tax until the amount of Facilities Special Taxes equals the Facilities Special Tax Requirement. The Facilities Special Tax shall be levied each Fiscal Year as follows:

Prior to an Effective Tax Rate Evaluation

First: The Facilities Special Tax shall be levied Proportionately on all Developed Property at a rate up to 100% of the Maximum Facilities Special Tax in order to satisfy the Facilities Special Tax Requirement.

Second: If additional monies are needed to satisfy the Facilities Special Tax Requirement after the first step has been completed, the Facilities Special Tax shall be levied Proportionately on all Small Lot Final Map Property at a rate up to 100% of the Maximum Facilities Special Tax. The Facilities Special Tax shall be levied on Small Lot Final Map Property for the entire portion of the Facilities Special Tax Requirement, excluding only Pay As You Go Costs.

Third: If additional monies are needed to satisfy the Facilities Special Tax Requirement after the first two steps have been completed, the Facilities Special Tax shall be levied Proportionately on all Permit Ready Multi-Family/Non-Residential Property at a rate up to 100% of the Maximum Facilities Special Tax. The Facilities Special Tax shall be levied on Permit Ready Multi-Family/Non-Residential Property for the entire portion of the Facilities Special Tax Requirement, excluding only Pay As You Go Costs.

Fourth: If additional monies are needed to satisfy the Facilities Special Tax Requirement after the first three steps have been completed, the Facilities Special Tax shall be levied Proportionately on all Large Lot Property at a rate up to 100% of the Maximum Facilities Special Tax. The Facilities Special Tax shall be levied on Large Lot Property for the entire portion of the Facilities Special Tax Requirement, excluding only Pay As You Go Costs.

Fifth: If additional monies are needed to satisfy the Facilities Special Tax Requirement after the first four steps have been completed, the Facilities Special Tax shall be levied Proportionately on all Undeveloped Property at a rate up to 100% of the Maximum Facilities Special Tax. The Facilities Special Tax shall be levied on Undeveloped Property for the entire portion of the Facilities Special Tax Requirement, excluding only Pay As You Go Costs.

After an Effective Tax Rate Evaluation

First: The Facilities Special Tax shall be levied Proportionately on all Developed Property at a rate up to 100% of the Effective Tax Rate Evaluation Maximum Facilities Special Tax in order to satisfy the Facilities Special Tax Requirement.

Second: If additional monies are needed to satisfy the Facilities Special Tax Requirement after the first step has been completed, the Facilities Special Tax shall be levied Proportionately on all Small Lot Final Map Property at a rate up to 100% of the Effective Tax Rate Evaluation Maximum Facilities Special Tax. The Facilities Special Tax shall be levied on Small Lot Final Map Property for the entire portion of the Facilities Special Tax Requirement, excluding only Pay As You Go Costs.

Third: If additional monies are needed to satisfy the Facilities Special Tax Requirement after the first two steps have been completed, the Facilities Special Tax shall be levied Proportionately on all Permit Ready Multi-Family/Non-Residential Property at a rate up to 100% of the Effective Tax Rate Evaluation Maximum Facilities Special Tax. The Facilities Special Tax shall be levied on Permit Ready Multi-Family/Non-Residential Property for the entire portion of the Facilities Special Tax Requirement, excluding only Pay As You Go Costs.

Fourth: If additional monies are needed to satisfy the Facilities Special Tax Requirement after the first three steps have been completed, the Facilities Special Tax shall be levied Proportionately on all Large Lot Property at a rate up to 100% of the Effective Tax Rate Evaluation Maximum Facilities Special Tax. The Facilities Special Tax shall be levied on Large Lot Property for the entire portion of the Facilities Special Tax Requirement, excluding only Pay As You Go Costs.

Fifth: If additional monies are needed to satisfy the Facilities Special Tax Requirement after the first four steps have been completed, the Facilities Special Tax shall be levied Proportionately on all Undeveloped Property at a rate up to 100% of the Effective Tax Rate Evaluation Maximum Facilities Special Tax. The Facilities Special Tax shall be levied on Undeveloped Property for the entire portion of the Facilities Special Tax Requirement, excluding only Pay As You Go Costs.

D. SERVICES SPECIAL TAX

A Services Special Tax shall be assigned to all Taxable Property within CFD No. 23 IA6 according to the Maximum Services Special Tax Rates set forth in Attachment A of this Amended Rate and Method of Apportionment.

D.1. Increase in the Maximum Services Special Tax

On each July 1, commencing on July 1, ~~2022~~2024, the Maximum Services Special Tax Rates shall be increased by the Services Special Tax Escalation Factor of the Maximum Services Special Tax Rates in effect for the previous Fiscal Year.

D.2. Method of Apportionment of Services Special Tax

If, in any Fiscal Year, the Facilities Special Tax is levied against each Assessor’s Parcel of Taxable Property within CFD No. 23 IA6 and the Facilities Special Tax revenues generated are insufficient

to pay the Facilities Special Tax Requirement such shortfall shall be deemed a component of the Services Special Tax Requirement in that Fiscal Year, and proceeds from the levy of the Services Special Tax shall first be applied to mitigate the shortfall in the Facilities Special Tax Requirement before being used to pay for Authorized Services. The Services Special Tax revenue shall not be applied to any Facilities Special Tax Requirement shortfalls attributable to Pay As You Go Costs authorized to be financed by CFD No. 23 IA6.

Using the definitions and procedures described herein, the CFD No. 23 IA6 Administrator shall determine the Services Special Tax Requirement and levy the Services Special Tax until the amount of Services Special Tax equals the Services Special Tax Requirement. The Services Special Tax shall be levied each Fiscal Year as follows:

First: The Services Special Tax shall be levied Proportionately on all Developed Property at a rate up to 100% of the Maximum Services Special Tax in order to satisfy the Services Special Tax Requirement.

Second: If additional monies are needed to satisfy the Services Special Tax Requirement after the first step has been completed, the Services Special Tax shall be levied Proportionately on all Small Lot Final Map Property at a rate up to 100% of the Maximum Services Special Tax in order to satisfy the Services Special Tax Requirement.

Third: If additional monies are needed to satisfy the Services Special Tax Requirement after the first two steps have been completed, the Services Special Tax shall be levied Proportionately on all Permit Ready Multi-Family/Non-Residential Property at a rate up to 100% of the Maximum Services Special Tax in order to satisfy the Services Special Tax Requirement.

Fourth: If additional monies are needed to satisfy the Services Special Tax Requirement after the three steps have been completed, the Services Special Tax shall be levied Proportionately on all Large Lot Property at a rate up to 100% of the Maximum Services Special Tax in order to satisfy the Services Special Tax Requirement.

E. DELINQUENCIES

Notwithstanding the above, under no circumstances will the CFD No. 23 IA6 Facilities Special Tax levied against any Assessor's Parcel of Developed Property classified as Residential Property, in any Fiscal Year, be increased as a consequence of the delinquency or default in the payment of the CFD No. 23 IA6 Facilities Special Taxes by the owner or owners of any other Taxable Property by more than ten percent (10%) above the amount that would have been levied against such Assessor's Parcel in such Fiscal Year had there been no delinquencies or defaults.

F. EXEMPTIONS

F.1. The CFD No. 23 IA6 Administrator shall classify the following as Exempt Property: Public Property, Property Owner Association Property, Open Space Property, Assessor's Parcels exempt from the Special Tax pursuant to Section 53340 of the Act, and Assessor's Parcels with public or utility

easements making impractical their utilization for any use other than the purposes set forth in the easement.

- F.2.** The Maximum Facilities Special Tax obligation or, if applicable, the Effective Tax Rate Evaluation Maximum Facilities Special Tax obligation for Taxable Property which will be transferred or dedicated to a public agency and will be classified as Public Property shall be prepaid in full by the seller, pursuant to Section K, prior to the transfer/dedication of such Taxable Property. Until the Maximum Facilities Special Tax obligation or, if applicable, the Effective Tax Rate Evaluation Maximum Facilities Special Tax obligation for any such Taxable Property is prepaid, the Taxable Property shall continue to be subject to the levy of the Facilities Special Tax. An exception to this may be made if an Assessor's Parcel of Public Property, such as a school site, is relocated to an Assessor's Parcel of Taxable Property, in which case the Assessor's Parcel of previously Public Property becomes Taxable Property and the Assessor's Parcel of previously Taxable Property becomes Public Property. This trading of an Assessor's Parcel from Taxable Property to Public Property will be permitted to the extent there is no loss in Maximum Facilities Special Tax revenue or, if applicable, Effective Tax Rate Evaluation Maximum Facilities Special Tax revenue, and the transfer is agreed to by the owners of all Assessor's Parcels involved in the transfer and the City Council.
- F.3.** If the use of an Assessor's Parcel changes so that such Assessor's Parcel is no longer eligible to be classified as one of the uses set forth in Section F.1 above that would make such Assessor's Parcel eligible to continue to be classified as Exempt Property, such Assessor's Parcel shall cease to be classified as Exempt Property and shall be deemed to be Taxable Property and subject to the Special Tax.

G. TRANSFERS

Prior to the issuance of the first series of Bonds within CFD No. 23 IA6, the City may permit the transfer of Maximum Facilities Special Tax or Effective Tax Rate Evaluation Maximum Facilities Special Tax from one Assessor's Parcel to another Assessor's Parcel. Before recordation of a Small Lot Final Subdivision Map, if a subdivision map is required, the City may permit a transfer if the number of planned Residential Units, Multi-Family Attached Property Acreage, or Non-Residential Property Acreage is transferred from one Assessor's Parcel(s) to another Assessor's Parcel(s) in any portion of Large Lot Property. The City may, in its sole discretion, allow for a transfer of the Maximum Facilities Special Tax or Effective Tax Rate Evaluation Maximum Facilities Special Tax from one Assessor's Parcel to another Assessor's Parcel provided such a transfer shall be allowed only if (1) all adjustments are agreed to in writing by the affected property owners and the City's Finance Director, and (2) there is no reduction in the sum of the total Maximum Facilities Special Tax or sum of the total Effective Tax Rate Evaluation Maximum Facilities Special Tax as a result of the transfer. Should a transfer result in an amendment to Attachment B or, following an Effective Tax Rate Evaluation, Attachment D of this Amended Rate and Method of Apportionment, the requesting property owner shall bear the costs to affect the transfer in the CFD No. 23 IA6 records and prepare the required amendments to Attachment B or, following an Effective Tax Rate Evaluation, Attachment D of this Amended Rate and Method of Apportionment.

H. INTERPRETATIONS

The City reserves the right to make minor administrative and technical changes to this document that do not materially affect the Amended Rate and Method of Apportionment of Special Tax. In addition, the interpretation and application of any section of this document shall be at the City's discretion. Interpretations may be made by the City by ordinance or resolution for purposes of clarifying any vagueness or ambiguity in this Amended Rate and Method of Apportionment of Special Tax.

I. REVIEW/APPEALS

The CFD No. 23 IA6 Administrator may establish such procedures, as it deems necessary to undertake the review of any such appeal. The CFD No. 23 IA6 Administrator shall interpret this Amended Rate and Method of Apportionment of Special Tax and make determinations relative to the annual administration of the Special Tax and any property owner appeals, as herein specified.

Any property owner may file a written appeal of the Special Tax with the CFD No. 23 IA6 Administrator claiming that the amount or application of the Special Tax is not correct. The appeal must be filed not later than one calendar year after having paid the Special Taxes that are disputed, and the appellant must be current in all payments of Special Taxes. In addition, during the term of the appeal process, all Special Taxes levied must be paid on or before the payment date established when the levy was made. The appeal must specify the reasons why the appellant claims the Special Taxes are in error. The CFD No. 23 IA6 Administrator shall review the appeal, meet with the appellant if the CFD No. 23 IA6 Administrator deems necessary, and advise the appellant of its determination.

If the property owner disagrees with the CFD No. 23 IA6 Administrator's decision relative to the appeal, the owner may file a written notice with the City Manager appealing the amount of the Special Tax levied on such Assessor's Parcel. If following such consultation and action, if any, by the City Manager, the property owner believes such error still exists, such person may file a written notice with the City Council appealing the amount of the Special Tax levied on such Assessor's Parcel. The decision of the City shall be final and binding to all persons. If the decision of the CFD No. 23 IA6 Administrator or subsequent decision by the City Manager or City Council requires the Special Taxes to be modified or changed in favor of the property owner, no cash refund shall be made for prior years' Special Taxes, but an adjustment shall be made to credit future Special Taxes. This procedure shall be exclusive and its exhaustion by any property owner shall be a condition precedent to filing any legal action by such owner.

J. MANNER OF COLLECTION

The annual Special Tax shall be collected in the same manner and at the same time as ordinary ad valorem property taxes; provided, however, that CFD No. 23 IA6, may, at the sole discretion of the City, directly bill the Special Tax, may collect Special Taxes at a different time or in a different manner as necessary to meet its financial obligations, and may covenant to foreclose and may actually foreclose on Assessor's Parcels of Taxable Property that are delinquent in the payment of Special Taxes.

K. PREPAYMENT OF FACILITIES SPECIAL TAX

The Facilities Special Tax obligation of an Assessor's Parcel of Taxable Property may be prepaid and permanently satisfied as described herein; provided that there are no delinquent Special Taxes with respect to such Assessor's Parcel at the time of prepayment. An owner of an Assessor's Parcel intending to prepay the Facilities Special Tax obligation shall provide the CFD No. 23 IA6 Administrator with written notice of intent to prepay. Within 30 days of receipt of such written notice, the CFD No. 23 IA6 Administrator shall notify such owner of the prepayment amount of such Assessor's Parcel. Prepayment must be made not less than 60 days prior to the next occurring date that notice of redemption of Bonds, whichever date is earlier, from the proceeds of such prepayment may be given to the Trustee pursuant to the Indenture. The CFD No. 23 IA6 Administrator may charge a fee for providing this service.

K.1. Prepayment in Full

As of the proposed date of prepayment, the Prepayment Amount shall be calculated as follows:

Step 1: Determine the current Fiscal Year Maximum Facilities Special Tax for the Assessor's Parcel based on the assignment of the Maximum Facilities Special Tax described in Section C. If an Effective Tax Rate Evaluation has occurred, determine the current Fiscal Year Effective Tax Rate Evaluation Maximum Facilities Special Tax for the Assessor's Parcel based on the assignment of the Effective Tax Rate Evaluation Maximum Facilities Special Tax described in Section C. If the Assessor's Parcel is not already classified as Developed Property, the Maximum Facilities Special Tax (or Effective Tax Rate Evaluation Maximum Facilities Special Tax) shall be assigned as though the Assessor's Parcel was already designated as Developed Property.

Step 2: Calculate the annual revenue produced, by annually applying the Facilities Special Tax Escalation Factor, from the Maximum Facilities Special Tax (or Effective Tax Rate Evaluation Maximum Facilities Special Tax) from the date of prepayment through the Facilities Special Tax Term, except that this final date may be amended by the City no later than the time of the calculation of the prepayment. If the final date used in the prepayment calculation is amended by the City, this amended final date shall apply to any and all prepayment calculations from that point forward.

Step 3: Calculate the present value of the Assessor's Parcel's annual Maximum Facilities Special Tax (or Effective Tax Rate Evaluation Maximum Facilities Special Tax) revenue stream determined in Step 2. The present value shall be calculated using a discount rate that earns a rate of interest that, when the prepayment is invested in City permitted and available investments, would produce annual revenues equal to the amounts calculated in Step 2.

If there are Outstanding Bonds at the time of the Prepayment Amount calculation, the Prepayment Amount shall be first allocated to the Redemption Amount. If the Prepayment Amount is insufficient to fund the Redemption Amount, then the Prepayment Amount shall be increased to equal the Redemption Amount.

The Redemption Amount is calculated as follows:

Step 1: Divide the Maximum Facilities Special Tax (or Effective Tax Rate Evaluation Maximum Facilities Special Tax) computed pursuant to Step 1 of Section K.1 by the total Maximum

Facilities Special Taxes (or total Effective Tax Rate Evaluation Maximum Facilities Special Taxes) for the entire CFD No. 23 IA6, based on the Maximum Facilities Special Taxes (or Effective Tax Rate Evaluation Maximum Facilities Special Taxes) that could be charged in the current Fiscal Year if all Taxable Property were designated as Developed Property, excluding any Assessor's Parcels which have prepaid the Maximum Facilities Special Tax (or Effective Tax Rate Evaluation Maximum Facilities Special Tax) obligation (the "Prepayment Quotient").

Step 2: Multiply the Prepayment Quotient by the Outstanding Bonds to compute the amount of Outstanding Bonds to be redeemed (the "Bond Redemption Amount").

Step 3: Multiply the Bond Redemption Amount by the applicable redemption premium, if any, on the Outstanding Bonds to be redeemed.

Step 4: Compute the amount needed to pay interest on the Bond Redemption Amount from the first Bond interest payment date following the current Fiscal Year until the earliest redemption date for the Outstanding Bonds.

Step 5: Determine that portion of Facilities Special Taxes levied on the Assessor's Parcel in the current Fiscal Year to satisfy the Facilities Special Tax Requirement, which have not yet been paid.

Step 6: A reserve fund credit shall equal the lesser of: (a) the expected reduction in the reserve requirement (as defined in the Indenture for the Bonds), if any, associated with the redemption of Outstanding Bonds as a result of the prepayment, or (b) the amount derived by subtracting the new reserve requirement (as defined in the Indenture for the Bonds) in effect after the redemption of Outstanding Bonds as a result of the prepayment from the balance in the reserve fund on the prepayment date, but in no event shall such amount be less than zero. Such reserve fund credit will not decrease the balance in the reserve fund below the new reserve requirement.

Step 7: If any capitalized interest for the Outstanding Bonds will not have been expended at the time of the first interest and/or principal payment following the current Fiscal Year, a capitalized interest credit shall be calculated by multiplying the quotient computed pursuant to Step 1 by the expected balance in the capitalized interest fund after such first interest payment.

Step 8: The redemption amount is equal to the sum of the amounts computed pursuant to Steps 2, 3, 4, and 5, less the amount computed pursuant to Steps 6 and 7 (the "Redemption Amount").

If the Prepayment Amount exceeds the Redemption Amount, then any remaining Prepayment Amount, after allocating the Redemption Amount, shall be designated as Pay as You Go Costs.

The Prepayment Amount shall include any fees or expenses, including the costs of computation of the prepayment, the costs to invest the prepayment proceeds, the cost of redeeming Bonds, and the costs of recording any notices to evidence the prepayment and the redemption (the "Administrative Fees and Expenses").

In addition, the City has the authority to adjust the Prepayment Amount calculated above if a portion or all of the current property tax bill and the portion attributable to the payment of the Facilities Special Tax has not been used to make an interest and/or principal payment on the Bonds.

Notwithstanding the foregoing, no Facilities Special Tax prepayment shall be allowed unless the amount of Maximum Facilities Special Taxes (or Effective Tax Rate Evaluation Maximum Facilities Special Taxes), net of any priority administration, if any as defined in the Bond documents, that may be levied on Taxable Property, in each Fiscal Year, both prior to and after the proposed prepayment, is at least 1.1 times the annual debt service on all Outstanding Bonds to be paid from the Maximum Facilities Special Taxes (or Effective Tax Rate Evaluation Maximum Facilities Special Taxes) in each Fiscal Year.

K.2. Prepayment in Part

The Facilities Special Tax obligation may be partially prepaid in any percentage of the full Prepayment Amount. The amount of the partial prepayment shall be calculated as in the above Section K.1; except that a partial prepayment shall be calculated according to the following formula:

$$PP = ((PE - A) \times F) + A$$

These terms have the following meaning:

PP = the Partial Prepayment Amount

PE = the Prepayment Amount calculated according to Section K.1 above

A = the Administrative Fees and Expenses calculated according to Section K.1 above

F = the percent by which the owner of the Assessor’s Parcel(s) is partially prepaying the Facilities Special Tax obligation.

The owner of an Assessor’s Parcel who desires to partially prepay the Facilities Special Tax obligation shall notify the CFD No. 23 IA6 Administrator of (i) such owner’s intent to partially prepay the Facilities Special Tax obligation, (ii) the amount of partial prepayment expressed in increments equal to percentage of the full Prepayment Amount, and (iii) the company or agency that will be acting as the escrow agent, if applicable. Partial prepayment must be made not less than 60 days prior to the next occurring date that notice of redemption of Bonds, whichever date is earlier, from the proceeds of such prepayment may be given to the Trustee pursuant to the Indenture. The CFD No. 23 IA6 Administrator may charge a fee for providing this service.

With respect to any Assessor’s Parcel that is partially prepaid, the CFD No. 23 IA6 Administrator shall indicate in the records of CFD No. 23 IA6 that there has been a partial prepayment of the Facilities Special Tax obligation and that a portion of the Facilities Special Tax obligation equal to the outstanding percentage (1.00 – F) of the remaining Facilities Special Tax obligation shall continue to be authorized to be levied on such Assessor’s Parcel pursuant to Section C.

Notwithstanding the foregoing, no partial prepayment shall be allowed unless the amount of Maximum Facilities Special Taxes (or Effective Tax Rate Evaluation Maximum Facilities Special Taxes), net of any priority administration, if any as defined in the Bond documents, that may be levied on Taxable Property, in each Fiscal Year, both prior to and after the proposed partial

prepayment, is at least 1.1 times the annual debt service on all Outstanding Bonds to be paid from the Maximum Facilities Special Taxes (or Effective Tax Rate Evaluation Maximum Facilities Special Taxes) in each Fiscal Year.

L. TERM OF SPECIAL TAX

The Maximum Facilities Special Tax and Effective Tax Rate Evaluation Maximum Facilities Special Tax shall be levied commencing in Fiscal Year ~~2021-2022~~2023-2024 to the extent necessary to fully satisfy the Facilities Special Tax Requirement and shall be levied for the Facilities Special Tax Term.

The Maximum Services Special Tax shall be levied commencing in Fiscal Year ~~2021-2022~~2023-2024 and shall be levied in perpetuity, unless and until such time the City determines that revenues are no longer needed to pay the Services Special Tax Requirement.

ATTACHMENT A
City of Folsom
Community Facilities District No. 23 (Folsom Ranch)
Improvement Area 6
Maximum Special Tax Rates
(Fiscal Year ~~2021-2022~~2023-2024)

Land Use Category	Residential Floor Area	2021-2022 2023-2024 Maximum Facilities Special Tax Rate⁽¹⁾	2021-2022 2023-2024 Maximum Services Special Tax Rate⁽²⁾	Taxed Per
Developed Property:				
Single-Family Detached Property – SF/SFHD Zoning	≥ 3,600	\$0	\$0	Residential Unit
Single-Family Detached Property – SF/SFHD Zoning	3,200 – 3,599	0	0	Residential Unit
Single-Family Detached Property – SF/SFHD Zoning	2,800 – 3,199	0	0	Residential Unit
Single-Family Detached Property – SF/SFHD Zoning	2,400 – 2,799	0	0	Residential Unit
Single-Family Detached Property – SF/SFHD Zoning	2,000 – 2,399	0	0	Residential Unit
Single-Family Detached Property – SF/SFHD Zoning	< 2,000	0	0	Residential Unit
Single-Family Detached Property – MLD Zoning	≥ 3,600	0	0	Residential Unit
Single-Family Detached Property – MLD Zoning	3,200 – 3,599	0	0	Residential Unit
Single-Family Detached Property – MLD Zoning	2,800 – 3,199	0	0	Residential Unit
Single-Family Detached Property – MLD Zoning	2,400 – 2,799	0	0	Residential Unit
Single-Family Detached Property – MLD Zoning	2,000 – 2,399	0	0	Residential Unit
Single-Family Detached Property – MLD Zoning	< 2,000	0	0	Residential Unit
MMD Multi-Family Attached Property	Not Applicable	30,6000	310332	Acre
MHD Multi-Family Attached Property	Not Applicable	0	310332	Acre
Non-Residential Property	Not Applicable	0	0	Acre

ATTACHMENT A
City of Folsom
Community Facilities District No. 23 (Folsom Ranch)
Improvement Area 6
Maximum Special Tax Rates
(Fiscal Year ~~2021-2022~~2023-2024)

Land Use Category	Residential Floor Area	2021-2022 2023-2024 Maximum Facilities Special Tax Rate ⁽¹⁾	2021-2022 2023-2024 Maximum Services Special Tax Rate ⁽²⁾	Taxed Per
Small Lot Final Map Property:				
Single-Family Detached Property – SF/SFHD Zoning	Not Applicable	\$0	\$0	Residential Lot
Single-Family Detached Property – MLD Zoning	Not Applicable	0	0	Residential Lot
Permit Ready Multi-Family/Non-Residential Property	Not Applicable	\$30,600⁽³⁾ 0	\$310⁽⁴⁾ 332⁽³⁾	Acre
Large Lot Property	Not Applicable	\$30,600⁽³⁾ 0	\$310⁽⁴⁾ 332⁽³⁾	Acre
Undeveloped Property	Not Applicable	\$30,600⁽³⁾ 0	\$310⁽⁴⁾ 332⁽³⁾	Acre

(1) On each July 1, commencing on July 1, ~~2022~~2024, the Maximum Facilities Special Tax Rates shall be increased by the Facilities Special Tax Escalation Factor of the Maximum Facilities Special Tax Rates in effect for the previous Fiscal Year.

(2) On each July 1, commencing on July 1, ~~2022~~2024, the Maximum Services Special Tax Rates shall be increased by an amount equal to the Services Special Tax Escalation Factor of the Maximum Services Special Tax Rates in effect for the previous Fiscal Year.

~~(3) Excludes MHD Multi-Family Attached Property and Non-Residential Property.~~

~~(4)~~(3) Excludes Non-Residential Property.

ATTACHMENT B
City of Folsom
Community Facilities District No. 23 (Folsom Ranch)
Improvement Area 6
Minimum Facilities Revenue
(Fiscal Year ~~2021-2022~~2023-2024)

Land Use Category	Planned Number of Residential Units / Acres	2021-2022 2023-2024 Developed Property Maximum Facilities Special Tax Rate⁽¹⁾⁽²⁾	2021-2022 2023-2024 Minimum Facilities Revenue⁽¹⁾⁽³⁾
Developed Property:			
Single-Family Detached Property – SF/SFHD Zoning ⁽⁴⁾	0	\$0	\$0
Single-Family Detached Property – MLD Zoning ⁽⁴⁾	0	0	0
MMD Multi-Family Attached Property	<u>9.4619</u>	<u>30,6000</u>	<u>289,4760</u>
MHD Multi-Family Attached Property	<u>9.268.54</u>	0	0
Non-Residential Property	<u>11.719.99</u>	0	0
Total Minimum Facilities Revenue			<u>\$289,4760</u>

- (1) On each July 1, commencing on July 1, ~~2022~~2024, the Developed Property Maximum Facilities Special Tax Rates and Minimum Facilities Revenue shall be increased by the Facilities Special Tax Escalation Factor of the Developed Property Maximum Facilities Special Tax Rates and Minimum Facilities Revenue in effect for the previous Fiscal Year.
- (2) As a result of future Assessor’s Parcel changes, described in Section C.1, the assigned Maximum Facilities Special Tax Rates for Developed Property may exceed the Developed Property Maximum Facilities Special Tax Rates set forth in this table.
- (3) The total Minimum Facilities Revenue may be decreased as result of all or a portion of Maximum Facilities Special Tax obligations being prepaid and permanently satisfied pursuant to Section K.
- (4) Based upon the Developed Property Maximum Facilities Special Tax Rate for Single-Family Detached Property – SF/SFHD Zoning and Single-Family Detached Property – MLD Zoning with Residential Floor Area of less than 2,000 square feet.

ATTACHMENT C
City of Folsom
Community Facilities District No. 23 (Folsom Ranch)
Improvement Area 6
Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates
(Fiscal Year ~~2021-2022~~2023-2024)

Land Use Category	Residential Floor Area	2021-2022 2023-2024 Effective Tax Rate Evaluation Maximum Facilities Special Tax Rate⁽¹⁾⁽²⁾	Taxed Per
Developed Property:			
Single-Family Detached Property – SF/SFHD Zoning	≥ 3,600	\$0	Residential Unit
Single-Family Detached Property – SF/SFHD Zoning	3,200 – 3,599	0	Residential Unit
Single-Family Detached Property – SF/SFHD Zoning	2,800 – 3,199	0	Residential Unit
Single-Family Detached Property – SF/SFHD Zoning	2,400 – 2,799	0	Residential Unit
Single-Family Detached Property – SF/SFHD Zoning	2,000 – 2,399	0	Residential Unit
Single-Family Detached Property – SF/SFHD Zoning	< 2,000	0	Residential Unit
Single-Family Detached Property – MLD Zoning	≥ 3,600	0	Residential Unit
Single-Family Detached Property – MLD Zoning	3,200 – 3,599	0	Residential Unit
Single-Family Detached Property – MLD Zoning	2,800 – 3,199	0	Residential Unit
Single-Family Detached Property – MLD Zoning	2,400 – 2,799	0	Residential Unit
Single-Family Detached Property – MLD Zoning	2,000 – 2,399	0	Residential Unit
Single-Family Detached Property – MLD Zoning	< 2,000	0	Residential Unit
MMD Multi-Family Attached Property	Not Applicable	30,6000	Acre
MHD Multi-Family Attached Property	Not Applicable	0	Acre
Non-Residential Property	Not Applicable	0	Acre

ATTACHMENT C
City of Folsom
Community Facilities District No. 23 (Folsom Ranch)
Improvement Area 6
Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates
(Fiscal Year ~~2021-2022~~2023-2024)

Land Use Category	Residential Floor Area	2021-2022 2023-2024 Effective Tax Rate Evaluation Maximum Facilities Special Tax Rate ⁽¹⁾⁽²⁾	Taxed Per
Small Lot Final Map Property:			
Single-Family Detached Property – SF/SFHD Zoning	Not Applicable	\$0	Residential Lot
Single-Family Detached Property – MLD Zoning	Not Applicable	0	Residential Lot
Permit Ready Multi-Family/Non-Residential Property	Not Applicable	\$30,600 ⁽³⁾ 0	Acre
Large Lot Property	Not Applicable	\$30,600 ⁽³⁾ 0	Acre
Undeveloped Property	Not Applicable	\$30,600 ⁽³⁾ 0	Acre

(1) Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates will be inserted following the Effective Tax Rate Evaluation.
 (2) On each July 1, commencing in the Fiscal Year after the Effective Tax Rate Evaluation occurs, the Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates shall be increased by the Facilities Special Tax Escalation Factor of the Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates in effect for the previous Fiscal Year.
~~(3) Excludes MHD Multi-Family Attached Property and Non-Residential Property.~~

ATTACHMENT D
City of Folsom
Community Facilities District No. 23 (Folsom Ranch)
Improvement Area 6
Effective Tax Rate Evaluation Minimum Facilities Revenue
(Fiscal Year ~~2021-2022~~2023-2024)

Land Use Category	Planned Number of Residential Units / Acres⁽¹⁾	2021-2022 2023-2024 Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rate⁽¹⁾⁽²⁾⁽³⁾	2021-2022 2023-2024 Effective Tax Rate Evaluation Minimum Facilities Revenue⁽¹⁾⁽²⁾⁽⁴⁾
Developed Property:			
Single-Family Detached Property – SF/SFHD Zoning ⁽⁵⁾	0	\$0	\$0
Single-Family Detached Property – MLD Zoning ⁽⁵⁾	0	0	0
MMD Multi-Family Attached Property	<u>9.4619</u>	<u>30,6000</u>	<u>289,4760</u>
MHD Multi-Family Attached Property	<u>9.268.54</u>	0	0
Non-Residential Property	<u>11.719.99</u>	0	0
Total Effective Tax Rate Evaluation Minimum Facilities Revenue			<u>\$289,4760</u>

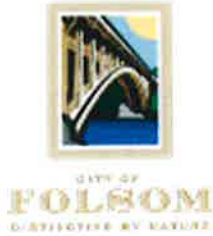
- (1) Planned Number of Residential Units/Acres, Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rate and Effective Tax Rate Evaluation Minimum Facilities Revenue to be inserted following the Effective Tax Rate Evaluation.
- (2) On each July 1, commencing in the Fiscal Year after the Effective Tax Rate Evaluation occurs, the Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates and Effective Tax Rate Evaluation Minimum Facilities Revenue shall be increased by the Facilities Special Tax Escalation Factor of the Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates and Effective Tax Rate Evaluation Minimum Facilities Revenue in effect for the previous Fiscal Year.
- (3) As a result of future Assessor’s Parcel changes, described in Section C.3, the assigned Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates may exceed the Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates set forth in this table.
- (4) The total Effective Tax Rate Evaluation Minimum Facilities Revenue may be decreased as result of all or a portion of Effective Tax Rate Evaluation Maximum Facilities Special Tax obligations being prepaid and permanently satisfied pursuant to Section K.

- (5) Based upon the Developed Property Effective Tax Rate Evaluation Maximum Facilities Special Tax Rate for Single-Family Detached Property – SF/SFHD Zoning and Single-Family Detached Property – MLD Zoning with Residential Floor Area of less than 2,000 square feet.

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Folsom City Council Staff Report

MEETING DATE:	9/12/2023
AGENDA SECTION:	New Business
SUBJECT:	Consideration of the Selection of Two City Council Members to Serve on the Economic Development Consultant Proposal Review Committee
FROM:	City Manager's Office

RECOMMENDATION / CITY COUNCIL ACTION

City staff recommends that the City Council consider the selection of two of its members to serve on the Economic Development Consultant Proposal Review Committee.

BACKGROUND / ISSUE

The City Council unanimously approved the City Manager's Proposed FY2023-24 Budget at its regular meeting on May 23, 2023. To support economic growth and development within the city, the City Council recognizes the importance of engaging external expertise. A consensus of the City Council requested that up to \$100,000 be dedicated to an economic development consultant contract. The City Council further requested that the City Manager place an item on a future City Council agenda to allow the City Council to provide direction about an economic development consultant. On June 27, 2023, the City Manager recommended that the City Council provide direction on the scope of work and goals sought for the economic development consultant contract as part of the approved FY 2023-24 Budget. At this meeting, it was discussed, but a consensus was not reached, regarding the potential involvement of two City Council Members in the proposal evaluation process.

Following City Council direction and approval, City staff prepared a Request for Proposals (RFP) for economic development consulting services. The purpose of the RFP is to invite submissions from economic development consultants who can assist in formulating and implementing a comprehensive economic development strategy. To ensure a vast pool of talent, the RFP was disseminated both to a targeted list of economic development consultants and to a database comprising approximately 100 consultants statewide. This statewide outreach was facilitated in collaboration with the California Association for Local Economic Development (CALED).

The selected consultant will work closely with the City Council, City Manager, and City staff to develop a three-year economic development action plan, assess development projects, conduct a comparative analysis, perform a void analysis, and provide ongoing support as a third-party economic development resource.

An RFP was issued on August 9, 2023, and the proposal submission deadline is Friday, September 15, 2023, at 2 p.m. The RFP advertised that the proposals would be evaluated by Friday, September 29, 2023. The proposals will be evaluated by an Economic Development Consultant Selection Committee based on the following criteria:

- Consultant's qualifications and relevant experience. (25%)
- Understanding of the project's scope and goals. (25%)
- Methodology and approach proposed. (25%)
- Availability of resources, proposed timeline, and cost. (25%)

ANALYSIS

To ensure a comprehensive and well-informed evaluation of proposals received from economic development consultants, an Economic Development Consultant Proposal Review Committee will evaluate proposals and recommend the most suitable economic development consultant candidate. Committee Members include City Manager Elaine Andersen, Community Development Director Pam Johns, Communications Director Christine Brainerd, Choose Folsom President and CEO Joe Gagliardi, and an external economic development manager/director. City staff recommends that the City Council consider the selection of two of its members to serve on the Economic Development Consultant Proposal Review Committee to support the assessment and selection of a City economic development consultant.

FINANCIAL IMPACT

There is no additional fiscal impact as a result of the proposed action.

ENVIRONMENTAL REVIEW

This action is not a "project" under Section 15378 of the California Environmental Quality Act (CEQA) Guidelines and is otherwise exempt pursuant to Section 15061(b)(3).

ATTACHMENTS

1. City of Folsom Request for Proposals (RFP) for Economic Development Consulting Services

Submitted,

Christine Brainerd, Acting Assistant City Manager/Communications Director

Request for Proposals



City of Folsom Request for Proposals (RFP) Economic Development Consultant

Introduction

The City of Folsom is seeking proposals from qualified economic development consultants to assist in formulating and implementing a comprehensive economic development strategy. The selected consultant will work closely with the City Council, City Manager, and staff to develop a three-year economic development action plan, assess development projects, conduct a comparative analysis, perform a void analysis, and provide ongoing support as a third-party economic development resource.

Scope of Work:

The scope of work may include a combination of the following tasks and responsibilities:

1. Three-Year Economic Development Action Plan for the City:

- Align with the City Council's recently adopted five-year strategic plan.
- Prepare a comprehensive economic development action plan for the City aimed at developing, attracting, growing, and retaining private businesses in the City of Folsom.
- Develop strategies that the City can feasibly implement to support and foster the growth of Folsom's start-up business community.
- Propose ideas that the City can feasibly implement to organize and host "place-making" special events to enhance the local economy.
- Conduct a SWOT analysis (Strengths, Weaknesses, Opportunities, and Threats) to identify key factors impacting economic development in the City of Folsom.
- Assess City properties, major shopping centers, and strategic retail areas to identify opportunities for retail development and redevelopment.

- Provide recommendations on resource and staffing capabilities for the City to sustain and implement the Action Plan.

2. Development Project Assessment:

- Evaluate how the City currently processes development projects through an economic development lens and provide enhancement and efficiency recommendations to city staff.
- Provide recommendations for presenting and analyzing proposed development projects in City Council staff reports to enhance clarity and understanding of the proposed project, such as projected tax revenue and other benefits from the proposed development.

3. Comparative Analysis:

- Conduct a comparison of fees, taxes, rates, incentives, and processes in the greater Sacramento Metropolitan region and identify how Folsom businesses may be benefitted or be adversely impacted by the City's fees, taxes, rates, incentives, and processes as compared to others in the region.
- Based on the Comparative Analysis, assess the City's competitiveness in attracting and retaining businesses.

4. Void Analysis:

- Perform a void analysis to identify potential businesses that do not have a presence in Folsom but could complement and enhance Folsom's existing and emerging industry sectors, such as healthcare and technology.
- Identify target businesses Folsom should pursue and engage, including their retail class, nearest location, approximate size requirements, and estimated sales tax revenue contribution. Explain why Folsom should pursue and engage such businesses as well as any potential disadvantages or adverse impacts associated with those businesses.

5. Economic Development Assistance:

- Provide independent economic development assistance to support the City of Folsom.

- Serve as the primary point of contact for economic development issues in the City organization.
- Offer economic development liaison and support services for new businesses, business expansions, reuse possibilities, and development opportunities.
- Create customized marketing materials to highlight the benefits of starting, relocating, and growing businesses in Folsom.
- Facilitate the completion of key tasks outlined in the Three-Year Economic Development Action Plan.

Proposal Submission:

Interested consultants are requested to submit a comprehensive proposal addressing the following:

- Consultant's qualifications and experience in economic development and similar projects.
- Understanding of the City of Folsom's goals and objectives.
- Proposed methodology, work plan, and timeline for completing the tasks.
- Staffing and resources available for successful project implementation.
- Proposed budget, including itemized costs and hourly rates. Include a detailed itemization of the proposed project staffing and corresponding task hours.
- References from previous clients for similar projects.

Inquiries must be submitted by September 6, 2023. Responses to inquiries will be posted by 5 p.m. September 8, 2023 at www.folsom.ca.us/business/rfps-and-bids.

All proposals must be submitted to the City Clerk's Office no later than Friday, September 15, 2023, by 2 p.m. Proposals received after that date and time will be rejected by the City as non-responsive.

Identification of Proposals

The consultant shall submit the proposal and costs in hard copy.

- a. The package shall include five (5) hard copies of the proposal and any additional required items.
- a. The proposal package shall be addressed:

Economic Development Consultant RFP 2023

City of Folsom
Attention: City Clerk's Office
50 Natoma Street
Folsom, CA 95630

Acceptance of Proposals

- a. The City reserves the right to accept or reject any and all proposals, or any item or part thereof, or to waive any informalities or irregularities in proposals.
- b. The City reserves the right to withdraw this RFP at any time without prior notice, and the City makes no representations that any contract will be awarded to any Consultant responding to this RFP.
- c. The City reserves the right to postpone the proposal opening for its own convenience.

Pre-Contractual Expense

The City shall not be liable for any pre-contractual expenses incurred by any proposed or selected Consultant. Pre-contractual expenses include but are not limited to:

1. Preparing proposals in response to this RFP.
2. Submitting proposals to the City.
3. Negotiations with the City on any matter related to proposals.
4. Other expenses incurred by a proposer prior to the date of award of any agreement.

Proposers shall not include any such expenses as part of the price proposed in response to the RFP. The City shall be held harmless and free from any and all liability, claims, or expenses whatsoever incurred by, or on behalf of, any person or organization responding to this RFP.

Contract Award

This RFP does not commit the City to award a contract, to pay any costs incurred in the preparation of the contract in response to this request, or to procure or contract for services or supplies. The City expressly reserves the right to reject any and all proposals or to waive any irregularity or information in any proposal or in the RFP

procedure and to the sole judge of the responsibility of any proposer and of the suitability of the materials and/or services to be rendered. The City reserves the right to withdraw this RFP at any time without prior notice. Further, the City reserves the right to modify the RFP tentative schedule.

Timeline:

The anticipated timeline for this project is as follows:

- Proposal Submission Deadline: Friday, September 15, 2023, by 2 p.m. Proposals received after that date and time will be rejected by the City as non-responsive.
- Proposal Evaluation and Selection: Friday, September 29, 2023
- Project Commencement: November 13, 2023

Proposal Evaluation Criteria:

The proposals will be evaluated based on the following criteria:

- Consultant's qualifications and relevant experience. (25%)
- Understanding of the project's scope and goals. (25%)
- Methodology and approach proposed. (25%)
- Availability of resources, proposed timeline, and cost. (25%)

Contract Award:

The City of Folsom reserves the right to accept or reject any or all proposals and to waive any informalities or minor irregularities. The award of the contract will be made to the responsible offeror whose proposal is determined to be the most advantageous to the City, taking into consideration the price and the evaluation factors set forth above.

Contact Information:

Proposal inquiries regarding this RFP must be directed to:

Christine Brainerd
Communications Director
City Manager's Office
50 Natoma Street, Folsom, CA 95630
cbrainerd@folsom.ca.us

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