Agenda

City Council Regular and Joint City Council / Folsom Ranch Financing Authority Meeting

Folsom City Hall | City Council Chambers, First Floor

50 Natoma Street, Folsom, CA 95630
November 12, 2024, 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 generally 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

City Council Regular and Joint City Council / Folsom Ranch Financing Authority Meeting
Folsom City Hall | City Council Chambers, First Floor
50 Natoma Street, Folsom, CA 95630
www.folsom.ca.us

Tuesday, November 12, 2024 6:30 PM

Mike Kozlowski, Mayor

Sarah Aquino, Vice Mayor
Rosario Rodriguez, Councilmember
YK Chalamcherla, Councilmember
Anna Rohrbough, Councilmember

AGENDA

CALL TO ORDER

ROLL CALL:

Councilmembers: Chalamcherla, Rodriguez, Rohrbough, Aquino, Kozlowski

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

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 generally 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.

AGENDA UPDATE

CONVENE JOINT MEETING
Joint meeting of the City Council, Folsom Ranch Financing Authority

JOINT MEETING PUBLIC HEARING:

1. Folsom Ranch Financing Authority City of Folsom Community Facilities District No. 23 (Folsom Ranch) Improvement Area No. 4 Special Tax Revenue Bonds, Series 2024

   i. Resolution No. 11295- Resolution of the City Council of the City of Folsom Authorizing the Issuance of the City of Folsom Community Facilities District No. 23 (Folsom Ranch) Improvement Area No. 4 Special Tax Bonds, Series 2024, the Execution of an Indenture Providing therefor, Authorizing the Execution of a Local Obligation Purchase Contract, and Authorizing Necessary Actions and the Execution of Other Documents in Connection therewith

   ii. Resolution No. 013-Folsom Ranch FA –Folsom Ranch FA - Resolution of the Governing Board of the Folsom Ranch Financing Authority Authorizing the Issuance, Sale and Delivery of Not to Exceed $13,500,000 Aggregate Principal Amount of City of Folsom Community Facilities District No. 23 (Folsom Ranch) Improvement Area No. 4 Special Tax Revenue Bonds, Series 2024; Approving the Form and Substance of a Trust Agreement, Authorizing Modifications thereof and Execution and Delivery as Modified; Approving a Preliminary Official Statement, Authorizing Changes thereto and Execution and Delivery of an Official Statement to be Derived therefrom; Approving a Local Obligation Purchase Contract and a Bond Purchase Contract and Execution and Delivery of Each; and Authorizing Related Actions Necessary to Implement the Proposed Financing

ADJOURN JOINT MEETING

RECONVENE REGULAR CITY COUNCIL MEETING

SCHEDULED PRESENTATIONS:

2. Presentation of Annual Report from the Folsom Tourism Bureau Regarding the Folsom Tourism Business Improvement District

CONSENT CALENDAR:

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

3. Approval of October 8, 2024 City Council Special and Regular Meeting Minutes

4. Approval of October 22, 2024 City Council Special and Regular Meeting Minutes

5. 5-Year Strategic Plan Implementation Report

6. Resolution No. 11274 – A Resolution Authorizing the City Manager to Execute an Agreement with U-Rock Utility Equipment Inc. for the Purchase of a Truck Mounted Hydro Excavator and Appropriation of Funds

7. Resolution No. 11280 – A Resolution Authorizing the City Manager to Execute Agreements for the Purchase of One Ford Vehicle for the Wastewater Collections Division and One Ford Vehicle for the Water Meters Division and Appropriation of Funds

8. Resolution No. 11281 - A Resolution Authorizing the City Manager to Execute Amendment No. 3 to the Agreement (Contract No. 173-21 22-006) with Stantec Consulting Services, Inc. for the Folsom Reservoir Raw Water Delivery Reliability Project and Appropriation of Funds

9. Resolution No. 11282 - A Resolution Authorizing the City Manager to Execute Amendment No. 2 to the Agreement (Contract No. 173-21 20-037) with Black & Veatch Corporation for the Design of the Water Treatment Plant Caustic Soda System Project (WA2401)

10. Resolution No. 11283 - A Resolution Authorizing the City Manager to Execute Amendment No. 1 to the Agreement (Contract No. 173-21 23-034) with West Yost & Associates, Inc. for Construction Management and Inspection Services for the Ashland Water Rehabilitation Project No. 1 (WA2101) and Appropriation of Funds

11. Resolution No. 11284 - A Resolution Authorizing the City Manager to Execute Amendment No. 1 to the Agreement (Contract No. 173-21 24-040) with Dewberry, Inc. for Construction Management and Inspection Services and Appropriation of Funds from the Community Facilities District Fund for the Phase 2 Water Improvements Project (Phase 2A)

12. Resolution No. 11285 - A Resolution Repealing Resolution No. 11260 and Designating Conflict of Interest Filing Positions and Disclosure Categories

13. Resolution No. 11286 – A Resolution of the City Council Accepting Additional Hazard Mitigation Grant Program Funds and Authorize Appropriation of General Fund (Fund 010) Contingency Budget for the Completion of Ladder Fuel Removal in all Identified General Fund Fire Hazard Areas Associated with the FEMA Hazard Mitigation Grant Received on June 23, 2022

14. Resolution No. 11287 - A Resolution Authorizing the Appropriation of Funds from the Zoo Special Revenue Fund for the Folsom Zoo Sanctuary Improvements

15. Resolution No. 11288 – A Resolution Authorizing the City Manager to Replace Two Contracted Roles with In-House Maintenance Worker Positions in the Parks and Recreation Department

16. Resolution No. 11289- A Resolution Authorizing the City Manager to Execute an Agreement with Leed Mechanical for the HVAC Replacement Project at 405 Natoma Station Drive

17. Resolution No. 11290 - A Resolution Authorizing the City Manager to Execute an Agreement with THP Mechanical for the HVAC Replacement Project at the Folsom Senior and Art Center

18. Resolution No. 11291 - A Resolution Authorizing the City Manager to Execute Amendment No. 2 to the Contract with Kimley-Horn and Associates, Inc. for Mangini Ranch Trails Project (Project PK2201) Design and Engineering (Contract No. 173-21 17-054)

19. Resolution No. 11293 - A Resolution Authorizing the City Manager to Execute a Contract Change Order with Central Valley Engineering and Asphalt, Inc. for the Construction of Sidewalks on Old Ranch Way and Savannah Parkway at Neighborhood Park 2 in the Folsom Plan Area (Contract 174-21 24-056) and Appropriation of Funds

20. Resolution No. 11296 - A Resolution Authorizing the City Manager to Execute the Third Amendment to the Joint Powers Agreement between the City of Elk Grove, City of Folsom, City of Rancho Cordova, City of Sacramento, and the County of Sacramento for the Sacramento Central Groundwater Authority

NEW BUSINESS:

21. Resolution No. 11292- A Resolution Approving the River District Vision Plan and Determination that the Proposed Vision Plan is Statutorily Exempt from CEQA

22. Resolution No. 11294- A Resolution Approving the Central Business District Vision Plan and Determination that the Proposed Vision Plan is Statutorily Exempt from CEQA

CITY MANAGER REPORTS

COUNCIL COMMENTS

ADJOURNMENT

The regular City Council meeting on 11/26/2024 has been canceled due to the Thanksgiving holiday week.

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.

This meeting of the Folsom City Council is recorded with closed captioning. The recording will be cablecast on Metro Cable Channel 14, the local government affairs channel on the Comcast and DirecTV U-Verse cable systems and will be shown in its entirety on the Friday and Saturday following the meeting, both at 9 a.m. The recording will also be video streamed at metro14live.saccounty.gov.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.

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CITY OF
FOLSOM
DISTINCTIVE BY NATURE

Folsom City Council
Staff Report

MEETING DATE:	11/12/2024
AGENDA SECTION:	Joint Meeting Public Hearing
SUBJECT:	Folsom Ranch Financing Authority City of Folsom Community Facilities District No. 23 (Folsom Ranch) Improvement Area No. 4 Special Tax Revenue Bonds, Series 2024 Resolution No. 11295 - Resolution of the City Council of the City of Folsom Authorizing the Issuance of the City of Folsom Community Facilities District No. 23 (Folsom Ranch) Improvement Area No. 4 Special Tax Bonds, Series 2024, the Execution of an Indenture Providing therefor, Authorizing the Execution of a Local Obligation Purchase Contract, and Authorizing Necessary Actions and the Execution of Other Documents in Connection therewith Resolution No. 013-Folsom Ranch FA - Resolution of the Governing Board of the Folsom Ranch Financing Authority Authorizing the Issuance, Sale and Delivery of Not to Exceed $13,500,000 Aggregate Principal Amount of City of Folsom Community Facilities District No. 23 (Folsom Ranch) Improvement Area No. 4 Special Tax Revenue Bonds, Series 2024; Approving the Form and Substance of a Trust Agreement, Authorizing Modifications thereof and Execution and Delivery as Modified; Approving a Preliminary Official Statement, Authorizing Changes thereto and Execution and Delivery of an Official Statement to be Derived therefrom; Approving a Local Obligation Purchase Contract and a Bond Purchase Contract and Execution and Delivery of Each; and Authorizing Related Actions Necessary to Implement the Proposed Financing
FROM:	Finance Department

RECOMMENDATION / CITY COUNCIL ACTION

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

Resolution No. 11295 - Resolution of the City Council of the City of Folsom Authorizing the Issuance of the City of Folsom Community Facilities District No. 23 (Folsom Ranch) Improvement Area No. 4 Special Tax Bonds, Series 2024, the Execution of an Indenture Providing therefor, Authorizing the Execution of a Local Obligation Purchase Contract, and Authorizing Necessary Actions and the Execution of Other Documents in Connection therewith

It is recommended the Governing Board of the Authority adopt the following resolution:

Resolution No. 013-Folsom Ranch FA - Resolution of the Governing Board of the Folsom Ranch Financing Authority Authorizing the Issuance, Sale and Delivery of Not to Exceed $13,500,000 Aggregate Principal Amount of City of Folsom Community Facilities District No. 23 (Folsom Ranch) Improvement Area No. 4 Special Tax Revenue Bonds, Series 2024; Approving the Form and Substance of a Trust Agreement, Authorizing Modifications thereof and Execution and Delivery as Modified; Approving a Preliminary Official Statement, Authorizing Changes thereto and Execution and Delivery of an Official Statement to be Derived therefrom; Approving a Local Obligation Purchase Contract and a Bond Purchase Contract and Execution and Delivery of Each; and Authorizing Related Actions Necessary to Implement the Proposed Financing.

BACKGROUND / ISSUE

Community Facilities District No. 23 (Folsom Ranch) (CFD No. 23) is a community facilities district organized by the City Council under the Mello-Roos Act for the purpose of providing for the construction and acquisition of certain public improvements and the financing of certain services to serve property within CFD No. 23. The City established CFD No. 23 on May 26, 2020 and designated six separate improvement areas at that time, including Improvement Area No. 4. Improvement Area No. 4 consists of a gross area of approximately 150 acres and is located wholly within the City of Folsom, west of East Bidwell Street, north of Mangini Parkway and south of U.S. Highway 50.

Development within Improvement Area No. 4 is planned to include 648 single family homes. Property within Improvement Area No. 4 is in varying stages of development, including large lots, finished lots, home under construction, and completed homes. Folsom Real Estate South owns four large lot parcels expected to develop into 388 single family homes. Final maps have been approved and recorded for the other 260 single family lots that are owned by Taylor Morrison and the individual homeowners.

Proceeds from the bonds are expected to finance some, but not all, of the facilities eligible to be financed within Improvement Area No. 4, which includes backbone infrastructure, soft costs and subdivision infrastructure. Backbone facilities infrastructure improvements for

Improvement Area 4 are expected to include transportation improvements, water system improvements, recycled water system improvements, drainage system improvements, wastewater system improvements, and park, parkway and open space improvements. Subdivision infrastructure improvements for development of Improvement Area No. 4 includes, among other things, intract infrastructure such as underground utilities, subdivision roadways, and roadway improvements relating to East Bidwell Street, Savannah Parkway, and Mangini Parkway.

Notice of this public hearing was published in the Folsom Telegraph on November 1, 2024.

POLICY / RULE

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

Chapter 3.110, "Community Facilities Financing", of the Folsom Municipal Code

Mello-Roos Community Facilities Act of 1982

Marks-Roos Local Bond Pooling Act of 1985

ANALYSIS

The Folsom Ranch Financing Authority City of Folsom Community Facilities District No. 23 (Folsom Ranch) Improvement Area No. 4 Special Tax Revenue Bonds, Series 2024 (Series 2024 Revenue Bonds) are being issued by the Folsom Ranch Financing Authority (FRFA) in a not to exceed amount of $13,500,000 to finance the purchase of the limited obligation special tax bonds (Local Obligations), issued by CFD No. 23 (Folsom Ranch). The purchase price of the Local Obligations will be used to finance the acquisition and construction of certain public facilities, fund a debt service reserve account, and pay certain costs of issuance of the Local Obligations and Series 2024 Revenue Bonds.

A special tax will be levied and collected annually to service the Local Obligations. Every year, CFD No. 23 shall determine the annual special tax requirement relating to Improvement Area No. 4. The annual special tax requirement is that amount of special tax revenue required in any fiscal year for Improvement Area No. 4 to:

- Pay administrative expenses
- Pay annual debt service on all outstanding bonds for Improvement Area No. 4
- Pay other periodic costs on outstanding bonds, including credit enhancement or rebate payments, if applicable
- Pay any amounts required to replenish the reserve fund
- Pay for reasonably anticipated delinquent special taxes
- Fund Improvement Area No. 4 PAYGO costs
- Pay for authorized services

- Pay other associated costs as listed in the Rate and Method of Apportionment

The special tax shall be levied each fiscal year proportionately on each Sacramento County assessor's parcel of taxable property within Improvement Area No. 4 at a rate up to 100% of the applicable maximum special tax to satisfy the annual special tax requirement. The aggregate assessed and appraised value for taxable property within Improvement Area No. 4 is $150,116,034 and the value-to-lien ratio is 10.5:1, which is in compliance with the City's CFD policy. The total projected property tax level for developed residential property within Improvement Area No. 4 ranges from approximately 1.73% to 1.77% and shall not exceed 2.0% of the estimated sales price of the respective homes to be constructed in Improvement Area No. 4.

Upon the conclusion of the noticed public hearing, and by adopting the proposed City Council Resolution, the City Council is taking the following actions in connection with the Local Obligations:

1. Determining that there are significant public benefits to the City from the proposed financing and approving the Series 2024 Revenue Bonds
2. Authorizing the issuance of an aggregate principal amount of not to exceed $13,500,000 in Local Obligations
3. Approving the form and substance and the execution and delivery of the Indenture with U.S. Bank Trust Company, National Association
4. Approving the form and substance and the execution and delivery of the Continuing Disclosure Certificate
5. Approving the form and substance and delivery of the Preliminary Official Statement, and authorizing the preparation, delivery and execution of a final Official Statement
6. Approving the form and substance and execution and delivery of the Local Obligation Purchase Contract
7. Approving the form and substance and execution and delivery of the Trust Agreement
8. Authorizing the officers of the City to execute any and all documents and instruments, for and on behalf of the City and/or CFD No. 23, to carry out the issuance of the Local Obligations

By adopting the proposed FRFA Resolution, the Governing Board is taking the following actions in connection with the Series 2024 Revenue Bonds:

1. Authorizing the issuance of an aggregate principal amount of not to exceed $13,500,000 in Series 2024 Revenue Bonds
2. Approving the form and substance and execution and delivery of the Trust Agreement
3. Approving the form and substance and execution and delivery of the Local Obligation Purchase Contract
4. Approving the form and substance and execution and delivery of the Bond Purchase Contract
5. Approving the form and substance of the Preliminary Official Statement authorizing the Treasurer to determine when said Preliminary Official Statement is final, and

authorizing the distribution of both the Preliminary Official Statement and the Official Statement to be distributed by the Underwriter.

6. Authorizing the officers of the FRFA to execute and deliver any and all documents, and to do any and all things deemed necessary to comply with the terms and intent of this resolution.

Other documents included as exhibits to this staff report include:

- Preliminary Official Statement
- Trust Agreement
- Indenture
- Local Obligation Purchase Contract
- Bond Purchase Agreement
- Continuing Disclosure Certificate
- Good Faith Estimates

The City has engaged the following consultants to assist in the issuance of these Series 2024 Revenue Bonds:

Bond Counsel:	Orrick, Herrington & Sutcliffe LLP
Disclosure Counsel:	Orrick, Herrington & Sutcliffe LLP
Tax Consultant:	NBS
Financial Advisor:	Fieldman, Rolapp & Associates, Inc.
Trustee:	U.S. Bank Trust Company, National Association

FINANCIAL IMPACT

There is no discernable financial impact on the City of Folsom. The CFD No. 23 formation, bonded indebtedness, and expenses, including those for Improvement Area No. 4, are solely the responsibility of CFD No. 23. The City will receive reimbursement from the issuance of the Series 2024 Revenue Bonds for staff time and expenses and will receive an annual administrative fee throughout the term of CFD No. 23; these amounts are intended to offset expenses incurred by the City for administration and other items.

ENVIRONMENTAL REVIEW

On February 13, 2018, the City Council approved the Mangini Ranch Phase 2 Vesting Tentative Subdivision Map and determined that the Mangini Ranch Phase 2 Subdivision project is entirely consistent with the Folsom Plan Area Specific Plan (FPASP) and Westland Eagle Specific Plan Amendment and therefore exempt from review under the California Environmental Quality Act (CEQA) provided by Government Code section 65457 and CEQA Guidelines sections 15182. No additional environmental review is required.

ATTACHMENTS

1. Resolution No. 11295 - Resolution of the City Council of the City of Folsom Authorizing the Issuance of the City of Folsom Community Facilities District No. 23 (Folsom Ranch) Improvement Area No. 4 Special Tax Bonds, Series 2024, the Execution of an Indenture Providing therefor, Authorizing the Execution of a Local Obligation Purchase Contract, and Authorizing Necessary Actions and the Execution of Other Documents in Connection therewith

2. Resolution No. 013-Folsom Ranch FA - Resolution of the Governing Board of the Folsom Ranch Financing Authority Authorizing the Issuance, Sale and Delivery of Not to Exceed $13,500,000 Aggregate Principal Amount of City of Folsom Community Facilities District No. 23 (Folsom Ranch) Improvement Area No. 4 Special Tax Revenue Bonds, Series 2024; Approving the Form and Substance of a Trust Agreement, Authorizing Modifications thereof and Execution and Delivery as Modified; Approving a Preliminary Official Statement, Authorizing Changes thereto and Execution and Delivery of an Official Statement to be Derived therefrom; Approving a Local Obligation Purchase Contract and a Bond Purchase Contract and Execution and Delivery of Each; and Authorizing Related Actions Necessary to Implement the Proposed Financing.

3. Trust Agreement by and among the Folsom Ranch Financing Authority and the City of Folsom Community Facilities District No. 23 (Folsom Ranch) and U.S. Bank Trust Company, National Association, as Trustee

4. Indenture between the City of Folsom Community Facilities District No. 23 (Folsom Ranch) and U.S. Bank Trust Company, National Association, as Trustee

5. Preliminary Official Statement for the Folsom Ranch Financing Authority City of Folsom Community Facilities District No. 23 (Folsom Ranch) Improvement Area No. 4 Special Tax Revenue Bonds, Series 2024

6. Local Obligation Purchase Contract for the City of Folsom Community Facilities District No. 23 (Folsom Ranch) Improvement Area No. 4 Special Tax Bonds, Series 2024 between the Folsom Ranch Financing Authority and the City of Folsom Community Facilities District No. 23 (Folsom Ranch)

7. Bond Purchase Agreement for the Folsom Ranch Financing Authority City of Folsom Community Facilities District No. 23 (Folsom Ranch) Improvement Area No. 4 Special Tax Revenue Bonds, Series 2024 between the Folsom Ranch Financing Authority and Piper Sandler & Co.

8. Continuing Disclosure Certificate

9. Good Faith Estimates for the City of Folsom Community Facilities District No. 23 (Folsom Ranch) Improvement Area No. 4 Special Tax Bonds, Series 2024 and the Folsom Ranch

Financing Authority City of Folsom Community Facilities District No. 23 (Folsom Ranch)
Improvement Area No. 4 Special Tax Revenue Bonds, Series 2024

Submitted,

Stacey Tamagni
Finance Director
Treasurer of the Folsom Ranch Financing Authority

ATTACHMENT 1

RESOLUTION NO. 11295

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FOLSOM AUTHORIZING THE ISSUANCE OF THE CITY OF FOLSOM COMMUNITY FACILITIES DISTRICT NO. 23 (FOLSOM RANCH) IMPROVEMENT AREA NO. 4 SPECIAL TAX BONDS, SERIES 2024, THE EXECUTION OF AN INDENTURE PROVIDING THEREFOR, AUTHORIZING THE EXECUTION OF A LOCAL OBLIGATION PURCHASE CONTRACT, AND AUTHORIZING NECESSARY ACTIONS AND THE EXECUTION OF OTHER DOCUMENTS IN CONNECTION THEREWITH

WHEREAS, the City Council (the "City Council") of the City of Folsom (the "City") has formed the City of Folsom Community Facilities District No. 23 (Folsom Ranch) (the "Community Facilities District") and designated various improvement areas therein, including Improvement Area No. 4 (the "Improvement Area"), under the provisions of the Mello-Roos Community Facilities Act of 1982 (the "Act"); and

WHEREAS, the Community Facilities District is authorized under the Act to levy special taxes within the Improvement Area (the "Special Taxes") to pay the costs of certain public facilities (the "Facilities") and to issue bonds payable from the Special Taxes; and

WHEREAS, in order to provide funds to finance certain of the Facilities (the "Project"), the Community Facilities District proposes to issue not to exceed $13,500,000 principal amount of its City of Folsom Community Facilities District No. 23 (Folsom Ranch) Improvement Area No. 4 Special Tax Bonds, Series 2024 (the "Local Obligations"); and

WHEREAS, the Folsom Ranch Financing Authority (the "Authority") has agreed to purchase the Local Obligations pursuant to a Local Obligation Purchase Contract (the "Local Obligation Purchase Contract") between the Authority and the Community Facilities District with a portion of the proceeds of the Authority's City of Folsom Community Facilities District No. 23 (Folsom Ranch) Improvement Area No. 4 Special Tax Revenue Bonds, Series 2024 (the "Authority Bonds"); and

WHEREAS, the City Council has determined in accordance with Government Code Section 53360.4 that a negotiated sale of the Local Obligations to the Authority in accordance with the terms of the Local Obligation Purchase Contract will result in a lower overall cost to the Community Facilities District than a public sale; and

WHEREAS, there has been submitted to the City Clerk of the City (the "City Clerk") a form of Indenture, between the Community Facilities District and U.S. Bank Trust Company, National Association, as trustee (the "Indenture"), providing for the issuance of the Local Obligations and a form of Local Obligation Purchase Contract providing for the sale of the Local Obligations to the Authority; and

WHEREAS, there has been submitted to the City Clerk a form of Trust Agreement (the "Trust Agreement"), among the Authority, the Community Facilities District and U.S. Bank Trust Company, National Association, as trustee, providing for the issuance of the Authority Bonds; and

WHEREAS, the Authority has authorized the sale of the Authority Bonds to Piper Sandler & Co., as underwriter (the "Underwriter"), with the net proceeds of sale thereof to be utilized to purchase the Local Obligations from the Community Facilities District; and

WHEREAS, the Community Facilities District desires to assist the Underwriter in its compliance with Rule 15c2-12 promulgated under the Securities Exchange Act of 1934 ("Rule 15c2-12") pursuant to a Continuing Disclosure Certificate (the "Continuing Disclosure Certificate"); and

WHEREAS, the form of a Preliminary Official Statement (the "Preliminary Official Statement") to be used in connection with the offering and sale of the Authority Bonds has been prepared and is on file with the City Clerk; and

WHEREAS, there have been prepared and submitted to the City Council for consideration at this meeting the forms of:

(a) the Trust Agreement;

(b) the Indenture;

(c) the Local Obligation Purchase Contract;

(d) the Continuing Disclosure Certificate; and

(e) the Preliminary Official Statement; and

WHEREAS, the City Council has considered the evidence of the public benefits to the Community Facilities District of the proposed financing and is fully advised in the premises; and

WHEREAS, the Community Facilities District desires to proceed to issue and sell the Local Obligations and to authorize the execution of such documents and the performance of such acts as may be necessary or desirable to effect the offering, sale and issuance of the Local Obligations; and

WHEREAS, on this date, the City held a public hearing on the financing of the Project in accordance with Section 6586.5 of Articles 1, 2, 3 and 4 of Chapter 5 of Division 7 of Title 1 (commencing with Section 6500) of the Government Code of the State of California (the "Marks-Roos Act"); and

WHEREAS, in accordance with Section 6586.5 of the Marks-Roos Act, notice of such hearing was published once at least five days prior to the hearing in the *Folsom Telegraph*, a newspaper of general circulation in the City; and

WHEREAS, Government Code Section 5852.1 requires that the City Council obtain from an underwriter, financial adviser or private lender and disclose, prior to authorization of the issuance of bonds with a term of greater than 13 months, good faith estimates of the following information in a meeting open to the public: (a) the true interest cost of the bonds, (b) the sum of all fees and charges paid to third parties with respect to the bonds, (c) the amount of proceeds of

the bonds expected to be received net of the fees and charges paid to third parties and any reserves or capitalized interest paid or funded with proceeds of the bonds, and (d) the sum total of all debt service payments on the bonds calculated to the final maturity of the bonds plus the fees and charges paid to third parties not paid with the proceeds of the bonds; and

WHEREAS, in compliance with Government Code Section 5852.1, the City Council has obtained from Fieldman, Rolapp & Associates, Inc., the municipal adviser to the Community Facilities District, the required good faith estimates and such estimates have been disclosed at this meeting; and

WHEREAS, the City Council is the legislative body of the Community Facilities District;

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

Section 1. The foregoing recitals are true and correct, and the City Council so finds and determines.

Section 2. The City Council, on behalf of the City, hereby approves the issuance of the Authority Bonds to finance the Project and finds that the use of the Marks-Roos Act to assist the Community Facilities District in financing the Project will result in significant public benefits to the citizens of the City, including more efficient delivery of local agency services to residential and commercial development.

Section 3. Subject to the conditions described in Section 8, the issuance of the Local Obligations in an aggregate principal amount not to exceed $13,500,000, on the terms and conditions set forth in, and subject to the limitations specified in, the Indenture, is hereby authorized and approved. The Local Obligations shall be dated, shall bear interest at the rates, shall mature on the dates, shall be subject to redemption, shall be issued in the form, and shall be as otherwise provided in the Indenture.

Section 4. The form of the Indenture providing for the issuance of the Local Obligations, on file with the City Clerk, is hereby approved, and the City Manager of the City (the "City Manager") and the Finance Director of the City (the "Finance Director") and such other officers of the City as the City Manager or the Finance Director shall designate (each an "Authorized Officer" and collectively, the "Authorized Officers") are, and each of them is, hereby authorized and directed, for and in the name and on behalf of the Community Facilities District, to execute and deliver the Indenture in substantially said form, with such changes therein as may be approved by the City Attorney of the City (the "City Attorney"), such approval to be conclusively evidenced by the execution and delivery thereof.

Section 5. The form of the Continuing Disclosure Certificate, in substantially the form submitted to this meeting and made a part hereof as though set forth in full herein, is hereby approved. The Authorized Officers are, and each of them is, hereby authorized and directed, for and in the name of the Community Facilities District, to execute and deliver the Continuing Disclosure Certificate in the form presented to this meeting, with such changes, insertions and omissions as the Authorized Officer executing the same may require or approve, such requirement

or approval to be conclusively evidenced by the execution of the Continuing Disclosure Certificate by such Authorized Officer.

Section 6. The Preliminary Official Statement, in substantially the form presented to this meeting and made a part hereof as though set forth in full herein, with such changes therein as may be approved by an Authorized Officer, is hereby approved, and the use of the Preliminary Official Statement in connection with the offering and sale of the Authority Bonds is hereby authorized and approved. The Authorized Officers are, and each of them is, hereby authorized and directed, for and in the name of the Community Facilities District, to certify to the Underwriter that the Preliminary Official Statement has been "deemed final" for purposes of Rule 15c2-12.

Section 7. The preparation and delivery of a final Official Statement (the "Official Statement"), and its use in connection with the offering and sale of the Authority Bonds is hereby authorized and approved. The Official Statement shall be in substantially the form of the Preliminary Official Statement, with such changes, insertions and omissions as may be approved by an Authorized Officer, such approval to be conclusively evidenced by the execution and delivery thereof. The Authorized Officers are, and each of them is, hereby authorized and directed to execute the final Official Statement and any amendment or supplement thereto, for and in the name of the Community Facilities District.

Section 8. The form of the Local Obligation Purchase Contract providing for the sale of the Local Obligations to the Authority, on file with the City Clerk, is hereby approved, and the Authorized Officers are, and each of them is, hereby authorized and directed, for and in the name of the Community Facilities District, to execute and deliver the Local Obligation Purchase Contract in substantially said form, with such changes therein as may be approved by the City Attorney, such approval to be conclusively evidenced by the execution and delivery thereof; provided that the final maturity of the Local Obligations shall be no later than September 1, 2055, the principal amount of the Local Obligations shall not exceed thirteen million five hundred thousand dollars ($13,500,000) and the true interest cost (taking into consideration the associated underwriter's discount and any original issue premium or discount relating to the Authority Bonds) of the Local Obligations shall not exceed six percent (6.00%).

Section 9. The form of the Trust Agreement, in substantially the form submitted to this meeting and made a part hereof as though set forth in full herein is hereby approved. The Authorized Officers are, and each of them is, hereby authorized and directed, for and in the name of the Community Facilities District, to execute and deliver the Trust Agreement in the form presented to this meeting, with such changes, insertions and omissions as the Authorized Officer executing the same may require or approve, such requirement or approval to be conclusively evidenced by the execution of the Trust Agreement by such Authorized Officer.

Section 10. Pursuant to Section 53345.8 of the Act and the City's Local Goals and Policies, the City Council hereby finds and determines that the value of the real property that would be subject to the Special Taxes to pay debt service on the Local Obligations will be at least three (3) times the principal amount of the Local Obligations to be sold and the principal amount of all other bonds outstanding that are secured by a special tax levied pursuant to the Act on property within the Improvement Area or a special assessment levied on property within the Improvement Area. The City Council determines in its sole discretion that it is necessary and desirable to waive

certain of its Local Goals and Policies to the extent the issuance of the Local Obligations does not conform thereto.

Section 11. The officers of the City are hereby authorized and directed, jointly and severally, for and on behalf of the City and/or the Community Facilities District to do any and all things that they may deem necessary or advisable in order to consummate the transactions herein authorized and otherwise to carry out, give effect to and comply with the terms and intent of this resolution, including any subsequent amendments, waivers or consents entered into or given in accordance with any of the documents approved hereby. The City Manager, the Finance Director, the City Clerk and the officers of the City are hereby authorized and directed to execute and deliver, for and on behalf of the City and/or the Community Facilities District, any and all certificates and representations necessary and desirable to accomplish the transactions set forth above.

Section 12. The City Council hereby approves the execution and delivery of all agreements, documents, certificates and instruments referred to herein with electronic signatures as may be permitted under the California Uniform Electronic Transactions Act and digital signatures as may be permitted under Section 16.5 of the California Government Code using DocuSign.

Section 13. This resolution shall take effect immediately upon its adoption.

PASSED AND ADOPTED this 12th day of November, 2024, by the following roll call vote:

AYES: Councilmember(s):

NOES: Councilmember(s):

ABSENT: Councilmember(s):

ABSTAIN: Councilmember(s):

Michael D. Kozlowski, MAYOR

ATTEST:

Christa Freemantle, CITY CLERK

ATTACHMENT 2

RESOLUTION NO. 013-FOLSOM RANCH FA

RESOLUTION OF THE GOVERNING BOARD OF THE FOLSOM RANCH FINANCING AUTHORITY AUTHORIZING THE ISSUANCE, SALE AND DELIVERY OF NOT TO EXCEED $13,500,000 AGGREGATE PRINCIPAL AMOUNT OF CITY OF FOLSOM COMMUNITY FACILITIES DISTRICT NO. 23 (FOLSOM RANCH) IMPROVEMENT AREA NO. 4 SPECIAL TAX REVENUE BONDS, SERIES 2024; APPROVING THE FORM AND SUBSTANCE OF A TRUST AGREEMENT, AUTHORIZING MODIFICATIONS THEREOF AND EXECUTION AND DELIVERY AS MODIFIED; APPROVING A PRELIMINARY OFFICIAL STATEMENT, AUTHORIZING CHANGES THERETO AND EXECUTION AND DELIVERY OF AN OFFICIAL STATEMENT TO BE DERIVED THEREFROM; APPROVING A LOCAL OBLIGATION PURCHASE CONTRACT AND A BOND PURCHASE CONTRACT AND EXECUTION AND DELIVERY OF EACH; AND AUTHORIZING RELATED ACTIONS NECESSARY TO IMPLEMENT THE PROPOSED FINANCING

WHEREAS, the Folsom Ranch Financing Authority is a joint exercise of powers entity duly organized and existing under and by virtue of the laws of the State of California (the "Authority"); and

WHEREAS, the City Council (the "City Council") of the City of Folsom (the "City") has formed the City of Folsom Community Facilities District No. 23 (Folsom Ranch) (the "Community Facilities District") and designated various improvement areas therein, including Improvement Area No. 4, under the provisions of the Mello-Roos Community Facilities Act of 1982 (the "Act"); and

WHEREAS, the Community Facilities District has completed its legal proceedings under the Act with respect to authorizing the issuance and sale of the "City of Folsom Community Facilities District No. 23 (Folsom Ranch) Improvement Area No. 4 Special Tax Bonds, Series 2024" (the "Local Obligations") for the purpose of financing certain public facilities within the City south of Highway 50; and

WHEREAS, the Community Facilities District is empowered under the provisions of the Act to undertake legal proceedings for the levy of a special tax and for the issuance, sale and delivery of special tax bonds upon the security of the recorded special tax liens; and

WHEREAS, the Authority is empowered under the provisions of Article 4, Chapter 5, Division 7, Title 1 of the California Government Code (the "Law") to issue its bonds for the purpose of purchasing various local obligations issued by certain local agencies and applying the proceeds of the bonds to finance certain authorized public facilities; and

WHEREAS, the Authority desires to issue the "Folsom Ranch Financing Authority City of Folsom Community Facilities District No. 23 (Folsom Ranch) Improvement Area No. 4 Special Tax Revenue Bonds, Series 2024" (the "Bonds") pursuant to that certain Trust Agreement (the "Trust Agreement"), among the Authority, the Community Facilities District and U.S. Bank Trust Company, National Association, as trustee (the "Trustee"), in order to provide funds to purchase the Local Obligations; and

WHEREAS, the Authority has determined that the estimated amount necessary to finance the purchase of the Local Obligations will require the issuance of the Bonds in the aggregate principal amount not to exceed thirteen million five hundred thousand dollars ($13,500,000); and

WHEREAS, the Authority and the Community Facilities District have determined that all things necessary to make the Bonds, when authenticated by the Trustee, and issued as provided in the Trust Agreement, the valid, binding and legal obligations of the Authority according to the import thereof and hereof have been done and performed; and

WHEREAS, in furtherance of implementing the financing, there have been filed with the Authority Secretary for consideration and approval by this Board forms of the following:

(a) a Trust Agreement, under the terms of which the Bonds are to be issued and the Revenues (as said term is defined in the Trust Agreement and as said Revenues are received by the Authority as holder of the Local Obligations) are to be administered to pay the principal of and interest on the Bonds;

(b) a Local Obligation Purchase Contract, under the terms of which, among other things, the Community Facilities District agrees to sell and the Authority agrees to purchase the Local Obligations;

(c) a Bond Purchase Contract, under the terms of which, among other things, the Authority agrees to sell and the underwriter agrees to purchase the Bonds; and

(d) a Preliminary Official Statement, describing the Bonds and the Local Obligations; and

WHEREAS, Government Code Section 5852.1 requires that the Governing Board of the Authority obtain from an underwriter, financial adviser or private lender and disclose, prior to authorization of the issuance of bonds with a term of greater than 13 months, good faith estimates of the following information in a meeting open to the public: (a) the true interest cost of the bonds, (b) the sum of all fees and charges paid to third parties with respect to the bonds, (c) the amount of proceeds of the bonds expected to be received net of the fees and charges paid to third parties and any reserves or capitalized interest paid or funded with proceeds of the bonds, and (d) the sum total of all debt service payments on the bonds calculated to the final maturity of the bonds plus the fees and charges paid to third parties not paid with the proceeds of the bonds; and

WHEREAS, in compliance with Government Code Section 5852.1, the Governing Board of the Authority has obtained from Fieldman, Rolapp & Associates, Inc., municipal adviser to the Authority, the required good faith estimates and such estimates have been disclosed at this meeting; and

WHEREAS, being fully advised in the matter of the proposed financing program, this Board wishes to proceed with implementation of said financing program; and

WHEREAS, all acts, conditions and things required by the Constitution and laws of the State of California to exist, to have happened and to have been performed precedent to and in connection with the consummation of the financing authorized hereby do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the Authority is now duly authorized and empowered, pursuant to each and every requirement of law, to authorize the execution and delivery of certain documents in order to further implement the financing in the manner and upon the terms herein provided; and

WHEREAS, as required by the Law, the City has conducted a public hearing and has determined that the issuance of the Bonds by the Authority and the acquisition of the Local Obligations will result in significant public benefits, including more efficient delivery of local agency services to residential and commercial development.

NOW, THEREFORE, BE IT RESOLVED by the Governing Board of the Folsom Ranch Financing Authority as follows:

Section 1. The foregoing recitals are true and correct, and this Board so finds and determines.

Section 2. Pursuant to the Law, the Bonds shall be issued in the aggregate principal amount of not to exceed thirteen million five hundred thousand dollars ($13,500,000). No Bond shall mature later than September 1, 2055.

Section 3. The form and substance of the Trust Agreement are hereby approved. The Treasurer of the Authority or designee thereof is hereby authorized and directed, for and in the name and on behalf of the Authority, to execute and deliver the Trust Agreement in substantially said form, with such changes therein as such officer may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 4. The form and substance of the Local Obligation Purchase Contract is hereby approved. The Treasurer of the Authority or designee thereof is hereby authorized and directed, for and in the name and on behalf of the Authority, to execute and deliver the Local Obligation Purchase Contract in substantially said form, with such changes therein as such officer may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 5. The form and substance of the Bond Purchase Contract is hereby approved. The Treasurer of the Authority or designee thereof is hereby authorized and directed, for and in the name and on behalf of the Authority, to execute and deliver the Bond Purchase Contract in substantially said form, with such changes therein as such officer may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof; provided that the true interest cost of the Bonds shall not exceed six percent (6.00%) and the underwriter's discount (exclusive of original issue discount) shall not exceed one and one half percent (1.50%).

Section 6. (a) The form and substance of the Preliminary Official Statement is hereby approved. The Treasurer of the Authority or designee thereof is authorized to execute the final Official Statement to be derived therefrom.

(b) This Board hereby authorizes the Treasurer of the Authority or designee thereof to find and determine that said Preliminary Official Statement in preliminary form is, and as of its date shall be deemed "final" for purposes of Rule 15c2-12 of the Securities and Exchange Commission, and the Treasurer of the Authority or designee thereof is hereby authorized to execute a certificate to such effect in the customary form.

(c) The Treasurer of the Authority or designee is authorized to approve corrections and additions to the Preliminary Official Statement by supplement or amendment thereto, by appropriate insertions, or otherwise as appropriate, provided that such corrections or additions shall be regarded by such officer as necessary to cause the information contained therein to conform to facts material to the Bonds or the Local Obligations or to the proceedings of this Board or the City Council or that such corrections or additions are in form rather than in substance.

(d) The underwriter of the Bonds is authorized to distribute said Preliminary Official Statement and the final Official Statement to be derived therefrom in connection with the sale and delivery of the Bonds.

Section 7. The officers of the Authority are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all documents, including any agency agreement, which they may deem necessary or advisable in order to carry out, give effect to and comply with the terms and intent of this resolution, including any subsequent amendments, waivers or consents entered into or given in accordance with any of the documents approved hereby, and to obtain a policy of bond insurance, a rating and/or a reserve fund surety policy for any series of the Bonds. Such actions heretofore taken by such officers are hereby ratified, confirmed and approved.

Section 8. This Board hereby approves the execution and delivery of all agreements, documents, certificates and instruments referred to herein with electronic signatures as may be permitted under the California Uniform Electronic Transactions Act and digital signatures as may be permitted under Section 16.5 of the California Government Code using DocuSign.

Section 9. This resolution shall take effect immediately upon its passage.

PASSED AND ADOPTED this 12th day of November, 2024, by the following roll call vote:

AYES: Boardmember(s):

NOES: Boardmember(s):

ABSENT: Boardmember(s):

ABSTAIN: Boardmember(s):

Michael D. Kozlowski, CHAIR

ATTEST:

Christa Freemantle, SECRETARY

ATTACHMENT 3

OH&S DRAFT
10/30/24

TRUST AGREEMENT

by and among the

FOLSOM RANCH FINANCING AUTHORITY

and the

CITY OF FOLSOM
COMMUNITY FACILITIES DISTRICT NO. 23
(FOLSOM RANCH)

and

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION,
as Trustee

Relating to the

$[_____]
FOLSOM RANCH FINANCING AUTHORITY
CITY OF FOLSOM COMMUNITY FACILITIES DISTRICT
NO. 23 (FOLSOM RANCH) IMPROVEMENT AREA NO. 4
SPECIAL TAX REVENUE BONDS,
SERIES 2024

Dated as of December 1, 2024

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EXHIBIT A FORM OF AUTHORITY BONDS A-1

TRUST AGREEMENT

This Trust Agreement (the "Trust Agreement"), dated as of December 1, 2024, by and among the Folsom Ranch Financing Authority, a joint exercise of powers agency duly organized and existing under the laws of the State of California (the "Authority"), the City of Folsom Community Facilities District No. 23 (Folsom Ranch), organized and existing under and by virtue of the laws of the State of California (the "Community Facilities District") and U.S. Bank Trust Company, National Association, a national banking association duly organized and existing under the laws of the United States of America, as Trustee (the "Trustee");

WITNESSETH:

WHEREAS, the Authority is empowered under the provisions of the Marks-Roos Local Bond Pooling Act of 1985, being Article 4, Chapter 5, Division 7, Title 1 of the California Government Code (the "Law"), to issue its bonds for the purpose of purchasing various Local Obligations (as defined herein) issued by certain local agencies; and

WHEREAS, the Authority has determined to issue its Folsom Ranch Financing Authority City of Folsom Community Facilities District No. 23 (Folsom Ranch) Improvement Area No. 4 Special Tax Revenue Bonds, Series 2024 (the "Authority Bonds") to be secured by a pledge, lien and claim upon the Revenues (as that term is defined herein) in order to provide a portion of the funds necessary to purchase the Local Obligations (as that term is defined herein); and

WHEREAS, the Authority and the Community Facilities District have determined that all things necessary to make the Authority Bonds (as that term is defined herein), when issued by the Authority and authenticated by the Trustee and delivered as provided herein, valid, binding and legal obligations of the Authority according to the import thereof and hereof have been done and performed; and

NOW, THEREFORE, THIS TRUST AGREEMENT WITNESSETH, that in consideration of the premises, the acceptance by the Trustee of the trusts hereby created and other good and valuable consideration, the receipt of which is hereby acknowledged, and in order to secure the payment of the interest on and principal of and redemption premiums, if any, on all Authority Bonds Outstanding (as that term is defined herein) hereunder from time to time according to their tenor and effect, and the making of such other payments required to be made by the Authority and the satisfaction of all the agreements, conditions, covenants and terms expressed and implied herein and in the Authority Bonds, the Authority does hereby assign, bargain, convey, grant, mortgage and pledge a security interest unto the Trustee and unto its successors and assigns hereunder forever in all right, title and interest of the Authority in, to and under, subject to the provisions hereof permitting the application thereof for the purposes and on the terms and conditions set forth therein, each and all of the following (collectively, the "Trust Estate"):

(a) the proceeds of sale of the Authority Bonds;

(b) the Revenues (as that term is defined herein);

(c) the amounts in the Funds (as that term is defined herein) established and held hereunder, except amounts in the Rebate Fund; and

(d) the Local Obligations;

TO HAVE AND TO HOLD IN TRUST all of the same hereby assigned, bargained, conveyed, granted, mortgaged and pledged or agreed or intended so to be to the Trustee and to its successors and assigns forever for the equal and ratable benefit of the Owner issued by the Authority hereunder and authenticated by the Trustee and delivered hereunder and Outstanding hereunder, without any priority as to the Trust Estate of any one Authority Bond over any other (except as expressly provided in or permitted hereby), upon the trusts and subject to the agreements, conditions, covenants and terms hereinafter set forth;

AND THIS TRUST AGREEMENT FURTHER WITNESSETH, and it is expressly declared, that all Authority Bonds issued and secured hereunder are to be issued, authenticated and delivered and all of the rights and property hereby assigned, bargained, conveyed, granted, mortgaged and pledged are to be dealt with and disposed of under, upon and subject to the agreements, conditions, covenants, terms, trusts and uses as hereinafter expressed, and the Authority and the Community Facilities District have agreed and covenanted, and do hereby agree and covenant, with the Trustee and with the Owner, as follows:

ARTICLE I

DEFINITIONS

SECTION 1.01. Definitions. The terms set forth below shall have the following meanings set forth herein, unless the context clearly otherwise requires:

"Act" shall mean the Mello-Roos Community Facilities Act of 1982, as amended (being Sections 53311 *et seq.* of the Government Code of the State of California), and all laws amendatory thereof or supplemental thereto.

"Authority" shall mean the Folsom Ranch Financing Authority, a joint exercise of powers agency duly organized and existing under the laws of the State of California, and its successors and assigns.

"Authority Bond" or "Authority Bonds" shall mean the Folsom Ranch Financing Authority City of Folsom Community Facilities District No. 23 (Folsom Ranch) Improvement Area No. 4 Special Tax Revenue Bonds, Series 2024. "Serial Authority Bonds" shall mean the Authority Bonds for which no Minimum Sinking Fund Payments are provided. "Term Authority Bonds" shall mean the Authority Bonds which are payable on or before their specified maturity date from Minimum Sinking Fund Payments established for that purpose and calculated to retire such Authority Bonds on or before their specified maturity date.

"Authorized Denominations" shall mean five thousand dollars ($5,000) and any integral multiple thereof, but not exceeding the principal amount of the Authority Bonds maturing on any one date.

"Authorized Officer" shall mean, when used with reference to the Authority, the Chair, the Treasurer or any other person authorized by the Authority in a Written Order or resolution to perform an act or sign a document on behalf of the Authority for the purposes hereof, and when used with reference to the Community Facilities District and the City, acting for and on behalf of the Community Facilities District, the Mayor, the Finance Director or any other person authorized by the City or the Community Facilities District, as applicable, in a Written Order or resolution to perform an act or sign a document on behalf of the City or the Community Facilities District for the purposes hereof.

"Bond Counsel" shall mean an attorney-at-law, or a firm of such attorneys, of nationally recognized standing in matters pertaining to the tax-exempt nature of interest on obligations issued by states and their political subdivisions.

"Bond Register" shall mean the registration books specified as such in Section 2.05.

"Business Day" shall mean any day other than (i) a Saturday or a Sunday or (ii) a day on which commercial banks in New York, New York, or the city in which the Corporate Trust Office of the Trustee is located, are closed.

"Cash Flow Certificate" shall mean a written certificate executed by a Cash Flow Consultant.

"Cash Flow Consultant" shall mean a financial consultant or firm of such consultants generally recognized to be well qualified in the financial consulting field relating to municipal securities such as the Authority Bonds, appointed and paid by the Community Facilities District or the Authority and who, or each of whom:

(1) is in fact independent and not under the domination of the Community Facilities District, the Authority or the City;

(2) does not have any substantial interest, direct or indirect, with the Community Facilities District, the Authority or the City; and

(3) is not connected with the Community Facilities District, the Authority or the City as a member, officer or employee of the Community Facilities District, the Authority or the City, but who may be regularly retained to make annual or other reports to the Community Facilities District, the Authority or the City.

The Cash Flow Consultant shall not, as a result of its role as Cash Flow Consultant, be deemed to have a "financial advisory relationship" with the Authority within the meaning of California Government Code Section 53590(c).

"Chair" shall mean the Chair of the Authority.

"City" shall mean the City of Folsom, a charter city and municipal corporation duly organized and existing under its charter and the Constitution and laws of the State of California, and its successors.

"City Manager" shall mean the City Manager of the City.

"Code" shall mean the Internal Revenue Code of 1986, as amended, and the regulations issued thereunder.

"Community Facilities District" shall mean the City of Folsom Community Facilities District No. 23 (Folsom Ranch), established by the City pursuant to the Act.

"Corporate Trust Office" shall mean the designated corporate trust office of the Trustee at the location set forth in Section 13.03.

"Dated Date" shall mean the applicable date of the original execution and delivery of the Authority Bonds.

"DTC" shall mean The Depository Trust Company, in New York, New York; or, in accordance with then current guidelines of the Securities and Exchange Commission, such other securities depository as the Authority may designate in an Officer's Certificate delivered to the Trustee.

"Event of Default" shall mean an event of default specified as such in Section 8.01.

"Finance Director" shall mean the Finance Director of the City.

"Fund" or "Funds" shall mean any or all, as the case may be, of the Revenue Fund, the Interest Fund, the Principal Fund, the Redemption Fund, the Proceeds Fund, the Local Obligations Fund and the Rebate Fund, including all accounts therein.

"Government Obligations" shall mean any Investment Securities described in clause (i) or clause (ii) of the definition thereof but excluding any securities that are callable or prepayable prior to the redemption or maturity date of the Authority Bonds to be paid therefrom, and excluding any securities that do not have a fixed par value or the terms of which do not promise a fixed dollar amount at maturity or earlier call date.

"Improvement Area" means Improvement Area No. 4 of the Community Facilities District.

"Indenture Trustee" means U.S. Bank Trust Company, National Association, as trustee under the Local Obligations Indenture.

"Interest Fund" shall mean the fund by that name established pursuant to Section 5.01.

"Interest Payment Date" shall mean March 1 and September 1 in each year, commencing on [March 1, 2025].

"Investment Securities" shall mean and include any of the following securities, to the extent permitted by the laws of the State and the City's Investment Policy, for and on behalf of the Community Facilities District as it may be amended from time to time:

(i) Cash (insured at all times by the Federal Deposit Insurance Corporation or fully collateralized by Investment Securities described in clause (ii) hereof);

(ii) Obligations of, or obligations guaranteed as to principal and interest by, the United States of America or any agency or instrumentality thereof, when such obligations are backed by the full faith and credit of the United States of America including:

(A) All direct or fully guaranteed U.S. Treasury obligations;

(B) Farmers Home Administration;

(C) General Services Administration;

(D) Guaranteed Title XI financing;

(E) Government National Mortgage Association (GNMA); and

(F) U.S. Treasury - State and Local Government Series;

(iii) Obligations of any of the following federal agencies which obligations represent the full faith and credit of the United States of America, including:

(A) Export-Import Bank;

(B) Rural Economic Community Development Administration;

(C) U.S. Maritime Administration;

(D) Small Business Administration;

(E) U.S. Department of Housing & Urban Development (PHAs);

(F) Federal Housing Administration; and

(G) Federal Financing Bank;

(iv) Direct obligations of any of the following federal agencies which obligations are not fully guaranteed by the full faith and credit of the United States of America:

(A) Senior debt obligations issued by the Federal National Mortgage Association (FNMA) or Federal Home Loan Mortgage Corporation (FHLMC);

(B) Obligations of the Resolution Funding Corporation (REFCORP);

(C) Senior debt obligations of the Federal Home Loan Bank System; and

(D) Senior debt obligations of other Government Sponsored Agencies;

(v) U.S. Dollar-denominated deposit accounts, federal funds and bankers' acceptances with domestic commercial banks which have a rating on their short term certificates of deposit on the date of purchase of "P-1" by Moody's and "A-1" or "A-1+" by S&P and maturing not more than 360 calendar days after the date of purchase (provided that ratings on holding companies shall not be considered the rating of the bank) or fully collateralized by Investment Securities described in clause (ii) hereof for amounts in excess of deposit insurance;

(vi) Commercial paper which is rated at the time of purchase in the single highest classification, "P-1" by Moody's and "A-1+" by S&P and which matures not more than 270 calendar days after the date of purchase;

(vii) Investments in a money market fund rated "AAAm" or "AAAm-G" or better by S&P, including funds for which the Trustee or an affiliate provides investment management or other services but excluding funds with a floating net asset value;

(viii) "Pre-refunded Municipal Obligations," defined as follows: any bonds or other obligations of any state of the United States of America or of any agency, instrumentality or local governmental unit of any such state which are not callable at the option of the obligor prior to maturity or as to which irrevocable instructions have been given by the obligor to call on the date specified in the notice and (A) which are rated, based on an irrevocable escrow account or fund (the "escrow"), in the highest rating category of Moody's or S&P or any successors thereto; or (B) (1) which are fully secured as to principal and interest and redemption premium, if any, by an escrow consisting only of cash or obligations described in clause (ii) of this definition, which escrow may be applied only to the payment of such principal of and interest and redemption premium, if any, on such bonds or other obligations on the maturity date or dates thereof or the specified redemption date or dates pursuant to such irrevocable instructions, as appropriate, and (2) which escrow is sufficient, as verified by a nationally recognized independent certified public accountant, to pay principal of and interest and redemption premium, if any, on the bonds or other obligations described in this paragraph on the maturity date or dates specified in the irrevocable instructions referred to above, as appropriate;

(ix) Any bonds or other obligations of any agency, instrumentality or local governmental unit of any state of the United States of America which are rated "Aaa/AAA" or general obligations of any such state with ratings of "A2" or higher by Moody's and "A" or higher by S&P.

(x) The Local Agency Investment Fund (established under Sections 53600-53609 of the California Government Code, as amended or supplemented from time to time).

"Law" shall mean the Marks-Roos Local Bond Pooling Act of 1985, being Article 4 of Chapter 5 of Division 7 of Title 1 of the California Government Code, and all laws amendatory thereof or supplemental thereto.

"Letter of Representation" shall mean the letter of the Authority delivered to and accepted by the Depository on or prior to the issuance of the Authority Bonds setting forth the basis on which the Depository serves as depository for such Authority Bonds as originally executed or as it may be supplemented or revised or replaced by a letter to a substitute depository.

"Local Obligations Fund" shall mean the fund by that name established pursuant to Section 5.01.

"Local Obligations Indenture" shall mean the indenture authorizing and securing the Local Obligations and pursuant to which the Local Obligations were issued.

"Local Obligation Purchase Contract" shall mean the purchase contract entered into between the Authority and the Community Facilities District providing for the purchase of the Local Obligations by the Authority with the proceeds of the Authority Bonds.

"Local Obligations" shall mean the Community Facilities District No. 23 (Folsom Ranch) Improvement Area No. 4 Special Tax Bonds, Series 2024 to be issued by the Community Facilities District pursuant to the Act and to be purchased by the Authority pursuant to the Law.

"Mayor" shall mean the Mayor of the City.

"Minimum Sinking Fund Payments" shall mean the payments required by Section 2.01 to be deposited in the Sinking Fund Account.

"Moody's" shall mean Moody's Investors Service Inc., a corporation duly organized and existing under and by virtue of the laws of the State of Delaware, and its successors or assigns, except that if such entity shall be dissolved or liquidated or shall no longer perform the functions of a municipal securities rating agency, then the term "Moody's" shall be deemed to refer to any other nationally recognized municipal securities rating agency selected by the Authority (which shall be under no liability by reason of such selection).

"Officer's Certificate" shall mean a certificate signed by an Authorized Officer.

"Opinion of Bond Counsel" shall mean a legal opinion signed by a Bond Counsel selected by the Authority.

"Outstanding" shall mean, with respect to the Authority Bonds and as of any date, all Authority Bonds authorized, issued, authenticated and delivered hereunder, except:

(a) Authority Bonds canceled or surrendered to the Trustee for cancellation pursuant to Section 2.08;

(b) Authority Bonds deemed to have been paid pursuant to Section 12.02;

(c) Authority Bonds in lieu of or in substitution for which other Authority Bonds shall have been authenticated and delivered pursuant to Section 2.03; and

(d) Authority Bonds paid pursuant to Section 2.03.

"Owner" shall mean, as of any date, the Person or Persons in whose name or names a particular Bond shall be registered on the Bond Register as of such date.

"Person" shall mean an individual, a corporation, a partnership, an association, a joint stock company, a trust, any unincorporated organization or a government or political subdivision thereof.

"Principal Fund" shall mean the fund by that name established pursuant to Section 5.01.

"Principal Installment," when used with respect to any Principal Payment Date, shall mean the principal amount of Outstanding Authority Bonds due on such date.

"Principal Payment Date," when used with reference to an Authority Bond, shall mean the maturity date or the Minimum Sinking Fund Payment date for such Authority Bond.

"Proceeds Fund" shall mean the fund by that name established pursuant to Section 5.01.

"Rebate Fund" shall mean the fund by that name established pursuant to Section 5.01.

"Rebate Instructions" shall mean the calculations and directions required to be delivered to the Trustee by the Authority pursuant to the Tax Certificate.

"Rebate Requirement" shall mean the Rebate Requirement defined in the Tax Certificate.

"Record Date" shall mean the fifteenth (15th) day of the month preceding any Interest Payment Date, whether or not such day is a Business Day.

"Redemption Fund" shall mean the fund by that name established pursuant to Section 5.01.

"Responsible Officer of the Trustee" means any officer within the global corporate trust department (or any successor group or department of the Trustee) including any vice president, assistant vice president, assistant secretary or any other officer or assistant officer of the Trustee customarily performing functions similar to those performed by the persons who at the time shall be such officers, respectively, with responsibility for the administration of this Trust Agreement.

"Revenue Fund" shall mean the fund by that name established pursuant to Section 5.01.

"Revenues" shall mean all amounts received by the Trustee as the payment of interest on, or the equivalent thereof, and the payment or return of principal of, or redemption premiums, if any, on, or the equivalent thereof, all Local Obligations, whether as a result of scheduled payments, or redemption premiums, Special Tax Prepayments or remedial proceedings taken in the event of a default thereon, and all investment earnings on any money held in the Funds held hereunder (except the Rebate Fund).

"S&P" shall mean S&P Global Ratings, a business of Standard & Poor's Financial Services LLC, and its successors or assigns, except that if such entity shall be dissolved or liquidated or shall no longer perform the functions of a municipal securities rating agency, then the term "S&P" shall be deemed to refer to any other nationally recognized municipal securities rating agency selected by the Authority (which shall be under no liability by reason of such selection).

"Secretary" shall mean the Secretary of the Authority.

"Sinking Fund Account" shall mean the account within the Principal Fund by that name established pursuant to Section 2.01.

"Special Tax" shall mean the special tax authorized to be levied and collected annually on all Taxable Property in the Improvement Area under and pursuant to the Act at the special election held in the Community Facilities District, including both the Facilities Special Tax and the Services Special Tax (each as defined in the Local Obligations Indenture).

"Special Tax Prepayments" shall mean all payments to the Community Facilities District by or on behalf of the owner of a parcel within the Improvement Area subject to a Special Tax to accomplish a pay-off of the Special Tax obligation pertaining to such parcel and the discharge of the Special Tax lien with respect to such parcel (except the portion thereof, if any, which represents accrued interest on the Local Obligations).

"Special Tax Revenues" shall mean all money collected and received by the Community Facilities District on account of unpaid Special Tax obligations within the Improvement Area, including all amounts collected in the normal course by the Community Facilities District, all Special Tax Prepayments and all amounts received by the Community Facilities District as a result of superior court foreclosure proceedings brought to enforce payment of delinquent Special Taxes within the Improvement Area, but excluding therefrom any amounts explicitly included therein on account of collection charges, administrative cost charges, or attorneys' fees and costs paid as a result of foreclosure actions.

"Special Record Date" shall mean the date established by the Trustee pursuant to Section 2.01 as a record date for the payment of defaulted interest on the Authority Bonds.

"State" shall mean the State of California.

"Supplemental Trust Agreement" shall mean any trust agreement supplemental to or amendatory of this Trust Agreement which is duly executed and delivered in accordance with the provisions of Article XI.

"Term Authority Bonds" shall mean the Authority Bonds which are payable on or before their specified maturity date from Minimum Sinking Fund Payments established for that purpose and calculated to retire such Authority Bonds on or before their specified maturity date.

"Tax Certificate" shall mean each certificate for the Authority Bonds relating to various federal tax requirements, including the requirements of Section 148 of the Code, signed

by the Authority and the Community Facilities District on the Dated Date, as the same may be amended or supplemented in accordance with its terms.

"Treasurer" shall mean the Treasurer of the Authority.

"Taxable Property" shall mean all property within the Improvement Area taxable under the Act in accordance with the proceedings for the authorization of the issuance of the Local Obligations and the levy and collection of the Special Tax.

"Trust Agreement" shall mean this Trust Agreement dated as of December 1, 2024, by and among the Authority, the Community Facilities District and the Trustee pursuant to which the Authority Bonds are to be issued, as amended or supplemented from time to time in accordance with its terms.

"Trust Estate" shall have the meaning ascribed thereto in the granting clause hereof.

"Trustee" shall mean U.S. Bank Trust Company, National Association, a national banking association duly organized and existing under the laws of the United States of America, in its capacity as Trustee hereunder, and any successor as Trustee hereunder.

"Written Order" shall mean, when used with reference to the Authority, a written order or written direction of the Authority to the Trustee signed by an Authorized Officer, and when used with reference to the Community Facilities District, an instrument in writing signed by the City Manager or the Finance Director, or by any other officer of the City duly authorized by the City Council, as legislative body of the Community Facilities District, for that purpose.

SECTION 1.02. Rules of Construction. Except where the context otherwise requires, all words imparting the singular number shall include the plural number and vice versa, and all pronouns inferring the masculine gender shall include the feminine gender and vice versa. The headings or titles of the several articles and sections hereof and the table of contents appended hereto shall be solely for convenience of reference and shall not affect the meaning, construction or effect hereof. All references herein to "Articles," "Sections" and other subdivisions or clauses are to the corresponding articles, sections, subdivisions or clauses hereof; and the words "hereby," "herein," "hereof," "hereto," "herewith," "hereunder" and other words of similar import refer to this Trust Agreement as a whole and not to any particular article, section, subdivision or clause thereof.

ARTICLE II

TERMS OF AUTHORITY BONDS

SECTION 2.01. The Authority Bonds. The Authority Bonds shall be issued under and secured by this Trust Agreement and shall be in the form of fully registered bonds in denominations of five thousand dollars ($5,000) or any integral multiple of five thousand dollars ($5,000) in excess thereof designated the "Folsom Ranch Financing Authority City of Folsom Community Facilities District No. 23 (Folsom Ranch) Improvement Area No. 4 Special Tax Revenue Bonds, Series 2024" and shall be in the aggregate principal amount of [_____] dollars ($[_____]). The Authority Bonds shall be dated the Dated Date and shall bear interest

at the rates specified in the table below, such interest being payable semiannually on each Interest Payment Date, and shall mature on the Principal Payment Dates in the following years in the following principal amounts, namely:

Principal Payment Date (September 1)	Principal Amount	Interest Rate
	$	%

*

* Term Bonds

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

Minimum Sinking Fund Payments are hereby established for the mandatory redemption and payment of the Term Authority Bonds, which payments shall become due during the years ending on the dates and in the amounts set forth in the following schedules (except that if any Term Authority Bonds have been redeemed pursuant to Section 4.02 or 4.03, the amounts of such Minimum Sinking Fund Payments shall be reduced proportionately by the principal amount of all such Term Authority Bonds so redeemed), namely:

Term Authority Bond Maturing September 1, 20[__]

Year Ending September 1	Minimum Sinking Fund Account Payment
	$
*	

* Maturity.

Term Authority Bond Maturing September 1, 20[__]

Year Ending September 1	Minimum Sinking Fund Account Payment
	$
*	

* Maturity.

All such Minimum Sinking Fund Payments for the Term Authority Bonds shall be deposited in a separate account in the Principal Fund, which account is hereby established and shall be known as the Sinking Fund Account and which account the Authority hereby agrees and covenants to cause to be maintained by the Trustee so long as any Term Authority Bonds are Outstanding. All money in the Sinking Fund Account on September 1 of each year during the period beginning on September 1, 20[__], and ending on September 1, 20[__], both years inclusive, shall be used and withdrawn by the Authority on each such September 1 for the mandatory redemption or payment of the Term Authority Bonds maturing on September 1, 20[__]; and all money in the Sinking Fund Account on September 1 of each year during the period beginning on September 1, 20[__], and ending on September 1, 20[__], both years inclusive, shall be used and withdrawn by the Authority on each such September 1 for the mandatory redemption or payment of the Term Authority Bonds maturing on September 1, 20[__], and the Authority hereby agrees and covenants with the Owners of the respective Term Authority Bonds to call and redeem in accordance with Section 4.04 or pay the Term Authority Bonds from Minimum Sinking Fund

Payments deposited in the Sinking Fund Account pursuant to this paragraph whenever on September 1 of any year there is money in the Sinking Fund Account available for such purpose.

The interest on and principal of and redemption premiums, if any, on the Authority Bonds shall be payable in lawful money of the United States of America. The Authority Bonds shall be issued as fully registered bonds and shall be numbered from one (1) upward. The Authority Bonds shall bear interest from the Dated Date. Payment of the interest on any Authority Bond shall be made to the Person whose name appears on the Bond Register as the Owner thereof as of the close of business on the Record Date, such interest to be paid by check mailed by first class mail on each Interest Payment Date to the Owner at the address which appears on the Bond Register as of the Record Date for that purpose; except that in the case of an Owner of one million dollars ($1,000,000) or more in aggregate principal amount of Authority Bonds, upon written request of such Owner to the Trustee received not later than such Record Date, such interest shall be paid on such Interest Payment Date in immediately available funds by wire transfer to an account in a bank or trust company or savings bank that is a member of the Federal Reserve System and that is located in the continental United States of America. The principal of and redemption premiums, if any, on the Authority Bonds shall be payable by the Trustee at its Corporate Trust Office upon presentation and surrender of such Authority Bonds. Interest shall be calculated on the basis of a 360-day year consisting of twelve (12) 30-day calendar months; provided, that notwithstanding any other provision herein contained, any interest not punctually paid or duly provided for, as a result of an Event of Default or otherwise, shall forthwith cease to be payable to the Owner on the Record Date and shall be paid to the Owner in whose name the Authority Bond is registered at the close of business on a Special Record Date for the payment of such defaulted interest to be fixed by the Trustee, notice of which shall be given to the Owner not less than ten (10) Business Days prior to such Special Record Date.

SECTION 2.02. Form of Authority Bonds. The Authority Bonds and the forms of the certificate of authentication, the assignment and the DTC endorsement to appear thereon shall be substantially as set forth in Exhibit A hereto, with such variations, insertions or omissions as are appropriate and not inconsistent herewith.

SECTION 2.03. Authority Bonds Mutilated, Destroyed, Stolen or Lost. In the event any Authority Bond is mutilated, lost, stolen or destroyed, the Authority may execute and, upon its request in writing, the Trustee shall authenticate and deliver a substitute Authority Bond of the same principal amount and maturity as the mutilated, lost, stolen or destroyed Authority Bond in exchange and substitution for such mutilated Authority Bond, or in lieu of and substitution for such lost, stolen or destroyed Authority Bond.

Application for exchange and substitution of mutilated, lost, stolen or destroyed Authority Bonds shall be made to the Trustee at its Corporate Trust Office. In every case the applicant for a substitute Authority Bond shall furnish to the Trustee indemnification to its satisfaction, and in every case of loss, theft or destruction of an Authority Bond, the applicant shall also furnish to the Authority and the Trustee evidence to their satisfaction of such loss, theft or destruction and of the identity of the applicant, and in every case of mutilation of an Authority Bond, the applicant shall surrender the mutilated Authority Bond to the Trustee.

Notwithstanding the foregoing provisions of this Section, in the event any such Authority Bond shall have matured, and no default has occurred which is then continuing in the payment of the interest on or principal of or redemption premiums, if any, on the Authority Bonds, the Trustee shall, upon written direction from the Authority, pay the same (without surrender thereof except in the case of a mutilated Authority Bond) instead of issuing a substitute Authority Bond so long as indemnification is furnished as above provided.

Upon the issuance of any substitute Authority Bond, the Trustee may charge the Owner of such Authority Bond for its reasonable fees and expenses in connection therewith. Every substitute Authority Bond issued pursuant to the provisions of this Section by virtue of the fact that any Authority Bond is lost, stolen or destroyed shall constitute an original additional contractual obligation of the Authority, whether or not the lost, stolen or destroyed Authority Bond shall be found at any time, or be enforceable by anyone, and shall be entitled to all the benefits hereof equally and proportionally with any and all other Authority Bonds duly issued hereunder to the same extent as the Authority Bonds in substitution for which such substitute Authority Bonds were issued.

SECTION 2.04. Execution of Authority Bonds. All Authority Bonds shall, from time to time, be executed on behalf of the Authority by the manual or facsimile signature of the Treasurer and attested by the manual or facsimile signature of the Secretary.

If any of the officers who shall have signed any Authority Bond shall cease to be such officer of the Authority before the Authority Bond so signed shall have been actually authenticated by the Trustee or delivered, such Authority Bond nevertheless may be authenticated, issued and delivered with the same force and effect as though the person or persons who signed such Authority Bond had not ceased to be such officer of the Authority, and any such Authority Bond may be signed on behalf of the Authority by those persons who, at the actual date of the execution of such Authority Bond, shall be the proper officers of the Authority, although on the date of such Authority Bond any such person shall not have been such officer of the Authority.

SECTION 2.05. Transfer and Registration of Authority Bonds. The Authority Bonds shall be transferred or exchanged and title thereto shall pass only in the manner provided herein, and the Trustee shall keep books constituting the Bond Register for the registration and transfer of the Authority Bonds as provided herein. All Authority Bonds presented for transfer or exchange shall be accompanied by a written instrument or instruments of transfer or authorization for exchange, in form and with guaranty of signature satisfactory to the Trustee, duly executed by the Owner or by his or her attorney duly authorized in writing, and all such Authority Bonds shall be surrendered to the Trustee and canceled by the Trustee pursuant to Section 2.08. The Authority and the Trustee shall be entitled to conclusively treat the Owner as the absolute owner of such Authority Bond for the purpose of receiving any payment of the interest on or principal of or redemption premium, if any, on such Authority Bond and for all other purposes hereof, whether such Authority Bond shall be overdue or not, and neither the Authority nor the Trustee shall be affected by any notice to the contrary. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Authority Bond to the extent of the sum or sums so paid.

SECTION 2.06. Regulations with Respect to Exchange or Transfer of Authority Bonds.

In all cases in which the privilege of exchanging or registering the transfer of Authority Bonds is exercised, the Authority shall execute and the Trustee shall authenticate and deliver Authority Bonds in accordance with the provisions hereof. There shall be no charge to the Owner for any such exchange or registration of transfer of Authority Bonds, but the Authority may require the payment of a sum sufficient to pay any tax or other governmental charge required to be paid with respect to any such exchange or registration of transfer. Neither the Authority nor the Trustee shall be required to register the transfer or exchange of any Authority Bond during the period established by the Trustee for selection of Authority Bonds for redemption or to register the transfer or exchange of any Authority Bond selected for redemption.

Upon surrender for exchange or transfer of any Authority Bond at the Corporate Trust Office of the Trustee, the Authority shall execute and the Trustee shall authenticate and deliver in the name of the Owner (in the case of transfers) a new Authority Bond or Authority Bonds, of Authorized Denominations, in the aggregate principal amount which the registered Owner is entitled to receive.

All new Authority Bonds delivered upon any transfer or exchange shall be valid obligations of the Authority, evidencing the same debt as the Authority Bonds surrendered, shall be secured hereby and shall be entitled to all of the security and benefits hereof to the same extent as the Authority Bonds surrendered.

SECTION 2.07. Authentication of Authority Bonds. No Authority Bond shall be secured hereby or entitled to the benefits hereof or shall be valid or obligatory for any purpose unless there shall be endorsed on such Authority Bond the Trustee's certificate of authentication, substantially in the form prescribed herein, executed by the manual signature of a duly authorized signatory of the Trustee; and such certificate on any Authority Bond issued by the Authority hereunder shall be conclusive evidence and the only competent evidence that such Authority Bond has been duly authenticated and delivered hereunder.

SECTION 2.08. Cancellation of Authority Bonds. Upon the surrender to the Trustee of any mutilated Authority Bond, or any Authority Bond surrendered for transfer or exchange, or any Authority Bond redeemed or paid at maturity, the same shall forthwith be canceled and the Trustee shall destroy such Authority Bonds and the Trustee shall deliver a certificate of destruction with respect thereto to the Authority.

SECTION 2.09. Authority Bonds as Special Obligations. The Authority Bonds are special, limited obligations of the Authority, payable from the Trust Estate and secured as to the payment of the interest on and principal of and redemption premiums, if any, thereon in accordance with their terms and the terms hereof, solely by the Trust Estate. The Authority Bonds do not constitute a charge against the general credit of the Authority or any of its members, and under no circumstances shall the Authority be obligated to pay the interest on or principal of or redemption premiums, if any, on the Authority Bonds except from the Trust Estate. None of the Community Facilities District, the City, the State, any public agency (other than the Authority) or any member of the Community Facilities District or the Authority is obligated to pay the interest on or principal

of or redemption premiums, if any, on the Authority Bonds, and neither the faith and credit nor the taxing power of the Community Facilities District, the City, the State or any public agency thereof or any member of the Authority or the Community Facilities District is pledged to the payment of the interest on or principal of or redemption premiums, if any, on the Authority Bonds. The payment of the interest on or principal of or redemption premiums, if any, on the Authority Bonds does not constitute a debt, liability or obligation of the Community Facilities District, the City, the State or any public agency (other than the Authority) or any member of the Authority.

No agreement or covenant contained in any Authority Bond or herein shall be deemed to be an agreement or covenant of any officer, member, agent or employee of the Authority in his or her individual capacity, and neither the members of the Authority nor any officer or employee thereof executing the Authority Bonds shall be liable personally on any Authority Bond or be subject to any personal liability or accountability by reason of the issuance of the Authority Bonds.

SECTION 2.10. Special Covenants as to Book-Entry Only System for Authority Bonds.

(a) Except as otherwise provided in subsections (b) and (c) of this Section, all of the Authority Bonds initially issued shall be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"), or such other nominee as DTC shall request pursuant to the Letter of Representation. Payment of the interest on any Authority Bond registered in the name of Cede & Co. shall be made on each Interest Payment Date for such Authority Bonds to the account, in the manner and at the address indicated in or pursuant to the Letter of Representation.

(b) The Authority Bonds initially shall be issued in the form of a single authenticated fully registered Authority Bond for each stated maturity of such Authority Bonds, representing the aggregate principal amount of the Authority Bonds of such maturity. Upon initial issuance, the ownership of all such Authority Bonds shall be registered in the registration records maintained by the Trustee pursuant to Section 2.05 in the name of Cede & Co., as nominee of DTC, or such other nominee as DTC shall request pursuant to the Letter of Representation. The Trustee and any paying agent may conclusively treat DTC (or its nominee) as the sole and exclusive owner of the Authority Bonds registered in its name for the purposes of payment of the principal or redemption price of and interest on such Authority Bonds, selecting the Authority Bonds or portions thereof to be redeemed, giving any notice permitted or required to be given to Owners hereunder, registering the transfer of Authority Bonds, obtaining any consent or other action to be taken by Owners of the Authority Bonds and for all other purposes whatsoever; and neither the Authority nor the Trustee or any paying agent shall be affected by any notice to the contrary. Neither the Trustee nor any paying agent shall have any responsibility or obligation to any Participant (which shall mean, for purposes of this Section, securities brokers and dealers, banks, trust companies, clearing corporations and other entities, some of whom directly or indirectly own DTC), any person claiming a beneficial ownership interest in the Authority Bonds under or through DTC or any Participant, or any other person which is not shown on the registration records as being an Owner, with respect to (i) the accuracy of any records maintained by DTC or any Participant, (ii) the payment by DTC or any Participant of any amount in respect of the principal or redemption price of or interest on the Authority Bonds, (iii) any notice which is permitted or required to be

given to Owners of Authority Bonds hereunder, (iv) the selection by DTC or any Participant of any person to receive payment in the event of a partial redemption of the Authority Bonds, or (v) any consent given or other action taken by DTC as Owner of Authority Bonds. The Trustee shall pay all principal of and premium, if any, and interest on the Authority Bonds only at the times, to the accounts, at the addresses and otherwise in accordance with the Letter of Representation, and all such payments shall be valid and effective to satisfy fully and discharge the Trustee's obligations with respect to the principal of and premium, if any, and interest on the Authority Bonds to the extent of the sum or sums so paid. Upon delivery by DTC to the Trustee of written notice to the effect that DTC has determined to substitute a new nominee in place of its then existing nominee, the Authority Bonds will be transferable to such new nominee in accordance with subsection (e) of this Section.

(c) In the event that the Authority determines that the beneficial owners of the Authority Bonds shall be able to obtain Authority Bond certificates, the Trustee shall, upon the written instruction from the Authority, so notify DTC, whereupon DTC shall notify the Participants of the availability through DTC of Authority Bond certificates. In such event, the Authority Bonds will be transferable in accordance with subsection (e) of this Section. DTC may determine to discontinue providing its services with respect to the Authority Bonds at any time by giving written notice of such discontinuance to the Trustee and discharging its responsibilities with respect thereto under applicable law. In such event, the Authority Bonds will be transferable in accordance with subsection (e) of this Section. Whenever DTC requests the Trustee to do so, the Trustee will cooperate with DTC in taking appropriate action after reasonable notice to arrange for another securities depository to maintain custody of all certificates evidencing the Authority Bonds then Outstanding. In such event, the Authority Bonds will be transferable to such securities depository in accordance with subsection (e) of this Section, and thereafter, all references in this Trust Agreement to DTC or its nominee shall be deemed to refer to such successor securities depository and its nominee, as appropriate.

(d) Notwithstanding any other provision of this Trust Agreement to the contrary, so long as all Authority Bonds Outstanding are registered in the name of any nominee of DTC, all payments with respect to the principal of and premium, if any, and interest on each such Authority Bond and all notices with respect to each such Authority Bond shall be made and given, respectively, to DTC as provided in the Letter of Representation.

(e) In the event that any transfer or exchange of Authority Bonds is authorized under subsection (b) or (c) of this Section, such transfer or exchange shall be accomplished upon receipt by the Trustee from the registered owner thereof of the Authority Bonds to be transferred or exchanged and appropriate instruments of transfer to the permitted transferee, all in accordance with the applicable provisions of Sections 2.05 and 2.06. In the event Authority Bond certificates are issued to Owners other than Cede & Co., its successor as nominee for DTC as Owner of all the Authority Bonds, another securities depository as Owner of all the Authority Bonds, or the nominee of such successor securities depository, the provisions of Sections 2.05 and 2.06 shall also apply to, among other things, the registration, exchange and transfer of the Authority Bonds and the method of payment of principal of, premium, if any, and interest on the Authority Bonds.

SECTION 2.11. CUSIP Numbers. The Authority in issuing the Authority Bonds may use "CUSIP" numbers (if then generally in use), and, if so, the Trustee shall use "CUSIP" numbers

in notices of redemption as a convenience to Owners; provided that the Trustee shall have no liability for any defect in the "CUSIP" numbers as they appear on any Authority Bond, notice or elsewhere, and, provided further that any such notice may state that no representation is made as to the correctness of such numbers either as printed on the Authority Bonds or as contained in any notice of redemption and that reliance may be placed only on the other identification numbers printed on the securities, and any such redemption shall not be affected by any defect in or omission of such numbers. The Authority shall promptly notify the Trustee in writing of any change in CUSIP numbers.

ARTICLE III

ISSUANCE OF AUTHORITY BONDS

SECTION 3.01. Provisions for the Issuance of Authority Bonds. The Authority Bonds shall be executed by the Authority and delivered to the Trustee for authentication, together with a Written Order authorizing and directing the Trustee to authenticate the Authority Bonds and containing instructions as to the delivery of the Authority Bonds. The Trustee shall authenticate and deliver the Authority Bonds upon receipt of such Written Order and upon the following having been made available to it:

(a) A copy of the resolution adopted by the Authority approving this Trust Agreement and the execution and delivery by the Authority hereof, duly certified by the Secretary to have been duly adopted by the Authority and to be in full force and effect on the date of such certification;

(b) The proceeds of sale of the Authority Bonds;

(c) An Officer's Certificate stating that all conditions precedent to the authorization of the Authority Bonds have been satisfied and that the Authority is not in default in the performance of any of the agreements, conditions, covenants or terms contained herein;

(d) An original executed counterpart hereof;

(e) The Local Obligations to be purchased with the proceeds of the Authority Bonds, registered in the name of the Trustee; and

(f) An Opinion or Opinions of Bond Counsel addressing the validity and, if applicable, the tax-exempt status of the Authority Bonds and the validity of the Local Obligations, subject to such exceptions as may be reasonable and appropriate.

SECTION 3.02. Parity and Subordinate Bonds. So long as any of the Authority Bonds remain Outstanding, the Authority shall not issue any bonds or obligations payable from Revenues.

ARTICLE IV

REDEMPTION OF AUTHORITY BONDS

SECTION 4.01. General Redemption Provisions. The Authority Bonds that are subject to redemption prior to maturity pursuant to this Trust Agreement shall be redeemable, upon mailed notice as provided in this Article, at such times and upon such terms as are contained in this Article.

SECTION 4.02. Optional Redemption. The Authority Bonds are subject to optional redemption by the Authority prior to their respective maturity dates as a whole or in part on any date on or after September 1, 20[__], from any source of available funds other than Minimum Sinking Fund Payments and Special Tax Prepayments, upon mailed notice as provided herein, at the following redemption prices (computed upon the principal amount of the Authority Bonds or portions thereof called for redemption) together with accrued interest thereon to the date fixed for redemption:

> 103% if redeemed on any date on or after September 1, 20[__], through August 31, 20[__];
>
> 102% if redeemed on any date from September 1, 20[__], through August 31, 20[__];
>
> 101% if redeemed on any date from September 1, 20[__], through August 31, 20[__]; and
>
> 100% if redeemed on September 1, 20[__], and any date thereafter.

SECTION 4.03. Extraordinary Redemption. The Authority Bonds are subject to extraordinary redemption by the Authority prior to their respective maturity dates, as a whole or in part on any Interest Payment Date on or after [March 1, 2025], solely from funds derived from extraordinary redemption of Local Obligations from Special Tax Prepayments, at the following redemption prices (computed upon the principal amount of the Authority Bonds or portions thereof called for redemption) together with accrued interest thereon to the date fixed for redemption:

> 103% if redeemed on any Interest Payment Date on or after March 1, 2025, through March 1, 20[__];
>
> 102% if redeemed on an Interest Payment Date on September 1, 20[__], and March 1, 20[__];
>
> 101% if redeemed on an Interest Payment Date on September 1, 20[__], and March 1, 20[__]; and
>
> 100% if redeemed on September 1, 20[__], and any Interest Payment Date thereafter.

SECTION 4.04. Mandatory Redemption. The Term Authority Bonds maturing on September 1, 20[__], are subject to mandatory redemption by the Authority prior to their maturity date in part on September 1 of each year on and after September 1, 20[__], to and including September 1, 20[__]; and the Term Authority Bonds maturing on September 1, 20[__], are subject to mandatory redemption by the Authority prior to their maturity date in part on September 1 of each year on and after September 1, 20[__], to and including September 1, 20[__] from (and in the amount of) the Minimum Sinking Fund Payments due and payable for the Term Authority Bonds on each such date, at a redemption price equal to the principal amount thereof plus accrued interest thereon to the date of redemption, without premium.

SECTION 4.05. Redemption Instructions. Upon any prepayment of a Local Obligation, the Authority shall deliver to the Trustee at least forty-five (45) days prior to the redemption date a Written Order of the Authority designating the amounts and maturities of the Authority Bonds to be redeemed, which shall be in the manner necessary to enable the Authority to deliver a Cash Flow Certificate satisfying the requirements described below. In the event only a portion of the Outstanding Authority Bonds of any maturity are to be redeemed at any one time, the Trustee shall select the particular Authority Bonds of each maturity date to be redeemed in accordance with DTC procedures (which, at the time of the issuance of the Authority Bonds, would be a redemption by lot) or, if the Authority Bonds are not then in book-entry, in a manner that it deems appropriate and fair. The Trustee shall redeem Authority Bonds in Authorized Denominations. The Trustee shall promptly notify the Authority in writing of the numbers of the Authority Bonds so selected for redemption on any date. Upon any redemption of a portion but not all of the Outstanding Authority Bonds, the Authority shall deliver to the Trustee a Cash Flow Certificate to the effect that, assuming all payments are made with respect to the Local Obligations, (i) the Revenues, together with moneys on deposit in other funds and account held under this Trust Agreement, will be sufficient to pay all Principal Installments, Minimum Sinking Fund Payments and interest payments on the Authority Bonds when due; and (ii) the redemption premiums, if any, on the Local Obligations, together with other Revenues available to the Trustee for such purpose, are sufficient to offset any difference between the interest to accrue on the Authority Bonds to be paid or redeemed with the proceeds of prepayment of such Local Obligations (plus any redemption premium payable upon redemption of such Authority Bonds) and the income to be earned on any investment of such proceeds (assured as of the date of payment thereof), in each case until the date of payment or redemption of Authority Bonds, such that in no event will the prepayment of Local Obligations cause the Trustee to have insufficient funds to pay debt service on the Authority Bonds when due. In no event shall Authority Bonds be redeemed if upon such redemption the principal amount of the Local Obligations remaining outstanding will be less than the total principal amount of Outstanding Authority Bonds. Such Written Order of the Authority may specify that optional redemption of the Authority Bonds will be conditioned upon receipt of funds or other events.

SECTION 4.06. Notice of Redemption. Subject to receipt of the Written Order of the Authority delivered pursuant to Section 4.05, the Trustee shall, at the sole cost and expense of the Authority, give notice of redemption as hereinafter provided in this Section; provided, that Authority Bonds, identified by CUSIP numbers, serial numbers and maturity date, have been called for redemption and, in the case of Authority Bonds to be redeemed in part only, the portion of the principal amount thereof that has been called for redemption (or if all the Outstanding Authority Bonds are to be redeemed, so stating, in which event such serial numbers may be omitted), that they will be due and payable on the date fixed for redemption (specifying such date)

upon surrender thereof to the Trustee at its Corporate Trust Office, subject to any conditions to such redemption specified in the Written Order of the Authority, at the redemption price (specifying such price), together with any accrued interest to such date, and that all interest on the Authority Bonds (or portions thereof) so to be redeemed will cease to accrue on and after such date and that from and after such date such Authority Bond (or such portion thereof) shall no longer be entitled to any lien, benefit or security hereunder, and the Owner thereof shall have no rights in respect of such redeemed Authority Bond or such portion except to receive payment from such money of such redemption price plus accrued interest to the date fixed for redemption. If sufficient monies for the payment of the redemption price of all Authority Bonds to be redeemed are not then on deposit with the Trustee, such notice shall also state that redemption is conditioned upon the timely deposit of sufficient funds therefor with the Trustee.

Such notice shall be mailed by first class mail, in a sealed envelope, postage prepaid, at least thirty (30) but not more than sixty (60) days before the date fixed for redemption, to the Owners of such Authority Bonds (or portions thereof) so called for redemption, at their respective addresses as the same shall last appear on the Bond Register; provided, that neither the failure of an Owner to receive notice of redemption of Authority Bonds hereunder nor any error in such notice shall affect the validity of the proceedings for the redemption of Authority Bonds.

Any notice of optional redemption hereunder may be rescinded by written notice given by the Authority to the Trustee no later than three (3) Business Days prior to the date specified for redemption, instructing the Trustee to send such notice of rescission. The Trustee shall give notice of rescission of the notice of optional redemption or non-satisfaction of any conditions specified in the notice of optional redemption as soon as practicable to the same parties and in the same manner as the notice of redemption was given pursuant to this Section.

SECTION 4.07. Payment of Redeemed Authority Bonds. If notice of redemption has been given and not rescinded and if the conditions to such redemption specified therein, if any, have been satisfied, each as provided in Section 4.06, the Authority Bonds (or the portions thereof) called for redemption shall become irrevocably due and payable on the date fixed for redemption at the redemption price thereof, together with accrued interest to the date fixed for redemption, upon presentation and surrender of the Authority Bonds to be redeemed at the Corporate Trust Office of the Trustee specified in the notice of redemption. If there shall be called for redemption less than the full principal amount of an Authority Bond, the Authority shall execute and deliver and the Trustee shall authenticate, upon surrender of such Authority Bond, and without charge to the Owner thereof, Authority Bonds of like interest rate and maturity in an aggregate principal amount equal to the unredeemed portion of the principal amount of the Authority Bonds so surrendered in such Authorized Denominations as shall be specified by the Owner thereof.

If any Authority Bond or any portion thereof shall have been duly called for redemption and payment of the redemption price, together with unpaid interest accrued to the date fixed for redemption, shall have been made or provided for by the Authority, then interest on such Authority Bond or such portion thereof shall cease to accrue from such date, and from and after such date such Authority Bond or such portion thereof shall no longer be entitled to any lien, benefit or security hereunder, and the Owner thereof shall have no rights in respect of such Authority Bond or such portion except to receive payment of such redemption price and unpaid interest accrued to the date fixed for redemption.

SECTION 4.08. Purchase in Lieu of Redemption. In lieu of redemption of any Authority Bond pursuant to the provisions of Section 4.02 or Section 4.03, and after complying with Section 4.05, amounts on deposit in the Proceeds Fund, the Principal Fund or in the Redemption Fund may be used and withdrawn by the Trustee at any time prior to a notice of redemption having been delivered, upon a Written Order for the purchase of such Authority Bonds at public or private sale as and when and at such prices as the Authority may in its discretion determine, but not in excess of the lower of the highest or then current redemption price thereof plus accrued interest to the purchase date; and all Authority Bonds so purchased shall be delivered to the Trustee for cancellation.

ARTICLE V

REVENUES AND FUNDS FOR AUTHORITY BONDS

SECTION 5.01. Establishment of Funds. There is hereby established with the Trustee, and the Trustee hereby agrees to maintain, the following special trust funds for the Authority Bonds, which the Trustee shall keep separate and apart from all other funds and moneys held by it: the Revenue Fund, the Interest Fund, the Principal Fund, the Redemption Fund, the Proceeds Fund, the Local Obligations Fund and the Rebate Fund.

SECTION 5.02. Deposit of Proceeds of Authority Bonds. The net proceeds received from the sale of the Authority Bonds (in the amount of $[_____], consisting of the principal amount thereof, [plus/less] the [net] original issue [premium/discount] of $[_____] and less an underwriter's discount of $[_____]) shall be deposited by the Trustee in the Proceeds Fund.

SECTION 5.03. Proceeds Fund. The amounts in the Proceeds Fund shall be applied forthwith by the Trustee for the purchase of the Local Obligations pursuant to the Local Obligation Purchase Contract in accordance with a Written Order of the Authority whereupon the Proceeds Fund shall be closed. If any amount shall remain in the Proceeds Fund following such purchase, such amount shall be transferred to the Revenue Fund.

SECTION 5.04. Local Obligations Fund. All Local Obligations acquired by the Trustee pursuant to Section 5.03 shall be deposited in the Local Obligations Fund, which the Trustee shall establish and maintain.

SECTION 5.05. Revenue Fund. All Revenues received by the Trustee, other than Revenues derived from the early redemption of Local Obligations from Special Tax Prepayments (which shall be administered in accordance with Section 5.06), shall be deposited by the Trustee in the Revenue Fund. On each Interest Payment Date and Principal Payment Date, the Trustee shall transfer Revenues (to the extent that Revenues are available therein) from the Revenue Fund, in the amounts specified in Sections 5.07 and 5.08, for deposit into the respective Funds specified therein in the order of priority herein set forth, the requirements of each Fund to be fully satisfied, leaving no deficiencies therein, prior to any deposit into any Fund later in priority. On each Interest Payment Date and Principal Payment Date, after making the deposits required by Sections 5.07 and 5.08, the Trustee shall transfer all remaining money in the Revenue Fund to the Indenture Trustee for deposit pursuant to the Local Obligations Indenture.

SECTION 5.06. Revenues Derived from Special Tax Prepayments. The Community Facilities District and the Authority acknowledge that amounts received by the Community Facilities District on account of Special Tax Prepayments are to be utilized for the sole purpose of the prior redemption of Local Obligations pursuant to Section 4.03, and not to pay current, scheduled debt service payments on the Local Obligations. Correspondingly, in order to maintain a proper ratio between debt service payments on the Local Obligations and debt service payments on the Authority Bonds, all Revenues received by the Trustee which are derived from the early redemption of Local Obligations from Special Tax Prepayments when received by the Community Facilities District shall be deposited in the Redemption Fund and used to redeem the Authority Bonds pursuant to Section 4.03, in accordance with a Written Order of the Authority delivered pursuant to Section 4.05.

SECTION 5.07. Interest Fund. The Trustee shall deposit in the Interest Fund on each Interest Payment Date from the Revenue Fund an amount of Revenues which, together with any amounts then on deposit in the Interest Fund, is equal to the interest due on the Authority Bonds due on such date. On each Interest Payment Date, the Trustee shall pay the interest due and payable on the Authority Bonds on such date from the Interest Fund.

SECTION 5.08. Principal Fund. After satisfying the requirements of the foregoing Section 5.07 respecting deposits in the Interest Fund, the Trustee shall deposit in the Principal Fund (i) on each Principal Payment Date from the Revenue Fund an amount of Revenues which, together with any amounts then on deposit in the Principal Fund (other than amounts previously deposited on account of any Authority Bonds which have matured but which have not been presented for payment) is sufficient to pay the Principal Installments on the Authority Bonds due on such Principal Payment Date and (ii) on each September 1 on which a Minimum Sinking Fund Payment is required to be made (for deposit in the Sinking Fund Account) from the Revenue Fund an amount of Revenues which is equal to the Minimum Sinking Fund Payment due and payable on such date. On each Principal Payment Date, the Trustee shall pay the principal or redemption price due and payable on the Authority Bonds on such date from the Principal Fund.

SECTION 5.09. Redemption Fund. All money held in or transferred to the Redemption Fund pursuant to Section 5.06 shall be used for the purpose of redeeming or purchasing all or a portion of the Outstanding Authority Bonds pursuant to Section 4.03, and the Trustee shall use other moneys in the Redemption Fund for the payment of the redemption price of Authority Bonds called for redemption pursuant to Section 4.02, together with accrued interest to the redemption date.

SECTION 5.10. Rebate Fund. The Trustee agrees to establish and maintain when needed a fund separate from any other fund established and maintained hereunder designated the Rebate Fund. The Trustee shall deposit in the Rebate Fund, from funds made available by the Authority, the Rebate Requirement, all in accordance with the Rebate Instructions received from the Authority. The Trustee will apply money held in the Rebate Fund as provided in Section 7.04 and according to instructions provided by the Authority. Subject to the provisions of Section 7.04, all money held in the Rebate Fund is hereby pledged to secure payments to the United States of America, and the Authority and the Community Facilities District and the Owners will have no rights in or claim to such money. The Trustee will invest all money held in the Rebate Fund in Investment Securities as directed in writing by the Authority, such written direction to specify

which Investment Securities are to be invested in, and all investment earnings with respect thereto shall be deposited in the Rebate Fund.

Upon receipt of the Rebate Instructions required by the Tax Certificate to be delivered to the Trustee, the Trustee will remit part or all of the balance held in the Rebate Fund to the United States of America as so directed. In addition, if the Rebate Instructions so direct, the Trustee will deposit money into or transfer money out of the Rebate Fund from or into such Funds as the Rebate Instructions shall direct. The Trustee shall be deemed conclusively to have complied with such provisions if it follows the written directions of the Authority including supplying all necessary information in the manner provided in the Tax Certificate to the extent such information is reasonably available to the Trustee, and shall have no liability or responsibility to monitor or enforce compliance by the Authority with the terms of the Tax Certificate.

The Trustee shall have no obligation to rebate any amounts required to be rebated pursuant to this Section, other than from money held in the Rebate Fund or from other money provided to it by the Authority. The Trustee shall not be responsible for computing the Rebate Requirement, and computations of the Rebate Requirement shall be furnished to the Trustee or on behalf of the Authority in accordance with the Tax Certificate.

Notwithstanding any other provision hereof, including in particular Article XII pertaining to defeasance, the obligation to remit the rebate amounts to the United States of America and to comply with all other requirements of this Section and the Tax Certificate shall survive the defeasance or payment in full of the Authority Bonds.

ARTICLE VI

SECURITY FOR AND INVESTMENT OF MONEY

SECTION 6.01. Security. All money required to be deposited with or paid to the Trustee in any of the Funds (other than the Rebate Fund) referred to in any provision hereof shall be held by the Trustee in trust, and except for money held for the payment or redemption of Authority Bonds or the payment of interest on Authority Bonds pursuant to Section 12.03, shall, while held by the Trustee, constitute part of the Trust Estate and shall be subject to the lien and pledge created hereby.

SECTION 6.02. Investment of Money. So long as the Authority Bonds are Outstanding and there is no default hereunder, all money on deposit to the credit of the Revenue Fund, the Interest Fund, the Principal Fund and the Redemption Fund and all accounts within such Funds shall, at the written request of an Authorized Officer of the Authority specifying and directing that such investment of such money be made, be invested by the Trustee in Investment Securities having maturities not later than the date necessary to provide the availability of money when needed for purposes hereof, and all money held in the Rebate Fund shall, at the written request of an Authorized Officer specifying and directing that such investment of such money be made, be invested by the Trustee in Government Obligations having maturities not later than the date necessary to provide the availability of money when needed for purposes hereof, and the Trustee shall be entitled to conclusively rely on such instructions for purposes of this Section. The Trustee shall notify the Authority in writing prior to the date money held hereunder will be

available for investment, requesting that the Authority deliver to the Trustee written instructions specifying the Investment Securities to be acquired by the Trustee with such money. The Authority, in issuing such written instructions, shall comply with the provisions of the Tax Certificate. In the absence of written instructions from the Authority regarding investment, such money shall be held uninvested. The Trustee (or any affiliate thereof) may act as principal or agent in the acquisition or disposition of any investments.

Money on deposit in the Proceeds Fund, if any, shall be invested in Investment Securities pursuant to a Written Order specifying which Investment Securities to be invested in, and such money may not be reinvested in any other Investment Securities unless the Trustee receives, at the time of such reinvestment, a further written certification to the effect that, after such reinvestment, the Revenues will be sufficient to pay principal and interest on the Authority Bonds when due.

Notwithstanding anything to the contrary contained herein, an amount of interest received with respect to any Investment Security equal to the amount of accrued interest, if any, paid as part of the purchase price of such Investment Security shall be credited to the Fund from which such accrued interest was paid. The Trustee shall not be responsible for any losses, taxes, fees, charges or consequences of any investment, reinvestment or liquidation of investment if it follows such instructions. Notwithstanding anything to the contrary contained herein, the Trustee shall have no obligation or responsibility to determine whether investment in a security is permitted by the laws of the State and the City's Investment Policy, for and on behalf of the Community Facilities District, and shall be entitled to conclusively assume that any investment it is directed to make is so permitted.

The securities purchased with the money in each Fund shall be deemed a part of such Fund. If at any time it shall become necessary or appropriate that some or all of the securities purchased with the money in any Fund be redeemed or sold in order to raise money necessary to comply with the provisions hereof, the Trustee shall effect such redemption or sale, employing, in the case of a sale, any commercially reasonable method of effecting the same. The Trustee shall not be liable or responsible for any consequences, fees, taxes or other charges resulting from any such investment or resulting from the redemption, sale or maturity of any such investment as authorized pursuant to this Section.

Investments in the Revenue Fund, the Interest Fund, the Principal Fund and the Redemption Fund may be commingled for purposes of making, holding and disposing of investments, notwithstanding provisions herein for transfer to or holding in particular Funds amounts received or held by the Trustee; provided, that the Trustee shall at all times account for such investments strictly in accordance with the Funds to which they are credited and otherwise as provided herein.

All earnings on the investment of the money on deposit in any Fund shall remain a part of such Fund.

ARTICLE VII

COVENANTS OF THE AUTHORITY AND THE COMMUNITY FACILITIES DISTRICT

SECTION 7.01. Payment of Authority Bonds; No Encumbrances. The Authority shall cause the Trustee to promptly pay, from Revenues and other funds derived from the Trust Estate pledged hereunder, the interest on and principal of and redemption premium, if any, on every Authority Bond issued under and secured hereby at the place, on the dates and in the manner specified herein and in such Authority Bonds according to the true intent and meaning thereof. The Authority shall not issue any bonds, notes or other evidences of indebtedness or incur any obligations payable from or secured by the Trust Estate, other than the Authority Bonds.

SECTION 7.02. Enforcement and Amendment of Local Obligations. The Authority, the Community Facilities District and the Trustee (subject to Article IX hereof) shall enforce all of their rights with respect to the Local Obligations to the fullest extent necessary to preserve the rights and protect the security of the Owners hereunder.

The Authority, the Community Facilities District and the Trustee may, without the consent of or notice to the Owners of the Authority Bonds, consent to any amendment, change or modification of any Local Obligation that may be required (a) to conform to the provisions hereof (including any modifications or changes contained in any Supplemental Trust Agreement), (b) for the purpose of curing any ambiguity or inconsistency or formal defect or omission, (c) to add additional rights acquired in accordance with the provisions of such Local Obligation, (d) in connection with any other change therein that is not to the material prejudice of the Owners of the Authority Bonds, or (e) in the Opinion of Bond Counsel, to preserve or assure the exemption of interest on the Local Obligations or Authority Bonds from federal income taxes or the exemption of such interest from State personal income taxes.

Except for the amendments, changes or modifications provided for in the preceding paragraph, neither the Authority, the Community Facilities District nor the Trustee shall consent to any amendment, change or modification of any Local Obligation without the written approval or consent of the Owners of not less than a majority in aggregate principal amount of Authority Bonds at the time Outstanding given and procured as provided in this Section. If at any time the Authority and the Community Facilities District, as the case may be, shall request the consent of the Trustee to any such proposed amendment, change or modification of a Local Obligation, the Trustee shall, upon being satisfactorily indemnified with respect to expenses, cause notice, prepared by the Authority, of such proposed amendment, change or modification to be mailed in the same manner as provided by Section 13.03. Such notice shall briefly set forth the nature of such proposed amendment, change or modification and shall state that copies of the instrument embodying the same are on file with the Trustee for inspection by all Owners.

SECTION 7.03. Further Documents. The Authority covenants that it will from time to time execute and deliver such further instruments and take such further action as may be reasonable and as may be required to carry out the purpose hereof; provided, that no such instruments or actions shall pledge the faith and credit or the taxing power of the State or any political subdivision of the State.

SECTION 7.04. Tax Covenants for the Authority Bonds.

(a) The Authority and the Community Facilities District will not take any action, or fail to take any action, if any such action or failure to take action would adversely affect the exclusion from gross income of interest on the Authority Bonds under Section 103 of the Code. The Authority and the Community Facilities District will not directly or indirectly use or permit the use of any proceeds of the Authority Bonds or any other funds of the Authority or take or omit to take any action that would cause the Authority Bonds to be "private activity bonds" within the meaning of Section 141(a) of the Code or obligations which are "federally guaranteed" within the meaning of Section 149(b) of the Code. The Authority will not allow ten percent (10%) or more of the proceeds of the Authority Bonds to be used in the trade or business of any nongovernmental units and will not lend five percent (5%) or more of the proceeds of the Authority Bonds to any nongovernmental units.

(b) The Authority and the Community Facilities District will not directly or indirectly use or permit the use of any proceeds of the Authority Bonds or any other funds of the Authority or take or omit to take any action that would cause the Authority Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code. To that end, the Authority and the Community Facilities District will comply with all requirements of Section 148 of the Code to the extent applicable to the Authority Bonds. In the event that at any time the Authority is of the opinion that for purposes of this Section it is necessary to restrict or to limit the yield on the investment of any money held by the Trustee hereunder, the Authority will so instruct the Trustee in writing, and the Trustee will take such actions as directed by such instructions.

(c) The Authority will pay or cause to be paid the Rebate Requirement as provided in the Tax Certificate. This covenant shall survive payment in full or defeasance of the Authority Bonds. The Authority will cause the Rebate Requirement to be deposited in the Rebate Fund as provided in the Tax Certificate (which is incorporated herein by reference).

(d) The Trustee will conclusively be deemed to have complied with the provisions of this Section and the provisions of the Tax Certificate and shall incur no liability if it follows the directions of the Authority set forth in the Tax Certificate and the Rebate Instructions and shall not be required to take any actions hereunder in the absence of Rebate Instructions from the Authority.

(e) Notwithstanding any provision of this Section, if the Authority shall provide to the Trustee an Opinion of Bond Counsel that any specified action required under this Section is no longer required or that some further or different action is required to maintain the exclusion from gross income for federal income tax purposes of interest with respect to the Authority Bonds, the Trustee and the Authority and the Community Facilities District may conclusively rely on such opinion in complying with the requirements of this Section, and the covenants hereunder shall be deemed to be modified to that extent.

(f) The provisions of this Section shall survive the defeasance of the Authority Bonds.

SECTION 7.05. Maintenance of Existence. The Authority shall maintain the existence, powers and authority of the Authority as a joint exercise of powers authority under the laws of the State.

SECTION 7.06. Continuing Disclosure. The Community Facilities District has undertaken all responsibility for compliance with continuing disclosure requirements, and the Authority shall have no liability to the Owners of the Authority Bonds or any other person with respect to S.E.C. Rule 15c2-12. Notwithstanding any other provision hereof, failure of the Community Facilities District to comply with any continuing disclosure obligation shall not be considered an Event of Default; provided, that any Owners of the Authority Bonds or beneficial owner may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Community Facilities District to comply with its continuing disclosure obligations.

SECTION 7.07. Redemption Fund for the Local Obligations.

(a) The Community Facilities District expressly acknowledges that, pursuant to the Local Obligations Indenture, the Community Facilities District is to establish and maintain a separate redemption fund for the Local Obligations (the "Local Obligations Redemption Fund") and, so long as the Local Obligations remain outstanding, to deposit into such Local Obligations Redemption Fund, upon receipt, any and all Special Tax Revenues received by the Community Facilities District in connection with the Local Obligations. The Community Facilities District further acknowledges that no temporary loan or other use whatsoever may be made of Special Tax Revenues, and that the Local Obligations Redemption Fund constitutes a trust fund for the benefit of the owners of the Local Obligations.

(b) The Community Facilities District hereby covenants for the benefit of the Authority, as owner of the Local Obligations, the Trustee, as assignee of the Authority with respect to the Revenues, and the Owners from time to time of the Authority Bonds, that it will establish, maintain and administer the Local Obligations Redemption Fund and the Special Tax Revenues in accordance with their status as trust funds as prescribed by the Act, the Local Obligations Indenture and this Trust Agreement.

(c) The Community Facilities District further covenants that, no later than one (1) Business Day prior to each Interest Payment Date and Principal Payment Date of the Authority Bonds, the Community Facilities District will advance to the Trustee against payment on the Local Obligations, as assignee of the Authority with respect to the Local Obligations, the interest due on the Local Obligations on such Interest Payment Date and the principal of all Local Obligations maturing on such Principal Payment Date, respectively, and upon receipt by the Trustee, such amounts shall constitute Revenues. For so long as Authority Bonds remain Outstanding, the Trustee shall provide written notice to the Authority no later than fifteen (15) days prior to each Interest Payment Date specifying the amount required to be paid to the Trustee pursuant to this subsection in the month subsequent thereto.

SECTION 7.08. Concerning the Trust Estate. The Authority hereby represents and warrants as follows:

(a) This Trust Agreement creates a valid and binding pledge of and security interest in the Trust Estate in favor of the Trustee in order to secure the payment of the interest on and principal of and redemption premiums, if any, on all Authority Bonds Outstanding hereunder, enforceable by the Trustee in accordance with the terms hereof.

(b) Under the laws of the State of California, (1) such pledge of and security interest in the Trust Estate and (2) each pledge, assignment, lien, or other security interest made to secure any prior obligations of the Authority which, by the terms hereof, ranks on parity with or prior to the pledge of and security interest granted hereby, are and shall be prior to any judicial lien hereafter imposed on such collateral to enforce a judgment against the Authority on a simple contract.

(c) The Authority has not heretofore made a pledge of, granted a lien on or security interest in, or made an assignment or sale of the Trust Estate that ranks on parity with or prior to the pledge and security interest granted hereby, except for the pledge and security interest granted to secure the Authority Bonds. The Authority shall not hereafter make or suffer to exist any pledge or assignment of, lien on, or security interest in such collateral that ranks prior to or on parity with the pledge and security interest granted hereby, or file any financing statement describing any such pledge, assignment, lien or security interest, except as expressly permitted hereby.

ARTICLE VIII

DEFAULTS AND REMEDIES

SECTION 8.01. Events of Default. The following shall constitute "Events of Default" hereunder:

(a) if payment of interest on the Authority Bonds shall not be made when due; or

(b) if payment of any Principal Installment or Minimum Sinking Fund Payment shall not be made when due and payable, whether at maturity, by proceedings for redemption, or otherwise; or

(c) if the Authority or the Community Facilities District shall fail to observe or perform in any material way any other agreement, condition, covenant or term contained herein on its part to be observed or performed, and such failure shall continue for thirty (30) days after written notice specifying such failure and requiring the same to be remedied shall have been given to the Authority or the Community Facilities District, as the case may be, by the Trustee or by the Owners of not less than fifty percent (50%) in aggregate principal amount of the Authority Bonds, provided, that if such default be such that it cannot be corrected within the applicable period, it shall not constitute an Event of Default if corrective action is instituted by the Authority or the Community Facilities District within the applicable period and diligently pursued until the default is corrected; or

(d) if there is an event of default under the Local Obligations Indenture.

SECTION 8.02. Proceedings by Trustee; No Acceleration. Upon the happening and continuance of any Event of Default the Trustee may, or at the written request of the Owners of not less than fifty percent (50%) in aggregate principal amount of Authority Bonds Outstanding, shall (but only if indemnified to its satisfaction from any liability, expense or cost), do the following:

(a) by mandamus, or other suit, action or proceeding at law or in equity, enforce all rights of the Owners, including the right to receive and collect the Revenues;

(b) bring suit upon or otherwise enforce any defaulting Local Obligation;

(c) by action or suit in equity enjoin any acts or things which may be unlawful or in violation of the rights of the Owners;

(d) as a matter of right, have a receiver or receivers appointed for the Trust Estate and of the earnings, income, issues, products, profits and revenues thereof pending such proceedings, with such powers as the court making such appointment shall confer; and

(e) take such action with respect to any and all Local Obligations or Investment Securities as shall be necessary and appropriate, subject to Section 8.04 and to the terms of such Local Obligations or Investment Securities.

The Trustee shall have no right to declare the principal of all of the Authority Bonds then Outstanding, or the interest accrued thereon, to be due and payable immediately.

SECTION 8.03. Effect of Discontinuance or Abandonment. In case any proceeding taken by the Trustee on account of any Event of Default shall have been discontinued or abandoned for any reason, or shall have been determined adversely to the Trustee, then and in every such case the Trustee and the Owners shall be restored to their former positions and rights hereunder, respectively, and all rights, remedies and powers of the Trustee shall continue as though no such proceeding had been taken.

SECTION 8.04. Rights of Owners. Anything herein to the contrary notwithstanding, but subject to the limitations and restrictions as to the rights of the Owner contained in Sections 8.01, 8.02, and 8.05, upon the happening and continuance of any Event of Default, the Owners of not less than fifty percent (50%) in aggregate principal amount of the Authority Bonds then Outstanding shall have the right, upon providing the Trustee security and indemnity reasonably satisfactory to it against the costs, expenses and liabilities to be incurred therein or thereby, by an instrument in writing executed and delivered to the Trustee, have the right to direct the method and place of conducting all remedial proceedings to be taken by the Trustee hereunder.

The Trustee may refuse to follow any direction that conflicts with law or herewith or that the Trustee determines would subject the Trustee to personal liability without adequate indemnification therefor.

SECTION 8.05. Restriction on Owner's Action. In addition to the other restrictions on the rights of Owners to request action upon the occurrence of an Event of Default and to enforce remedies set forth in this Article, no Owner shall have any right to institute any suit, action or proceeding in equity or at law for the enforcement of any trust hereunder, or any other remedy hereunder or in the Authority Bonds, unless such Owner previously shall have given to the Trustee written notice of an Event of Default as hereinabove provided and unless the Owners of not less than fifty percent (50%) in aggregate principal amount of the Authority Bonds then Outstanding shall have made written request of the Trustee to institute any such suit, action, proceeding or other remedy, after the right to exercise such powers or rights of action, as the case may be, shall have accrued, and shall have afforded the Trustee a reasonable opportunity either to proceed to exercise the powers granted herein, or to institute such action, suit or proceeding in its or their name; nor unless there also shall have been offered to the Trustee security and indemnity reasonably

satisfactory to it against the costs, expenses and liabilities to be incurred therein or thereby, and the Trustee shall not have complied with such request within a reasonable time; and such notification, request and offer of indemnity are hereby declared in every such case to be conditions precedent to the execution of the trusts hereof or for any other remedy hereunder, it being understood and intended that no one or more Owners of Authority Bonds secured hereby shall have any right in any manner whatever by his, her or their action to affect, disturb or prejudice the security hereof, or to enforce any rights hereunder or under the Authority Bonds, except in the manner provided herein, and that all proceedings at law or in equity shall be instituted, had and maintained in the manner provided herein, and for the equal benefit of all Owners of Outstanding Authority Bonds; subject, however, to the provisions of this Section. Notwithstanding the foregoing provisions of this Section or any other provision hereof, the obligation of the Authority shall be absolute and unconditional to pay, but solely from the Trust Estate, the interest on and principal of and redemption premiums, if any, on the Authority Bonds to the respective Owners thereof at the respective due dates thereof, and nothing herein shall affect or impair the right of action, which is absolute and unconditional, of such Owners to enforce such payment.

SECTION 8.06. Power of Trustee to Enforce. All rights of action hereunder or under any of the Authority Bonds secured hereby which are enforceable by the Trustee may be enforced by it without the possession of any of the Authority Bonds, or the production thereof at the trial or other proceedings relative thereto, and any such suit, action or proceedings instituted by the Trustee shall be brought in its own name, as Trustee, for the equal and ratable benefit of the Owners subject to the provisions hereof.

SECTION 8.07. Remedies Not Exclusive. No remedy herein conferred upon or reserved to the Trustee or to the Owners is intended to be exclusive of any other remedy or remedies, and each and every such remedy shall be cumulative, and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute.

SECTION 8.08. Waiver of Events of Default; Effect of Waiver. Upon the written request of the Owners of at least a majority in aggregate principal amount of all Outstanding Authority Bonds, the Trustee shall waive any Event of Default hereunder and its consequences. If any Event of Default shall have been waived as herein provided, the Trustee shall promptly give written notice of such waiver to the Authority and the Community Facilities District and shall give notice thereof by first class mail, postage prepaid, to all Owners of Outstanding Authority Bonds if such Owners had not previously been given notice of such Event of Default; but no such waiver, rescission and annulment shall extend to or affect any subsequent Event of Default, or impair any right or remedy consequent thereon.

No delay or omission of the Trustee or of any Owner to exercise any right or power accruing upon any Event of Default shall impair any such right or power or shall be construed to be a waiver of any such Event of Default, or an acquiescence therein; and every power and remedy given by this Article to the Trustee and to the Owners may be exercised from time to time and as often as may be deemed expedient.

SECTION 8.09. Application of Money upon Event of Default. Any money received by the Trustee pursuant to this Article shall, after payment of all fees and expenses of the Trustee, and the fees and expenses of its counsel incurred in representing the Owners, be applied as follows:

(a) unless the principal of all of the Outstanding Authority Bonds shall be due and payable,

FIRST - To the payment of the Owners entitled thereto of all installments of interest then due on the Authority Bonds, in the order of the maturity of the installments of such interest, and if the amount available shall not be sufficient to pay in full any particular installment, then to the payment ratably, according to the amounts due on such installment, to the Persons entitled thereto, without any discrimination or privilege;

SECOND - To the payment of the Owners entitled thereto of the unpaid principal of and redemption premiums, if any, on any of the Authority Bonds which shall have become due (other than Authority Bonds matured or called for redemption for the payment of which money is held pursuant to the provisions hereof) in the order of their due dates, and if the amount available shall not be sufficient to pay in full the principal of and redemption premiums, if any, on such Authority Bonds due on any particular date, then to the payment ratably, according to the amount due on such date, to the Owners entitled thereto without any discrimination or privilege; and

THIRD - To be held for the payment to the Owners entitled thereto as the same shall become due of the interest on and principal of and redemption premiums, if any, on the Authority Bonds which may thereafter become due, either at maturity or upon call for redemption prior to maturity, and if the amount available shall not be sufficient to pay in full such interest and principal and redemption premiums, if any, due on any particular date, payment shall be made in accordance with the FIRST and SECOND paragraphs hereof.

(b) if the principal of all of the Outstanding Authority Bonds shall be due and payable, to the payment of the interest on and principal of and redemption premiums, if any, due on all Outstanding Authority Bonds without preference or priority of or of any interest on any Outstanding Authority Bond over any other Outstanding Authority Bond, any principal of or the redemption premium, if any, on any Outstanding Authority Bond or of any other Outstanding Authority Bond, ratably, according to the amounts due respectively for interest and principal and redemption premiums, if any, to the Owners entitled thereto without any discrimination or preference except as to any difference in the respective amounts of interest specified in the Outstanding Authority Bonds.

ARTICLE IX

THE TRUSTEE

SECTION 9.01. Appointment and Acceptance of Duties. The Trustee hereby accepts and agrees to the trusts hereby created to all of which the Authority agrees and the respective Owners of the Authority Bonds, by purchase and acceptance thereof, agree.

SECTION 9.02. Duties, Immunities and Liability of Trustee. The Trustee shall, prior to an Event of Default, and after the curing or waiver of all Events of Default which may have occurred, perform such duties and only such duties as are specifically set forth herein, and no implied duties or obligations shall be read herein against the Trustee. The Trustee shall, during the existence of any Event of Default (which has not been cured or waived), exercise such of the rights and powers vested in it hereby and use the same degree of care and skill in their exercise as a prudent person would exercise under the circumstances in the conduct of his or her own affairs.

In the absence of an Event of Default, the Authority may remove the Trustee. The Authority shall remove the Trustee if (A) it receives an instrument or concurrent instruments in writing signed by the Owners of not less than a majority in aggregate principal amount of the Authority Bonds then Outstanding (or their attorneys duly authorized in writing) or (B) at any time the Trustee shall cease to be eligible in accordance with this Section, or (C) the Trustee shall become incapable of acting, or (D) the Trustee shall commence a case under any bankruptcy, insolvency or similar law, or (E) a receiver of the Trustee or of its property shall be appointed, or (F) any public officer shall take control or charge of the Trustee or its property or affairs for the purpose of rehabilitation, conservation or liquidation. To effect any such removal, the Authority shall give written notice thereof to the Trustee, and thereupon the Authority (with the concurrence of the Community Facilities District) shall promptly appoint a successor Trustee by an instrument in writing.

The Trustee may, subject to the next following paragraph of this Section, resign by giving written notice of such resignation by mail, first class postage prepaid, to the Authority, the Community Facilities District and the Owners at the respective addresses listed in the Bond Register. Upon receiving such notice of resignation, the Authority (with the concurrence of the Community Facilities District) shall promptly appoint, by an instrument in writing, a successor Trustee.

Any removal or resignation of the Trustee and appointment of a successor Trustee shall become effective only upon acceptance of the successor Trustee by the Authority and the Community Facilities District and acceptance of appointment by the successor Trustee. If no successor Trustee shall have been appointed and shall have accepted appointment within thirty (30) days of giving notice of removal or notice of resignation as aforesaid, the resigning Trustee or any Owner (on behalf of himself and all other Owners) may petition, at the expense of the Community Facilities District, any court of competent jurisdiction for the appointment of a successor Trustee, and such court may thereupon, after such notice (if any) as it may deem proper, appoint such successor Trustee. Any successor Trustee appointed under this Trust Agreement shall signify its acceptance of such appointment by executing and delivering to the Authority and the Community Facilities District and to its predecessor Trustee a written acceptance thereof, and

thereupon such successor Trustee, without any further act, deed or conveyance, shall become vested with all the money, estates, properties, rights, powers, trusts, duties and obligations of such predecessor Trustee, with like effect as if it were originally named Trustee herein; but, nevertheless, at the written request of the Authority or the Community Facilities District or the successor Trustee, such predecessor Trustee shall execute and deliver any and all instruments of conveyance or further assurance and do such other things as may reasonably be required for more fully and certainly vesting in and confirming to such successor Trustee all the right, title and interest of such predecessor Trustee in and to any property held by it hereunder and shall pay over, transfer, assign and deliver to the successor Trustee any money or other property subject to the trusts and conditions herein set forth. Upon request of the successor Trustee, the Authority and the Community Facilities District shall execute and deliver any and all instruments as may be reasonably required for more fully and certainly vesting in and confirming to such successor Trustee all such money, estates, properties, rights, powers, trusts, duties and obligations. Upon acceptance of appointment by a successor Trustee as provided in this subsection, such successor Trustee shall mail a notice of the succession of such successor Trustee to the trusts hereunder by first class mail, postage prepaid, to the Owners at their respective addresses listed in the Bond Register.

Any successor Trustee appointed under the provisions of this Section shall be a trust company or bank having the powers of a trust company, having a designated corporate trust office in California, and with a combined capital and surplus of at least one hundred million dollars ($100,000,000) and being subject to supervision or examination by federal or state authority; and if such bank or trust company publishes a report of condition at least annually, pursuant to law or to the requirements of any supervising or examining authority above referred to, then for the purpose of this subsection the combined capital and surplus of such bank or trust company shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. In case at any time the Trustee shall cease to be eligible in accordance with the provisions of this subsection, the Trustee shall resign promptly in the manner and with the effect specified in this Section.

No provision herein shall require the Trustee to risk or expend its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder unless the Owners shall have offered to the Trustee indemnity it deems reasonable, against the costs, expenses and liabilities that may be incurred. The Trustee shall be entitled to interest on all money advanced by it hereunder at its prime rate then in effect plus two percent (2%), but not to exceed the maximum interest rate permitted by the laws of the State.

In accepting the trust hereby created, the Trustee is acting solely as Trustee for the Owners and not in its individual capacity, and under no circumstances shall the Trustee be liable in its individual capacity for the obligations evidenced by the Authority Bonds.

The Trustee makes no representation or warranty, express or implied, as to the compliance with legal requirements of the use contemplated by the Authority or the Community Facilities District of the funds hereunder including, without limitation, the purchase of the Local Obligations hereunder; provided, that the Trustee shall not acquire Local Obligations other than pursuant to the provisions of Sections 5.03 and 5.04.

In no event shall the Trustee be responsible or liable for special, indirect, punitive or consequential loss or damage of any kind whatsoever (including, but not limited to, loss of profit) irrespective of whether the Trustee has been advised of the likelihood of such loss or damage and regardless of the form of action.

The Trustee shall not be responsible for the validity or effectiveness or value of any collateral or security securing any Local Obligation. The Trustee shall not be responsible for the recording or filing of any document relating hereto or any Local Obligation or of financing statements (or amendments or continuation statements in connection therewith) or mortgage or of any supplemental instruments or documents of further assurance as may be required by law in order to perfect the security interests or lien on or in any collateral or security securing any Local Obligation. The Trustee shall not be deemed to have made representations as to the security afforded thereby or as to the validity or sufficiency of any such document, collateral or security.

The Trustee shall not be deemed to have knowledge of any Event of Default hereunder unless and until a Responsible Officer of the Trustee shall have actual knowledge thereof at its Corporate Trust Office.

The Trustee shall not be accountable for the use or application by the Authority or the Community Facilities District or any other party of any funds which the Trustee has released hereunder.

The Trustee shall provide a monthly accounting of all funds held pursuant hereto to the Authority within fifteen (15) Business Days after the end of such month and shall provide statements of account for each annual period beginning July 1 and ending June 30, within ninety (90) days after the end of such period. Such accounting shall show in reasonable detail all financial transactions during the accounting period and the balance in any accounts and funds (including the Local Obligations Fund) created hereunder as of the beginning and the close of such accounting period.

The Trustee shall furnish the Authority periodic cash transaction statements which include detail for all investment transactions effected by the Trustee or brokers selected by the Authority. Upon the Authority's election, such statements will be delivered via the Trustee's online service and upon electing such service, paper statements will be provided only upon request. The Authority waives the right to receive brokerage confirmations of security transactions effected by the Trustee as they occur, to the extent permitted by law. The Authority further understands that trade confirmations for securities transactions effected by the Trustee will be available upon request and at no additional cost and other trade confirmations may be obtained from the applicable broker.

SECTION 9.03. Merger or Consolidation. Any company into which the Trustee may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which the Trustee may sell or transfer all or substantially all of its corporate trust business shall succeed to the rights and obligations of the Trustee without the execution or filing of any paper or any further act, anything herein to the contrary notwithstanding; provided, that such company shall be eligible under Section 9.02.

SECTION 9.04. Compensation and Indemnification. The Authority shall pay or cause the Community Facilities District to pay the Trustee such compensation, as shall be agreed in writing, for its services rendered hereunder and reimburse the Trustee for reasonable expenses, disbursements and advances, including attorneys' fees and expenses, incurred by the Trustee in the performance of its obligations hereunder and with respect to the Local Obligations.

The Authority agrees, to the extent permitted by law, to indemnify the Trustee and its officers, directors, employees, attorneys and agents for, and to hold it harmless against, any loss, liability, claim or expense incurred without negligence or willful misconduct on its part arising out of or in connection with (i) the acceptance or administration of the trusts imposed hereby, including performance of its duties hereunder, including the costs and expenses of defending itself against any claims (whether asserted by the City or any other Person) or liability in connection with the exercise or performance of any of its powers or duties hereunder (including this Section 9.04), (ii) the projects to be financed with the purchase of the Local Obligations; (iii) the sale of any Authority Bonds or the purchase of the Local Obligations and the carrying out of any of the transactions contemplated by the Authority Bonds or the Local Obligations; or (iv) any untrue statement of any material fact or omission to state a material fact necessary to make the statements made, in light of the circumstances under which they were made, not misleading in any official statement or other disclosure document utilized by the Authority or the Community Facilities District in connection with the sale of the Authority Bonds or the Local Obligations. The Authority's obligations hereunder with respect to indemnity of the Trustee and the provision for its compensation set forth in this Article shall survive and remain valid and binding notwithstanding the maturity and payment of the Authority Bonds, or the resignation or removal of the Trustee.

The Trustee shall have no responsibility for or liability in connection with assuring that all of the procedures or conditions to closing set forth in the contract of purchase for the sale of the Authority Bonds, that all documents required to be delivered on the closing date to the parties are actually delivered, except its own responsibility to receive or deliver the proceeds of the sale, deliver the Authority Bonds and other certificates expressly required to be delivered by it and its counsel.

The Trustee shall not be responsible for determining or investigating whether any Local Obligation purchased pursuant to Section 5.03 is a Local Obligation, as defined herein, and the Trustee may conclusively rely on the Authority's determination and direction in this regard; provided, that the Trustee shall not acquire the Local Obligations other than pursuant to the provisions of Section 5.03. The Trustee shall be entitled to rely conclusively on the covenants, representations and warranties of each obligor on any Local Obligation and in the documents and certificates delivered in connection therewith and each Written Order.

SECTION 9.05. Liability of Trustee. The recitals of facts herein and in the Authority Bonds contained shall be taken as statements of the Authority or the Community Facilities District, and the Trustee does not assume any responsibility for the correctness of the same, and does not make any representations as to the validity or sufficiency hereof or of the Authority Bonds, and shall not incur any responsibility in respect thereof, other than in connection with the duties or obligations herein or in the Authority Bonds assigned to or imposed upon it; provided, that the Trustee shall be responsible for its representations contained in its certificate of authentication on the Authority Bonds. The Trustee shall not be liable in connection with the performance of its duties hereunder except for its own negligence or willful misconduct. The Trustee (in its individual or any other capacity) may become the Owner of Authority Bonds with the same rights it would have if it were not Trustee hereunder, and, to the extent permitted by law, may act as depositary for and permit any of its officers, directors and employees to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of Owners, whether or not such committee shall represent the Owners of a majority in principal amount of the Authority Bonds then Outstanding. The Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Owners of a majority in principal amount of the Outstanding Authority Bonds relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee hereunder. Whether or not therein expressly so provided, every provision hereof or related documents relating to the conduct or affecting the liability of or affording protection to the Trustee shall be subject to the provisions of this Article.

SECTION 9.06. Right to Rely on Documents; Adverse Effect Determinations. The Trustee may conclusively rely on and shall be protected in acting or refraining from acting upon any notice, resolution, requisition, request, consent, order, certificate, report, opinion, bond or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties. The Trustee may consult with counsel of its selection, who may be counsel of or to the Authority, with regard to legal questions, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered or omitted by it hereunder in good faith and in accordance therewith.

Whenever in the administration of the trusts imposed upon it hereby the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering or omitting any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may be deemed to be conclusively proved and established by an Officer's Certificate, and such Officer's Certificate shall be full warrant to the Trustee for any action taken or suffered or omitted in good faith under the provisions hereof in reliance upon such Officer's Certificate, but the Trustee may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as to it may seem reasonable.

The Trustee shall be entitled to advice of counsel of its selection and other professionals or agents concerning all matters of trust and its duty hereunder, but the Trustee shall not be answerable or liable for the acts or omissions of any agent, attorney-at-law, certified public accountant, or other professional if such agent, attorney-at-law, certified public accountant or other professional was selected by the Trustee with due care.

SECTION 9.07. Preservation and Inspection of Documents. All documents received by the Trustee under the provisions hereof shall be retained in its possession in accordance with its record retention policies and shall be subject at all reasonable times upon prior written notice to the inspection of the Authority, the Owners of not less than a majority of the aggregate principal amount of the Outstanding Authority Bonds, and their agents and representatives duly authorized in writing, at reasonable hours and under reasonable conditions.

SECTION 9.08. Indemnity for Trustee. Before taking any action or exercising any rights or powers hereunder, the Trustee may require that satisfactory indemnity be furnished to it for the reimbursement of any and all costs, claims and expenses which it may incur and to indemnify it against any and all liability, except liability which may result from its negligence or willful misconduct, by reason of any action so taken.

ARTICLE X

EXECUTION OF INSTRUMENTS BY OWNERS AND PROOF OF OWNERSHIP OF AUTHORITY BONDS

SECTION 10.01. Execution of Instruments; Proof of Ownership. Any request, direction, consent or other instrument in writing required or permitted hereby to be signed or executed by Owners may be in any number of concurrent instruments of similar tenor by different parties and may be signed or executed by such Owners in person or by agent appointed by an instrument in writing. Proof of the execution of any such instrument and of the ownership of Authority Bonds shall be sufficient for any purpose hereof and shall be conclusive in favor of the Trustee with regard to any action taken, suffered or omitted by either of them under such instrument if made in the following manner:

(a) The fact and date of the execution by any Person of any such instrument may be proved by the certificate of any officer in any jurisdiction who, by the laws thereof, has power to take acknowledgments within such jurisdiction, to the effect that the Person signing such instrument acknowledged before him or her the execution thereof, or by an affidavit of a witness to such execution.

(b) The fact of the ownership of Authority Bonds hereunder by any Owner and the serial numbers of such Authority Bonds and the date of his ownership of the same shall be proved by the Bond Register.

Nothing contained in this Article shall be construed as limiting the Trustee to such proof, it being intended that the Trustee may accept any other evidence of the matters in this Article stated which shall be sufficient. Any request or consent of the Owner shall bind every future Owner of such Authority Bond and any Authority Bond or Authority Bonds issued in exchange or substitution therefor or upon the registration of transfer thereof in respect of anything done by the Trustee in pursuance of such request or consent.

ARTICLE XI

SUPPLEMENTAL TRUST AGREEMENTS

SECTION 11.01. Supplemental Trust Agreements with Consent of Owners. Any modification or alteration hereof or of the rights and obligations of the Authority, the Community Facilities District or the Owners may be made with the consent of the Owners of not less than a majority in aggregate principal amount of the Authority Bonds then Outstanding; provided, that no such modification or alteration shall be made which will reduce the percentage of aggregate principal amount of Authority Bonds the consent of the Owners of which is required for any such modification or alteration or permit the creation by the Authority or the Community Facilities District of any lien prior to or on parity with the lien hereof upon the Trust Estate or which will affect the times, amounts and currency of payment of the interest on or principal of or redemption premiums, if any, on the Authority Bonds or affect the rights, duties or obligations of the Trustee without the consent of the party affected thereby.

SECTION 11.02. Supplemental Trust Agreements Without Consent of Owners. The Authority and the Community Facilities District may, without the consent of the Owners, enter into a Supplemental Trust Agreement or Supplemental Trust Agreements, which thereafter shall form a part of this Trust Agreement, for any one or more of the following purposes:

(a) to add to the agreements and covenants of the Authority or the Community Facilities District contained herein other agreements and covenants thereafter to be observed, or to surrender any right or power herein reserved to or conferred upon the Authority or the Community Facilities District; provided, that no such agreement, covenant or surrender shall materially adversely affect the rights of any Owner;

(b) to cure any ambiguity, to supply any omission or to cure, correct or supplement any defect or inconsistent provisions contained herein or in any Supplemental Trust Agreement;

(c) to make any change which does not materially adversely affect the rights of any Owner;

(d) to grant to the Trustee for the benefit of the Owners additional rights, remedies, powers or authority;

(e) to subject hereto additional collateral or to add other agreements of the Authority or the Community Facilities District;

(f) to modify this Trust Agreement or the Authority Bonds to permit qualification hereof under the Trust Indenture Act of 1939, as amended, or any similar statute at the time in effect, or to permit the qualification of the Authority Bonds for sale under the securities laws of any state of the United States of America;

(g) to make any amendments or supplements necessary or appropriate to preserve or protect the exclusion from gross income for federal income tax purposes under the Code of the interest on the Authority Bonds or the exemption of interest on the Authority Bonds from State personal income taxes; or

(h) to evidence the succession of a successor Trustee.

For all purposes of this Section, the Trustee shall be entitled to conclusively rely upon and shall be fully protected in relying upon an Opinion of Bond Counsel with respect to the extent, if any, to which any action affects the rights hereunder of any Owner.

SECTION 11.03. Trustee Authorized to Enter into Supplemental Trust Agreements. The Trustee is hereby authorized to enter into any Supplemental Trust Agreement with the Authority and the Community Facilities District authorized or permitted by the terms hereof, and to make the further agreements and stipulations which may be therein contained, and for all purposes of this Section the Trustee shall be entitled to conclusively rely upon and shall be fully protected in relying upon an Opinion of Bond Counsel to the effect that such Supplemental Trust Agreement is authorized or permitted by the provisions hereof.

ARTICLE XII

DEFEASANCE

SECTION 12.01. Defeasance. If and when the Authority Bonds secured hereby shall become due and payable in accordance with their terms or through redemption proceedings as provided herein, or otherwise, and the whole amount of the interest on and principal of redemption premiums, if any, so due and payable upon all of the Authority Bonds shall have been paid, or provision shall have been made for the payment of the same, together with all other sums payable hereunder by the Authority, including all fees and expenses of the Trustee, then and in that case, this Trust Agreement and the lien created hereby shall be completely discharged and satisfied and the Authority and the Community Facilities District shall be released from the respective agreements, conditions, covenants and terms of the Authority and the Community Facilities District contained herein, and the Trustee shall assign and transfer all property (in excess of the amounts required for the foregoing) then held by the Trustee free and clear of any encumbrances as provided in Section 12.04 and shall execute such documents as may be reasonably required by the Authority or the Community Facilities District in this regard.

Notwithstanding the satisfaction and discharge hereof, those provisions of this Trust Agreement relating to the maturity of the Authority Bonds, interest payments and dates thereof, exchange and transfer of Authority Bonds, replacement of mutilated, destroyed, lost or stolen Authority Bonds, the safekeeping and cancellation of Authority Bonds, nonpresentment of Authority Bonds, and the duties of the Trustee in connection with all of the foregoing, shall remain in effect and shall be binding upon the Trustee and the Owner, and the Trustee shall, subject to Section 13.06, continue to be obligated to hold in trust any money or investments then held by the Trustee for the payment of the interest on and principal of and redemption premiums, if any, on the Authority Bonds, to pay to the Owner of Authority Bonds the funds so held by the Trustee as and when such payments become due, and those provisions hereof contained in Section 9.04 relating to the compensation and indemnification of the Trustee and in Section 7.04 relating to the tax covenants of the Authority and the Community Facilities District shall remain in effect and shall be binding upon the Trustee, the Authority and the Community Facilities District.

SECTION 12.02. Authority Bonds Deemed to Have Been Paid. If any money shall have been set aside and held by the Trustee for the payment or redemption of any Authority Bonds and the interest installments therefor at the maturity thereof or date fixed for redemption, such Authority Bonds shall be deemed to be paid within the meaning and with the effect provided in Section 12.01. Any Outstanding Bond shall prior to the maturity or redemption date thereof be deemed to have been paid within the meaning and with the effect expressed in Section 12.01 if (a) in case any Authority Bonds are to be redeemed on any date prior to their maturity, the Authority shall have given to the Trustee irrevocable instructions to mail notice of redemption of such Authority Bonds on such redemption date, such notice to be given in accordance with the provisions of Article IV, (b) there shall have been deposited with the Trustee in escrow either (i) money in an amount which shall be sufficient to pay when due the interest on and principal of and redemption premiums, if any, due and to become due on such Authority Bonds on and prior to the date scheduled for redemption or maturity date thereof, as the case may be, or (ii) noncallable Government Obligations the principal of and the interest on which when due, and without any reinvestment thereof, will provide money which, together with the money, if any, deposited with or held by the Trustee at the same time, shall be sufficient as verified by a report of a nationally recognized independent certified public accountant to pay when due the interest on and principal of and redemption premiums, if any, due and to become due on such Authority Bonds on and prior to the date fixed for redemption or maturity date thereof, as the case may be, and (c) in the event any of such Authority Bonds are not to be redeemed within the next succeeding sixty (60) days, the Authority shall have given the Trustee irrevocable instructions to mail, as soon as practicable in the same manner as a notice of redemption is mailed pursuant to Article IV, a notice to the Owners of such Authority Bonds that the deposit required by (b) above has been made with the Trustee and that such Authority Bonds are deemed to have been paid in accordance with this Section and stating the maturity dates or redemption dates upon which money is to be available for the payment of the interest on and principal of and redemption premiums, if any, on such Authority Bonds. Neither the securities nor money deposited with the Trustee pursuant to this Section nor interest or principal payments on any such securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the interest on and principal of and redemption premiums, if any, on such Authority Bonds; provided, that any cash received from such interest or principal or interest payments on such obligations deposited with the Trustee, if not then needed for such purpose, shall, to the extent practicable and at the written direction of the Authority, be reinvested in Government Obligations, such written direction to specify which Government Obligations are to be invested in, maturing at times and in amounts, together with the other money and payments with respect to Government Obligations then held by the Trustee pursuant to this Section, sufficient to pay when due the interest on and principal of and redemption premiums, if any, to become due on such Authority Bonds on and prior to such redemption date or maturity date thereof, as the case may be, and interest earned from such reinvestments shall, upon receipt by the Trustee of a Written Order so directing, be paid over to the Authority as received by the Trustee free and clear of any trust, lien or pledge.

SECTION 12.03. Money Held for Particular Authority Bonds. Except as otherwise provided in Section 12.02 or 13.06, the amounts held by the Trustee for the payment of the interest on or principal of or the redemption premiums, if any, or the interest due on any date with respect to particular Authority Bonds shall, on and after such date and pending such payment, be set aside on its books and held in trust by it solely for the Owners entitled thereto.

SECTION 12.04. Effect of Defeasance of Authority Bonds. Notwithstanding any other provision hereof, in the event that the Authority Bonds are defeased and the obligations hereunder are discharged pursuant to this Article, the Trustee shall transfer all property and money held by the Trustee (including, without limitation, the Local Obligations), to or upon the written order of the Authority.

ARTICLE XIII

MISCELLANEOUS

SECTION 13.01. Dissolution of Authority. In the event of the dissolution of the Authority, all the agreements, conditions, covenants and terms contained herein by or on behalf of, or for the benefit of, the Authority shall bind or inure to the benefit of the successors of the Authority from time to time and any officer, board, commission, agency or instrumentality to whom or to which any power or duty of the Authority shall be transferred.

SECTION 13.02. Parties Interested Herein. Except as otherwise specifically provided herein, nothing contained herein, expressed or implied, is intended or shall be construed to confer upon any Person other than the Authority, the Community Facilities District, the Trustee and the Owners any right, remedy or claim under or by reason hereof, this Trust Agreement being intended to be for the sole and exclusive benefit of the Authority, the Community Facilities District, the Trustee and the Owners.

SECTION 13.03. Notice. All written notices to be given hereunder to the Authority or the Community Facilities District or the Trustee shall be given by mail or electronic means to the party entitled thereto at its address set forth below, or at such other address as such party may provide to the other parties in writing from time to time, namely:

If to the Authority: Folsom Ranch Financing Authority
50 Natoma Street
Folsom, CA 95630
Attention: Treasurer
Fax: 916-985-0870
Email: financetreasury@folsom.ca.us

If to the Community Facilities District:
City of Folsom
50 Natoma Street
Folsom, CA 95630
Attention: Finance Director
Fax: 916-985-0870
Email: financetreasury@folsom.ca.us

If to the Trustee:	U.S. Bank Trust Company, National Association One California Street, Suite 1000 San Francisco, CA 94111 Attention: Global Corporate Trust Fax: 415-677-3769 Email: karen.lei@usbank.com

Each such notice, statement, demand, consent, approval, authorization, offer, designation, request or other communication hereunder shall be deemed delivered to the party to whom it is addressed (a) if personally served or delivered, upon delivery, (b) if given by electronic communication, upon the sender's receipt of an appropriate answer back or other written acknowledgment or confirmation of receipt of the entire notice, approval, demand, report or other communication, (c) if given by first class mail deposited with the United States mail postage prepaid, seventy-two (72) hours after such notice is deposited with the United States mail, (d) if given by overnight courier, with courier charges prepaid, twenty-four (24) hours after delivery to said overnight courier, or (e) if given by any other means, upon delivery at the address specified in this Section.

In case, by reason of the suspension of or irregularities in regular mail service, it shall be impractical to mail to the Owners notice of any event when such notice is required to be given pursuant to any provision hereof, then any manner of giving such notice as the Authority shall direct and not objected to by the Trustee shall be deemed to be a sufficient giving of such notice.

The Trustee shall have the right to accept and act upon instructions, including funds transfer instructions ("**Instructions**") given pursuant to this Trust Agreement and delivered using Electronic Means ("**Electronic Means**" shall mean the following communications methods: e-mail, facsimile transmission, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys issued by the Trustee, or another method or system specified by the Trustee as available for use in connection with its services hereunder); provided, however, that the Authority shall provide to the Trustee an incumbency certificate listing officers with the Authority to provide such Instructions and containing specimen signatures of such officers, which incumbency certificate shall be amended by the Authority whenever a person is to be added or deleted from the listing. If the Authority elects to give the Trustee Instructions using Electronic Means and the Trustee in its reasonable judgment elects to act upon such Instructions, the Trustee's understanding of such Instructions shall be deemed controlling. The Community Facilities District understands and agrees that the Trustee cannot determine the identity of the actual sender of such Instructions and that the Trustee shall be entitled to conclusively presume without liability that directions that purport to have been sent by an officer listed on the incumbency certificate provided to the Trustee have been sent by such officer. The Authority shall be responsible for ensuring that only officers transmit such Instructions to the Trustee and that the Authority and all officers are solely responsible to safeguard the use and confidentiality of applicable user and authorization codes, passwords and/or authentication keys upon receipt by the Authority. The Trustee shall not be liable for any losses, costs claims, or expenses arising directly or indirectly from the Trustee's reliance upon and compliance with such Instructions notwithstanding the fact that such directions conflict or are inconsistent with a subsequent written

instruction. The Authority agrees: (i) to assume all risks arising out of the use of Electronic Means to submit Instructions to the Trustee, including without limitation the risk of the Trustee acting on unauthorized Instructions, and the risk of interception and misuse by third parties; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting Instructions to the Trustee and that there may be more secure methods of transmitting Instructions than the method(s) selected by the Authority; (iii) that the security procedures (if any) to be followed in connection with its transmission of Instructions provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances; and (iv) to notify the Trustee in writing immediately upon learning of any compromise or unauthorized use of the security procedures.

SECTION 13.04. Holidays. If the date for making any payment or the last date for performance of any act or the exercising of any right, as provided herein, shall not be a Business Day, such payment may be made or act performed or right exercised on the next succeeding Business Day with the same force and effect as if done on the nominal date provided in this Trust Agreement, and no interest shall accrue for the period from and after such nominal date.

SECTION 13.05. Limitation of Liability. The Authority shall not be obligated to make any payments required hereunder or under any Bond, or be deemed to incur any liability hereunder or by reason hereof or arising out of any of the transactions contemplated hereby, payable from any funds or assets other than the Trust Estate as provided herein.

SECTION 13.06. Unclaimed Money. Anything contained herein to the contrary notwithstanding, any money held by the Trustee in trust for the payment and discharge of the interest on or principal of or redemption premiums, if any, on any Bond which remains unclaimed for two (2) years after the date when such amounts have become payable, if such money was held by the Trustee on such date, or for two (2) years after the date of deposit of such money if deposited with the Trustee after the date such amounts have become payable, shall be paid by the Trustee to the Authority as its absolute property free from trust, and the Trustee shall thereupon be released and discharged with respect thereto and the Owners shall look only to the Authority for the payment of such amounts; provided, that before being required to make any such payment to the Authority, the Trustee shall, at the expense and written direction of the Authority, give notice by first class mail to the Owners that such money remains unclaimed and that after a date named in such notice, which date shall not be less than sixty (60) days after the date of giving such notice, the balance of such money then unclaimed will be returned to the Authority.

SECTION 13.07. Governing Law. This Trust Agreement shall be governed as to validity, construction and performance by the laws of the State.

SECTION 13.08. Severability of Invalid Provisions. If any clause, provision or section hereof is held illegal or invalid by any court, the invalidity of such clause, provision or section shall not affect any of the remaining clauses, provisions or sections hereof, and this Trust Agreement shall be construed and enforced as if such illegal or invalid clause, provision or section had not been contained herein.

SECTION 13.09. Counterparts and Electronic Execution. This Trust Agreement may be executed in any number of counterparts, each of which, when so executed and delivered, shall

be an original; but all of which such counterparts shall together constitute but one and the same instrument. The exchange of copies of this Trust Agreement and of signature pages by facsimile or PDF transmission shall constitute effective execution and delivery of this Trust Agreement as to the parties hereto and may be used in lieu of the original Trust Agreement and signature pages for all purposes. Each party agrees that the electronic signatures, whether digital or encrypted, of the parties included in this Trust Agreement are intended to authenticate this writing and to have the same force and effect as manual signatures. Electronic signature means any electronic sound, symbol, or process attached to or logically associated with a record and executed and adopted by a party with the intent to sign such record, including facsimile or email electronic signatures.

SECTION 13.10. U.S.A. Patriot Act. The parties hereto acknowledge that in accordance with Section 326 of the U.S.A. Patriot Act, the Trustee, like all financial institutions and in order to help fight the funding of terrorism and money laundering, is required to obtain, verify, and record information that identifies each person or legal entity that establishes a relationship or opens an account with the Trustee. The parties to this Trust Agreement agree that they will provide the Trustee with such information as it may request in order for the Trustee to satisfy the requirements of the U.S.A. Patriot Act.

SECTION 13.11. Force Majeure. In no event shall the Trustee be responsible or liable for any failure or delay in the performance of its obligations hereunder arising out of or caused by, directly or indirectly, forces beyond its control, including, without limitation, strikes, work stoppages, accidents, acts of war or terrorism, pandemics, epidemics, quarantine restrictions, recognized public emergencies, civil or military disturbances, nuclear or natural catastrophes or acts of God, and interruptions, loss or malfunctions of utilities, communications or computer (software and hardware) services; it being understood that the Trustee shall use reasonable efforts which are consistent with accepted practices in the banking industry to resume performance as soon as practicable under the circumstances.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the Authority has caused this Trust Agreement to be executed by the Treasurer, the Community Facilities District has caused this Trust Agreement to be executed in its name by the Finance Director of the City of Folsom, and the Trustee has caused this Trust Agreement to be executed by its authorized signatory, all as of the day and year first above written.

FOLSOM RANCH FINANCING AUTHORITY

By _____
Treasurer

CITY OF FOLSOM COMMUNITY FACILITIES DISTRICT NO. 23 (FOLSOM RANCH)

By _____
Finance Director of the City of Folsom

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION,
as Trustee

By _____
Authorized Signatory

EXHIBIT A

FORM OF AUTHORITY BONDS

UNITED STATES OF AMERICA
STATE OF CALIFORNIA

Unless this Authority Bond (as hereinafter defined) is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to the Trustee for registration of transfer, exchange, or payment, and any Authority Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

FOLSOM RANCH FINANCING AUTHORITY
CITY OF FOLSOM COMMUNITY FACILITIES DISTRICT
NO. 23 (FOLSOM RANCH) IMPROVEMENT AREA NO. 4 SPECIAL TAX REVENUE
BOND, SERIES 2024

No. R-__ $_____

INTEREST RATE	MATURITY DATE	DATED DATE	CUSIP
_____%	September 1, 20__	December [__], 2024	344414[__]

Registered Owner: CEDE & CO.

Principal Sum: DOLLARS

The Folsom Ranch Financing Authority, a joint exercise of powers agency established pursuant to the laws of the State of California (the "Authority"), for value received hereby promises to pay to the registered owner specified above, or registered assigns, on the maturity date set forth above (subject to any right of prior redemption hereinafter mentioned) the principal sum set forth above and to pay interest thereon at the interest rate per annum set forth above. The interest on this Authority Bond will be calculated on the basis of a 360-day year consisting of twelve (12) 30-day calendar months and will be payable on March 1 and September 1 in each year (each an "Interest Payment Date"), commencing on [March 1, 2025], and is payable

by check, mailed by first class mail, on each Interest Payment Date to the registered owner whose name appears on the bond register maintained by the Corporate Trust Office (as defined in the Trust Agreement hereinafter referred to) of U.S. Bank Trust Company, National Association (together with any successor as Trustee under the Trust Agreement hereinafter mentioned, the "Trustee") as of the close of business on the fifteenth (15th) day of the month preceding such Interest Payment Date (the "Record Date"), except with respect to defaulted interest for which a special record date will be established; provided, that in the case of a registered owner of one million dollars ($1,000,000) or more in aggregate principal amount of Authority Bonds, upon written request of such registered owner to the Trustee received not later than the Record Date, such interest shall be paid on the Interest Payment Date in immediately available funds by wire transfer to an account in a bank or trust company or savings bank that is a member of the Federal Reserve System and that is located in the continental United States of America. The principal hereof and the redemption premium hereon, if any, are payable upon presentation and surrender hereof at the Corporate Trust Office of the Trustee. Both the interest on and principal of and redemption premium, if any, hereon are payable in lawful money of the United States of America. All capitalized terms used herein but not otherwise defined shall have the meanings contained in the hereinafter mentioned Trust Agreement.

The Authority and the Trustee shall be entitled to conclusively treat the registered owner of this Authority Bond as the absolute owner hereof for the purpose of receiving payment as herein provided and for all other purposes, and the Authority and the Trustee shall not be affected by notice to the contrary.

This Authority Bond is one of a duly authorized issue of bonds of the Authority designated as the "Folsom Ranch Financing Authority City of Folsom Community Facilities District No. 23 (Folsom Ranch) Improvement Area No. 4 Special Tax Revenue Bonds, Series 2024" (the "Authority Bonds") issued in the aggregate principal amount of [_____] dollars ($[_____]) pursuant to the provisions relating to the joint exercise of powers found in Chapter 5 of Division 7 of Title 1 of the California Government Code, including the Marks-Roos Local Bond Pooling Act of 1985 (being California Government Code Sections 6584-6594) as amended and supplemented (the "Act"), and pursuant to a trust agreement executed and entered into as of December 1, 2024, by and among the Authority, the City of Folsom Community Facilities District No. 23 (Folsom Ranch) (the "Community Facilities District") and the Trustee (the "Trust Agreement"). The Authority Bonds are issued for the purpose of purchasing Local Obligations, and reference is hereby made to the Trust Agreement (a copy of which is on file at the Corporate Trust Office of the Trustee) and all trust agreements supplemental thereto and to the Act for a description of the purposes thereof, of the rights thereunder of the registered owner, of the nature and extent of the security for the Authority Bonds and of the rights, duties and immunities of the Trustee, of the obligations of the Community Facilities District, and of the rights and obligations of the Authority thereunder, to all the provisions of which Trust Agreement the registered owner of this Authority Bond, by acceptance hereof, assents and agrees.

The Authority Bonds and the interest thereon and any redemption premiums thereon are special, limited obligations of the Authority payable solely from the Trust Estate and are secured by the Trust Estate, including amounts held in the accounts and funds (other than the Rebate Fund) established pursuant to the Trust Agreement (including proceeds of the sale of the Authority Bonds), subject only to the provisions of the Trust Agreement permitting the application

thereof for the purposes and on the terms and conditions set forth in the Trust Agreement. No member or officer of the Authority, nor any person executing this Authority Bond, shall in any event be subject to any personal liability or accountability by reason of the issuance of this Authority Bond.

THE AUTHORITY BONDS ARE SPECIAL, LIMITED OBLIGATIONS OF THE AUTHORITY, PAYABLE FROM, AND SECURED AS TO THE PAYMENT OF THE PRINCIPAL OF AND ANY REDEMPTION PREMIUMS ON OR INTEREST ON THE AUTHORITY BONDS IN ACCORDANCE WITH THEIR TERMS AND THE TERMS OF THE TRUST AGREEMENT, SOLELY FROM THE TRUST ESTATE. THE AUTHORITY BONDS DO NOT CONSTITUTE A CHARGE AGAINST THE GENERAL CREDIT OF THE AUTHORITY OR ITS MEMBERS, AND UNDER NO CIRCUMSTANCES SHALL THE AUTHORITY BE OBLIGATED TO PAY PRINCIPAL OF OR ANY REDEMPTION PREMIUMS ON OR INTEREST ON THE AUTHORITY BONDS EXCEPT FROM THE TRUST ESTATE. NONE OF THE COMMUNITY FACILITIES DISTRICT, THE CITY OF FOLSOM (THE "CITY"), THE STATE OF CALIFORNIA NOR ANY PUBLIC AGENCY (OTHER THAN THE AUTHORITY) NOR ANY MEMBER OF THE COMMUNITY FACILITIES DISTRICT OR THE AUTHORITY IS OBLIGATED TO PAY THE PRINCIPAL OF OR ANY REDEMPTION PREMIUMS ON OR INTEREST ON THE AUTHORITY BONDS, AND NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE COMMUNITY FACILITIES DISTRICT, THE CITY, THE STATE OF CALIFORNIA OR ANY PUBLIC AGENCY THEREOF OR ANY MEMBER OF THE AUTHORITY (INCLUDING THE CITY) OR THE COMMUNITY FACILITIES DISTRICT IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR ANY REDEMPTION PREMIUMS ON OR INTEREST ON THE AUTHORITY BONDS, AND NEITHER THE PRINCIPAL OF OR ANY REDEMPTION PREMIUMS ON OR INTEREST ON THE AUTHORITY BONDS CONSTITUTES A DEBT, LIABILITY OR OBLIGATION OF THE COMMUNITY FACILITIES DISTRICT, THE CITY, THE STATE OF CALIFORNIA OR ANY PUBLIC AGENCY (OTHER THAN THE AUTHORITY) OR ANY MEMBER OF THE AUTHORITY.

The Authority Bonds are subject to optional redemption by the Authority prior to their respective maturity dates as a whole or in part on any date on or after September 1, 20[__], from any source of available funds other than Minimum Sinking Fund Payments and Special Tax Prepayments, upon mailed notice as hereinafter provided, at the following redemption prices (computed upon the principal amount of the Authority Bonds or portions thereof called for redemption) together with accrued interest thereon to the date fixed for redemption:

103% if redeemed on any date on or after September 1, 20[__], through August 31, 20[__];

102% if redeemed on any date from September 1, 20[__], through August 31, 20[__];

101% if redeemed on any date from September 1, 20[__], through August 31, 20[__]; and

100% if redeemed on September 1, 20[__], and any date thereafter.

The Authority Bonds are subject to extraordinary redemption by the Authority prior to their respective maturity dates, as a whole or in part on any Interest Payment Date on or after [March 1, 2025], solely from funds derived from extraordinary redemption of Local Obligations from Special Tax Prepayments, at the following redemption prices (computed upon the principal amount of the Authority Bonds or portions thereof called for redemption) together with accrued interest thereon to the date fixed for redemption:

> 103% if redeemed on any Interest Payment Date on or after March 1, 2025, through March 1, 20[__];
>
> 102% if redeemed on an Interest Payment Date on September 1, 20[__], and March 1, 20[__];
>
> 101% if redeemed on an Interest Payment Date on September 1, 20[__], and March 1, 20[__]; and
>
> 100% if redeemed on September 1, 20[__], and any Interest Payment Date thereafter.

The Authority Bonds maturing on September 1, 20[__], are subject to mandatory redemption by the Authority prior to their stated maturity date in part on September 1 of each year on and after September 1, 20[__], to and including September 1, 20[__]; and the Authority Bonds maturing on September 1, 20[__], are subject to mandatory redemption by the Authority prior to their stated maturity date in part on September 1 of each year on and after September 1, 20[__], to and including September 1, 20[__], upon mailed notice as hereinafter provided, from (and in the amount of) the Minimum Sinking Fund Payment due and payable for the Authority Bonds on each such date, at a redemption price equal to the principal amount thereof plus accrued interest thereon to the date of redemption, without premium.

Notice of redemption of any Authority Bonds shall be mailed by first class mail, in a sealed envelope, postage prepaid, at least thirty (30) but not more than sixty (60) days before the date fixed for redemption, to the registered owners of such Authority Bonds (or portions thereof) so called for redemption, at their respective addresses as the same shall last appear on the Bond Register maintained by the Trustee; provided, that neither the failure of a registered owner to receive notice of redemption of Authority Bonds nor any error in such notice shall affect the validity of the proceedings for the redemption of Authority Bonds.

Any notice of optional redemption under the Trust Agreement may be rescinded by written notice given by the Authority to the Trustee no later than three (3) Business Days prior to the date specified for redemption. The Trustee shall give notice of rescission of the notice of optional redemption or non-satisfaction of any conditions specified in the notice of optional redemption as soon as practicable to the same parties and in the same manner as the notice of redemption was given.

The Authority Bonds are issuable as fully registered bonds in denominations of five thousand dollars ($5,000) or any integral multiple in excess thereof. This Authority Bond may be transferred or exchanged by the registered owner hereof, in person or by an attorney duly authorized in writing, but only in the manner, subject to the limitations and upon payment of the charges, if any, provided in the Trust Agreement, and upon surrender and cancellation of this Authority Bond. Upon such transfer or exchange, a new Authority Bond or Authority Bonds, of authorized denominations, for the same aggregate principal amount, interest rate and maturity will be issued to the transferee in accordance with the provisions of the Trust Agreement. The Trustee is not required to register the transfer of, or to exchange, any Authority Bond during the period established by the Trustee for selection of Authority Bonds for redemption or to register the transfer of, or to exchange, any Authority Bond which has been selected for redemption pursuant to the Trust Agreement.

The Trust Agreement and the rights and obligations of the Authority and of the registered owners of the Authority Bonds may be modified or amended from time to time and at any time (and in certain cases without the consent of such registered owners) in the manner, to the extent and upon the terms provided in the Trust Agreement.

The Trust Agreement contains provisions permitting the Authority to make provisions for the payment of the interest on, and the principal and premium, if any, of, any of the Authority Bonds so that such Authority Bonds shall no longer be deemed to be Outstanding under the terms of the Trust Agreement.

It is hereby certified and recited that any and all conditions, things and acts required to exist, to have happened and to have been performed precedent to and in the issuance of this Authority Bond do exist, have happened and have been performed in due time, form and manner as required by the Constitution and laws of the State of California, including the Act, and that the amount of this Authority Bond, together with all other indebtedness of the Authority, does not exceed any limit prescribed by the Constitution and laws of the State of California, including the Act, and is not in excess of the amount of Authority Bonds permitted to be issued under the Trust Agreement.

This Authority Bond shall not be entitled to any benefit under the Trust Agreement, or become valid or obligatory for any purpose, until the certificate of authentication hereon endorsed shall have been manually signed by an authorized signatory of the Trustee.

IN WITNESS WHEREOF, the Folsom Ranch Financing Authority has caused this Authority Bond to be executed in its name and on its behalf by the manual or facsimile signature of its Treasurer and attested by the facsimile signature of its Secretary, all as of December [__], 2024.

FOLSOM RANCH FINANCING AUTHORITY

By: _____
Treasurer

Attest:

_____
Secretary

FORM OF CERTIFICATE OF AUTHENTICATION

This is one of the Authority Bonds described in the within-mentioned Trust Agreement, which has been authenticated on the date below.

Dated: December [__], 2024

U.S. Bank Trust Company, National Association
as Trustee

By: _____
Authorized Signatory

FORM OF ASSIGNMENT

For value received, the undersigned sells, assigns and transfers unto _____ _____ this registered Authority Bond and irrevocably constitutes and appoints _____ attorney to transfer the same on the books of the Trustee, with full power of substitution in the premises.

Dated:_____

_____

SIGNATURE GUARANTEED BY:

_____

NOTE: Signatures must be guaranteed by an "eligible guarantor institution" meeting the requirements of membership or participation in the Security Transfer Agent Medallion Program ("STAMP") or such other "signature guarantee program" as may be determined in substitution for STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.

Social Security Number, Taxpayer Identification Number or other Identifying Number of Assignee: _____.

ATTACHMENT 4

OH&S DRAFT
10/30/24

CITY OF FOLSOM COMMUNITY FACILITIES DISTRICT NO. 23
(FOLSOM RANCH)

and

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION,

as Trustee

INDENTURE

Dated as of December 1, 2024

Relating to the

City of Folsom
Community Facilities District No. 23 (Folsom Ranch)
Improvement Area No. 4
Special Tax Bonds

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INDENTURE

This Indenture (the "Indenture"), dated as of December 1, 2024, by and between the City of Folsom Community Facilities District No. 23 (Folsom Ranch), organized and existing under and by virtue of the laws of the State of California (the "Community Facilities District"), and U.S. Bank Trust Company, National Association, a national banking association duly organized and existing under and by virtue of the laws of the United States of America and authorized to accept and execute trusts of the character herein set forth, as trustee (the "Trustee");

WITNESSETH:

WHEREAS, the City Council of the City of Folsom (the "City") on May 26, 2020, duly adopted its Resolution No. 10435, establishing the Community Facilities District and designating various improvement areas therein, including Improvement Area No. 4 (the "Improvement Area") for the purpose of providing for the financing of certain public facilities and certain public services in and for such Community Facilities District; and

WHEREAS, at an election held in the Community Facilities District on May 26, 2020, the qualified electors within the Improvement Area duly authorized the issuance of sixty-four million dollars ($64,000,000) principal amount of special tax bonds for the Improvement Area for the purpose of financing such public facilities and services; and

WHEREAS, the qualified electors in the Improvement Area at such election additionally authorized the levy and collection of a special tax to be used for the purpose, among others, of paying the interest on and principal of and redemption premiums, if any, on such special tax bonds; and

WHEREAS, the Community Facilities District has determined to issue [_____] dollars ($[_____]) principal amount of such special tax bonds for the Improvement Area (the "2024 Bonds" and, together with any Additional Bonds (defined herein), the "Bonds") pursuant hereto and to secure the Bonds in the manner provided herein, and for the purpose of paying for such public facilities; and

WHEREAS, the Folsom Ranch Financing Authority (the "Authority") has agreed to purchase the Bonds pursuant to a Local Obligation Purchase Contract between the Authority and the Community Facilities District dated November [__], 2024, with a portion of the proceeds of the Authority's City of Folsom Community Facilities District No. 23 (Folsom Ranch) Improvement Area No. 4 Special Tax Revenue Bonds, Series 2024 (the "Authority Bonds"); and

WHEREAS, all things necessary to cause the Bonds, when executed by the Community Facilities District and authenticated by the Trustee and delivered as provided herein, to be legal and valid special tax obligations of the Community Facilities District enforceable in accordance with their terms, and to constitute the Indenture a valid agreement for the uses and purposes herein set forth in accordance with its terms, have been done and taken, and the execution and delivery hereof and the execution and delivery of the Bonds, subject to the terms hereof, have in all respects been duly authorized;

NOW, THEREFORE, THE INDENTURE WITNESSETH, that in order to secure the payment of the interest on and principal of and redemption premiums, if any, on all Bonds at any time issued and Outstanding hereunder according to their tenor, and to secure the observance and performance of all the agreements, conditions, covenants and terms therein and herein set forth, and to declare the conditions and terms upon and subject to which the Bonds are to be issued and received, and in consideration of the premises and of the mutual agreements and covenants contained herein and of the purchase and acceptance of the Bonds by the respective Holders thereof from time to time, and for other valuable consideration, the receipt whereof is hereby acknowledged, the Community Facilities District does hereby agree and covenant with the Trustee, for the benefit of the respective Holders from time to time of the Bonds, as follows:

ARTICLE I

DEFINITIONS; EQUAL SECURITY

Section 1.01. Definitions. Unless the context otherwise requires, all terms defined in this Section shall for all purposes hereof and of any Supplemental Indenture and of the Bonds and of any certificate, opinion, report, request or other document mentioned herein or therein have the meanings defined herein, the following definitions to be equally applicable to both the singular and plural forms of any of the terms defined herein:

2024 Bonds

"2024 Bonds" means the [_____] dollars ($[_____]) aggregate principal amount of City of Folsom Community Facilities District No. 23 (Folsom Ranch) Improvement Area No. 4 Special Tax Bonds, Series 2024, at any time Outstanding hereunder that are executed, authenticated and delivered in accordance with the provisions hereof.

Accountant's Report

"Accountant's Report" means a report signed by an Independent Certified Public Accountant.

Acquisition and Construction Fund

"Acquisition and Construction Fund" means the City of Folsom Community Facilities District No. 23 (Folsom Ranch) Improvement Area No. 4 Special Tax Bonds Acquisition and Construction Fund established pursuant to Section 2.15.

Additional Bonds

"Additional Bonds" mean Bonds other than the 2024 Bonds issued hereunder in accordance with the provisions of Sections 2.02 and 2.03.

Annual Debt Service

"Annual Debt Service" means for each Bond Year, the sum of (a) the interest due on the Outstanding Bonds in such Bond Year, assuming that the Bonds are retired as scheduled (including by reason of Minimum Sinking Fund Account Payments), and (b) the principal of the Bonds due in such Bond Year (including by reason of Minimum Sinking Fund Account Payments).

Authority

"Authority" means the Folsom Ranch Financing Authority and its successors and assigns.

Authority Bonds

"Authority Bonds" means the Folsom Ranch Financing Authority City of Folsom Community Facilities District No. 23 (Folsom Ranch) Improvement Area No. 4 Special Tax Revenue Bonds, Series 2024.

Authority Trustee

"Authority Trustee" means U.S. Bank Trust Company, National Association, as trustee under the Trust Agreement.

Average Annual Debt Service

"Average Annual Debt Service" means the average Debt Service on the Bonds payable in the current Bond Year and in all future Bond Years during which any Bonds are scheduled to be Outstanding, all as determined by the Community Facilities District under the Code and specified in writing to the Trustee.

Bond Reserve Account

"Bond Reserve Account" means each such account within the Bond Reserve Fund referred to by that name, including the Series 2024 Bond Reserve Account.

Bond Reserve Fund

"Bond Reserve Fund" means the fund within the Special Tax Fund referred to by that name established pursuant to Section 4.02. The Bond Reserve Fund will be made up solely of the Bond Reserve Account(s) established therein.

Bonds, Serial Bonds, Term Bonds

"Bonds" means 2024 Bonds and any Additional Bonds.

"Serial Bonds" means the Bonds for which no Minimum Sinking Fund Account Payments are established.

"Term Bonds" means the Bonds which are redeemable or payable on or before their specified maturity dates from Minimum Sinking Fund Account Payments established for the purpose of redeeming or paying such Bonds on or before their specified maturity dates.

Bond Year

"Bond Year" means the twelve-month period terminating on September 1 of each year; provided, that the first Bond Year shall commence on the date of the execution and initial delivery of the Bonds.

Business Day

"Business Day" means any day other than (i) a Saturday or a Sunday or (ii) a day on which commercial banks in New York, New York, or the city in which the Corporate Trust Office of the Trustee is located, are closed.

Certificate of the City

"Certificate of the City" means an instrument in writing signed by the City Manager or the Finance Director, or by any other officer of the City duly authorized by the City Council for that purpose.

City

"City" means the City of Folsom, a charter city and municipal corporation duly organized and existing under and by virtue of its charter and the Constitution and laws of the State of California.

City Clerk

"City Clerk" means the City Clerk of the City.

City Council

"City Council" means the City Council of the City.

City Manager

"City Manager" means the City Manager of the City.

Code

"Code" means the Internal Revenue Code of 1986 and the regulations issued thereunder from time to time, and in this regard reference to any particular section of the Code shall include reference to any successor to such section of the Code.

Community Facilities District

"Community Facilities District" means the City of Folsom Community Facilities District No. 23 (Folsom Ranch), a community facilities district duly organized and existing in the City under and by virtue of the Law.

Community Facilities Fund

"Community Facilities Fund" means the City of Folsom Community Facilities District No. 23 (Folsom Ranch) Improvement Area No. 4 Community Facilities Fund established pursuant to Section 4.01.

Corporate Trust Office

"Corporate Trust Office" means the office of the Trustee in California designated in Section 6.01 at which at any particular time its corporate trust business shall be administered.

Costs of Issuance

"Costs of Issuance" means all costs and expenses payable by or reimbursable to the City or the Community Facilities District that are related to the authorization, sale, execution and initial delivery of the Bonds, including, but not limited to, costs of preparation and reproduction of documents, rating agency fees, filing fees, initial fees and charges of the Trustee (including fees and expenses of its counsel), legal fees and charges and fees and charges of other consultants and professionals, together with all costs for preparation of the Bonds, and any other cost or expense in connection with the authorization, sale, execution and initial delivery of the Bonds.

Costs of Issuance Fund

"Costs of Issuance Fund" means the City of Folsom Community Facilities District No. 23 (Folsom Ranch) Improvement Area No. 4 Special Tax Bonds Costs of Issuance Fund established pursuant to Section 2.16.

Debt Service

"Debt Service" means, for any Bond Year, the sum of (1) the interest payable during such Bond Year on all Outstanding Bonds, assuming that all Outstanding Serial Bonds are retired as scheduled and that all Outstanding Term Bonds are redeemed or paid as scheduled at the times of and in amounts equal to the sum of all Minimum Sinking Fund Account Payments, plus (2) the principal amount of all Outstanding Serial Bonds maturing by their terms in such Bond Year, plus (3) the Minimum Sinking Fund Account Payment required to be deposited in the Sinking Fund Subaccount in such Bond Year.

Developed Property

"Developed Property" means all Taxable Property for which a building permit for new construction has been issued as of the date of calculation.

Effective Tax Rate Evaluation Minimum Facilities Revenue

"Effective Tax Rate Evaluation Minimum Facilities Revenue" has the meaning given to such term in the Rate and Method.

Event of Default

"Event of Default" means an event described as such in Section 8.01.

Expenses

"Expenses" means all expenses paid or incurred by the City or the Community Facilities District for the cost of planning and designing the Facilities, including the cost of environmental evaluations of the Facilities and the costs associated with the creation of the Community Facilities District, the designation of the improvement areas therein, the issuance of the Bonds, the determination of the amount of the Special Tax, the collection of the Special Tax and the payment of the Special Tax, or costs otherwise incurred in order to carry out the authorized purposes of the Community Facilities District, and any other expenses incidental to the acquisition, construction, completion and inspection of the Facilities; all as determined in accordance with Generally Accepted Accounting Principles.

Facilities

"Facilities" means those certain public facilities authorized to be acquired and constructed in and for the Community Facilities District under and pursuant to the Law at the special election held in the Community Facilities District on May 26, 2020.

Facilities Special Tax

"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 in accordance with the Rate and Method (each as defined in the Rate and Method).

Federal Securities

"Federal Securities" means (a) any securities now or hereafter authorized both the interest on and principal of which are guaranteed by the full faith and credit of the United States of America, and (b) any of the following obligations of federal agencies not guaranteed by the United States of America: (1) participation certificates or senior debt obligations of the Federal Home Loan Mortgage Corporation, (2) bonds or debentures of the Federal Home Loan Bank Board established under the Federal Home Loan Bank Act and bonds of any federal home loan bank established under such act, and (3) stocks, bonds, debentures, participations and other obligations of or issued by the Federal National Mortgage Association, the Student Loan Marketing Association, the Government National Mortgage Association and the Federal Home Loan Mortgage Corporation, as and to the extent that such securities or obligations are eligible for the legal investment of City or Community Facilities District funds.

Finance Director

"Finance Director" means the Finance Director of the City.

Fiscal Year

"Fiscal Year" means the twelve-month period terminating on June 30 of each year, or any other annual accounting period hereafter selected and designated by the Community Facilities District as its Fiscal Year in accordance with applicable law.

Fitch

"Fitch" means Fitch Ratings, Inc., a corporation duly organized and existing under and by virtue of the laws of the State of New York, and its successors or assigns, except that if such entity shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, then the term "Fitch" shall be deemed to refer to any other nationally recognized securities rating agency selected by the Community Facilities District.

Generally Accepted Accounting Principles

"Generally Accepted Accounting Principles" means the uniform accounting and reporting procedures set forth in publications of the American Institute of Certified Public Accountants or its successor, or by any other generally accepted authority on such procedures, and includes, as applicable, the standards set forth by the Governmental Accounting Standards Board or its successor.

Holder

"Holder" means any person who shall be the registered owner of any Outstanding Bond, as shown on the registration books maintained by the Trustee pursuant to Section 2.09.

Improvement Area

"Improvement Area" means City of Folsom Community Facilities District No. 23 (Folsom Ranch) Improvement Area No. 4, a designated improvement area within the Community Facilities District.

Indenture

"Indenture" means this Indenture and all Supplemental Indentures.

Independent Certified Public Accountant

"Independent Certified Public Accountant" means any certified public accountant or firm of such accountants duly licensed and entitled to practice and practicing as such under the laws of the State of California, appointed and paid by the Community Facilities District, and who, or each of whom:

(1) is in fact independent and not under the domination of the Community Facilities District;

(2) does not have a substantial financial interest, direct or indirect, in the operations of the Community Facilities District; and

(3) is not connected with the Community Facilities District as an officer or employee of the Community Facilities District, but who may be regularly retained to audit the accounting records of and make reports thereon to the Community Facilities District.

Independent Consultant

"Independent Consultant" means any consultant or firm of consultants selected by the Community Facilities District who, or each of whom, (a) is generally recognized to be qualified in the field of special tax or financial consulting, (b) is in fact independent and not under the control of the Community Facilities District, (c) does not have any substantial interest, direct or indirect, in the Community Facilities District, or any owner of real property in the Community Facilities District, and (d) is not an officer or employee of the Community Facilities District, but who may be regularly retained to make reports to the Community Facilities District.

Law

"Law" means the Mello-Roos Community Facilities Act of 1982, as amended (being Sections 53311 et seq. of the Government Code of the State of California), and all laws amendatory thereof or supplemental thereto.

Lien

"Lien" means the aggregate principal amount of all overlapping debt and bonds (including the Bonds) outstanding that are secured by a special tax levied pursuant to the Law or a special assessment levied on property within the Improvement Area, including any overlapping debt or bonds for community facilities districts or special assessment districts that is reasonably allocated to property within the Improvement Area.

Local Obligation Purchase Contract

"Local Obligation Purchase Contract" means the Local Obligation Purchase Contract between the Community Facilities District and the Authority providing for the sale of the 2024 Bonds.

Mayor

"Mayor" means the Mayor of the City.

Maximum Annual Debt Service

"Maximum Annual Debt Service" means, as of any date of calculation, the largest Debt Service in any Bond Year during the period from the date of such calculation through the final maturity date of any Outstanding Bonds.

Maximum Facilities Special Tax

"Maximum Facilities Special Tax" means the total maximum annual Facilities Special Tax, determined in accordance with the provisions of Section C of the Rate and Method, which may be levied in any Fiscal Year on any Assessor's Parcel of Taxable Property (each as defined in the Rate and Method).

Minimum Sinking Fund Account Payments

"Minimum Sinking Fund Account Payments" means the payments required hereunder and under all Supplemental Indentures to be deposited in the Sinking Fund Subaccount for the payment of the Term Bonds.

Moody's

"Moody's" means Moody's Investors Service Inc., a corporation duly organized and existing under and by virtue of the laws of the State of Delaware, and its successors or assigns, except that if such entity shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, then the term "Moody's" shall be deemed to refer to any other nationally recognized securities rating agency selected by the Community Facilities District.

Opinion of Counsel

"Opinion of Counsel" means a written opinion of counsel (including, without limitation, the City Attorney of the City) retained by the Community Facilities District.

Outstanding

"Outstanding," when used as of any particular time with reference to Bonds, means (subject to the provisions of Section 7.02) all Bonds except:

(a) Bonds delivered to the Trustee for cancellation and destruction pursuant to Section 10.07;

(b) Bonds paid or deemed to have been paid pursuant to Section 9.01;

(c) Bonds in lieu of or in substitution for which other Bonds shall have been executed by the Community Facilities District and authenticated and delivered by the Trustee pursuant to Section 2.10; and

(d) Bonds paid in accordance with the second to last paragraph Section 2.10.

Permitted Investments

"Permitted Investments" means any of the following investments, as authorized by applicable law at the time of making such investment, namely:

(1) Federal Securities;

(2) Participation certificates (excluding stripped mortgage securities which are purchased at prices exceeding their principal amounts) and senior debt obligations of the Federal Home Loan Mortgage Corporation; consolidated system-wide bonds and notes of the Farm Credit System; senior debt obligations and mortgage-backed securities (excluding stripped mortgage-backed securities which are purchased at prices exceeding their principal amounts) of the Federal National Mortgage Association; senior debt obligations (excluding securities that have no fixed par value and/or whose terms do not promise a fixed dollar amount at maturity or call date) of the Student Loan Marketing Association; debt obligations of the Resolution Funding Corp.; and REFCORP STRIPS (stripped by the Federal Reserve Bank of New York) (collectively, the "Agency Obligations");

(3) Direct obligations of any state of the United States of America or any subdivision or agency thereof whose long-term unsecured general obligation debt is rated "A3" or better by Moody's and "A-" or better by Standard & Poor's or any obligation fully and unconditionally guaranteed by any state or subdivision or agency thereof whose long-term, unsecured general obligation debt is rated "A3" or better by Moody's and "A-" or better by Standard & Poor's;

(4) Commercial paper (that matures in not more than three hundred sixty-five (365) days) rated "Prime-1" or better by Moody's and "A-1" or better by Standard & Poor's;

(5) Deposits, Federal funds or bankers acceptances (that mature in not more than three hundred sixty-five (365) days) of any domestic bank (including a branch office of a foreign bank which branch office is located in the United States of America, if the Trustee shall have received a legal opinion or opinions to the effect that full and timely payment of such deposit or similar obligation is enforceable against the principal office or any branch of such bank), which:

(a) has an unsecured, uninsured and unguaranteed obligation rated "Prime-1" or "A3" or better by Moody's and "A-1" or "A-" or better by Standard & Poor's, or

(b) is the lead bank of a parent bank holding company with an uninsured, unsecured and unguaranteed obligation meeting the rating requirements in paragraph (a) above;

(6) Deposits in any bank or savings and loan association which has a combined capital, surplus and undivided profits of not less than ten million dollars ($10,000,000); provided, that if such deposits are fully insured by the Federal Deposit Insurance Corporation, the Banking Insurance Fund or the Savings Association Insurance Fund, or are fully collateralized by Federal Securities;

(7) Investments in a money-market fund rated "Am" or "Am-G" or better by Standard & Poor's, including any such fund managed, advised or sponsored by the Trustee or any of its affiliates but excluding any such fund with a floating net asset value;

(8) Repurchase agreements with a term of six (6) months or less with any institution having long-term, unsecured debt rated at least "AA" or commercial paper rated "A-1+" by Standard & Poor's;

(9) Repurchase agreements collateralized by Federal Securities ("Collateral Securities") with any registered broker-dealer which is under the jurisdiction of the Securities Investors Protection Corporation or any commercial bank, if such broker-dealer or bank has uninsured, unsecured and unguaranteed debt rated "Prime-1" or "A3" or better by Moody's and "A-1" or "A-" or better by Standard & Poor's; provided, that:

(a) a master repurchase agreement or other specific written repurchase agreement governs the transaction;

(b) the Collateral Securities are held free and clear of any other lien by the Trustee or an independent third party acting solely as agent for the Trustee, so long as any such third party (A) is (1) a Federal Reserve Bank or (2) a bank which is a member of the Federal Deposit Insurance Corporation and which has combined capital, surplus and undivided profits of not less than twenty-five million dollars ($25,000,000), and (B) certifies in writing to the Trustee (or delivers to the Trustee a written opinion of counsel to such third party) that such third party holds the Collateral Securities free and clear of any lien, as agent for the Trustee;

(c) a perfected first security interest under the Uniform Commercial Code is created in, or book-entry procedures prescribed at 31 C.F.R. 306.1 et seq. or 31 C.F.R. 350.0 et seq. are followed with respect to, the Collateral Securities for the benefit of the Trustee;

(d) such repurchase agreement has a term of thirty (30) days or less;

(e) such repurchase agreement matures at least ten (10) days (or other appropriate liquidation period) prior to each interest payment date on the Bonds;

(f) the fair market value of the Collateral Securities in relation to the amount of the repurchase obligation, including principal and interest, is equal to at least one hundred three percent (103%); and

(g) the Trustee obtains an opinion of counsel to such broker-dealer or bank (which opinion shall be addressed to the Community Facilities District) to the effect that such repurchase agreement is a legal, valid, binding and enforceable agreement of such broker-dealer or bank (and, in the case of a bank which is a branch of a foreign bank, of such foreign bank) in accordance with its terms;

(10) Shares in the California Asset Management Program (established pursuant to Title 1, Division 7, Chapter 5 of the Government Code of the State of California) that invests exclusively in investments permitted by Section 53635 of the Government Code of the State of California, as now existing and as it may be amended from time to time; and

(11) Investments in the Local Agency Investment Fund maintained by the California State Treasurer, which such investments shall only be invested in the special portion of the Local Agency Investment Fund for bond proceeds that are not subject to arbitrage restrictions.

Priority Administrative Expenses

"Priority Administrative Expenses" means an amount equal to (a) for Fiscal Year 2024-25, $20,000, and (b) for any subsequent Fiscal Year, the amount resulting from increasing the Priority Administrative Expenses on each July 1, from and including the July 1 immediately following the end of the then current Fiscal Year to and including the July 1 in such Fiscal Year by 2% of the amount in effect for the previous Fiscal Year.

Proceeds Fund

"Proceeds Fund" means the temporary account referred to by that name established pursuant to Section 2.13.

Rate and Method

"Rate and Method" means the rate and method of apportionment of special tax for the Improvement Area.

Rebate Fund

"Rebate Fund" means the City of Folsom Community Facilities District No. 23 (Folsom Ranch) Improvement Area No. 4 Special Tax Bonds Rebate Fund established pursuant to Section 5.03.

Redemption Account

"Redemption Account" means the account within the Special Tax Fund referred to by that name established pursuant to Section 4.02.

Required Bond Reserve

"Required Bond Reserve" means, for each applicable series of Bonds, as of any date of calculation, the least of: (a) Maximum Annual Debt Service, (b) one hundred twenty-five percent (125%) of the Average Annual Debt Service or (c) ten percent (10%) of the original principal amount of such series of Bonds; provided, that the Required Bond Reserve shall be calculated on the date of issuance of each series of Bonds and shall not increase thereafter; and provided further, that such requirement (or any portion thereof) may be satisfied by the provision of one or more policies of municipal bond insurance or surety bonds issued by a municipal bond insurer or by a letter of credit issued by a bank, the obligations insured by which insurer or issued

by which bank, as the case may be, have ratings at the time of issuance of such policy or surety bond or letter of credit equal to "AA" or higher (without regard to qualifier) assigned by Fitch or "Aa" or higher (without regard to qualifier) assigned by Moody's or "AA" or higher (without regard to qualifier) assigned by Standard & Poor's.

Responsible Officer of the Trustee

"Responsible Officer of the Trustee" means any officer within the corporate trust division (or any successor group or department of the Trustee) including any vice president, assistant vice president, assistant secretary or any other officer or assistant officer of the Trustee customarily performing functions similar to those performed by the persons who at the time shall be such officers, respectively, with responsibility for the administration of this Indenture.

Series 2024 Bond Reserve Account

"Series 2024 Bond Reserve Account" means the account within the Bond Reserve Fund referred to by that name established pursuant to Section 2.13(a).

Services

"Services" means the "Authorized Services" pursuant to the Rate and Method.

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 (each as defined in the Rate and Method).

Sinking Fund Subaccount

"Sinking Fund Subaccount" means the subaccount in the Redemption Account referred to by that name established pursuant to Section 2.04.

Special Tax

"Special Tax" means the special tax authorized to be levied and collected annually on all Taxable Property in the Improvement Area under and pursuant to the Law at the special election held in the Improvement Area on May 26, 2020, including both the Facilities Special Tax and the Services Special Tax.

Special Tax Fund

"Special Tax Fund" means the City of Folsom Community Facilities District No. 23 (Folsom Ranch) Improvement Area No. 4 Special Tax Fund established pursuant to Section 4.01.

Standard & Poor's

"Standard & Poor's" means S&P Global Ratings, a business of Standard & Poor's Financial Services LLC, and its successors or assigns, except that if such entity shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, then the term "Standard & Poor's" shall be deemed to refer to any other nationally recognized securities rating agency selected by the Community Facilities District.

Supplemental Indenture

"Supplemental Indenture" means any indenture then in full force and effect that has been made and entered into by the Community Facilities District and the Trustee, amendatory of or supplemental hereto; but only to the extent that such Supplemental Indenture is specifically authorized hereunder.

Tax Certificate

"Tax Certificate" means the certificate or certificates delivered upon the issuance of any series of the Bonds relating to Section 148 of the Code, or any functionally similar replacement certificate.

Taxable Property

"Taxable Property" means all property within the Improvement Area taxable under the Law in accordance with the proceedings for the authorization of the issuance of the Bonds and the levy and collection of the Special Tax.

Trust Agreement

"Trust Agreement" means that certain Trust Agreement, dated as of December 1, 2024, among the Folsom Ranch Financing Authority, the Community Facilities District and the Trustee, as Authority Trustee for the Authority Bonds.

Trustee

"Trustee" means U.S. Bank Trust Company, National Association, a national banking association duly organized and existing under and by virtue of the laws of the United States of America and authorized to accept and execute trusts of the character herein set forth, at its Corporate Trust Office, and its successors or assigns, or any other bank or trust company having a designated corporate trust office in California which may at any time be substituted in its place as provided in Section 6.01.

Value

"Value" means the current assessed valuation of the Taxable Property and/or the appraised value of the Taxable Property determined by an MAI appraiser.

Written Request of the Community Facilities District

"Written Request of the Community Facilities District" means an instrument in writing signed by the City Manager or the Finance Director, or by any other officer of the City

duly authorized by the City Council, as legislative body of the Community Facilities District, for that purpose.

Section 1.02. Equal Security. In consideration of the acceptance of the Bonds by the Holders thereof, the Indenture shall be deemed to be and shall constitute a contract between the Community Facilities District and the Holders from time to time to secure the full and final payment of the interest on and principal of and redemption premiums, if any, on all Bonds which may from time to time be authorized, sold, executed, authenticated and delivered hereunder, subject to the agreements, conditions, covenants and terms contained herein; and all agreements, conditions, covenants and terms contained herein required to be observed or performed by or on behalf of the Community Facilities District shall be for the equal and proportionate benefit, security and protection of all Holders without distinction, preference or priority as to security or otherwise of any Bonds over any other Bonds by reason of the number thereof or the time of execution, authentication or delivery thereof or otherwise for any cause whatsoever, except as expressly provided herein or therein.

ARTICLE II

AUTHORIZATION AND ISSUANCE OF BONDS

Section 2.01. Authorization and Purpose of Bonds.

(a) The City Council, as legislative body of the Community Facilities District, has reviewed all proceedings heretofore taken relative to the authorization of the Bonds and has found, as a result of such review, and hereby finds and determines that all acts, conditions and things required by law to exist, happen and be performed precedent to and in the issuance of the Bonds do exist, have happened and have been performed in due time, form and manner as required by the Law, and the Community Facilities District is now authorized, pursuant to each and every requirement of the Law and hereof, to issue the Bonds in one or more series as from time to time shall be authorized and established by the Community Facilities District pursuant to the Law and pursuant hereto and pursuant to one or more Supplemental Indentures, which series shall be entitled to the benefit, protection and security of the provisions hereof, shall be designated the "City of Folsom Community Facilities District No. 23 (Folsom Ranch) Improvement Area No. 4 Special Tax Bonds," together with such further appropriate particular designation added to or incorporated in the title of the Bonds of each series as the Community Facilities District may determine or as shall be required by the Law, and each Bond shall bear upon its face the designation so determined for the series to which it belongs. Additionally, the Bonds may contain or have endorsed thereon such descriptive provisions, specifications and words not inconsistent with the provisions hereof as may be desirable or necessary to comply with custom or the rules of any securities exchange or commission or brokerage board or otherwise as may be determined by the Community Facilities District prior to the delivery thereof. An initial series of Bonds shall be issued hereunder to be designated the "City of Folsom Community Facilities District No. 23 (Folsom Ranch) Improvement Area No. 4 Special Tax Bonds, Series 2024."

(b) The purpose for which the Bonds are to be issued is to provide funds to pay costs of the acquisition and construction of the Facilities, including the repayment of funds advanced by the City for the Community Facilities District and the repayment under any agreement of advances of funds or reimbursement for the lesser of the value or cost of work in-kind provided by any person for the Community Facilities District, and including the payment of costs incidental to or connected with such acquisition and construction.

(c) From and after the issuance of any series of the Bonds, the findings and determinations of the City Council, as legislative body of the Community Facilities District, respecting such series of the Bonds shall be conclusive evidence of the existence of the facts so found and determined in any action or proceeding in any court in which the validity of any Bonds of such series is at issue, and no bona fide purchaser of any of the Bonds of such series shall be required to see to the existence of any fact or to the performance of any condition or to the taking of any proceeding required prior to such issuance or to the application of the purchase price paid for such series of the Bonds. The validity of the issuance of the Bonds of any series shall not be dependent on or affected in any way by (i) any proceedings taken by the City for the acquisition and construction of any Facilities, or (ii) any contracts made by the City or the Community Facilities District in connection therewith, or (iii) the failure to complete the acquisition and construction of any Facilities. The recital contained in the Bonds that the Bonds are issued under and pursuant to the Law and under and pursuant hereto and under and pursuant to a Supplemental Indenture shall be conclusive evidence of their validity and of the regularity of their issuance and all Bonds shall be incontestable from and after their issuance. The Bonds shall be deemed to be issued, within the meaning hereof, whenever the definitive Bonds (or any temporary Bonds exchangeable therefor) have been delivered to the purchaser thereof and the purchase price thereof received.

Section 2.02. Additional Bonds; Subordinate Bonds. The Community Facilities District may at any time issue Additional Bonds payable from the proceeds of the Special Tax net of Priority Administrative Expenses as provided herein on a parity with all other Bonds and Additional Bonds theretofore issued or to be issued hereunder, but only subject to the following conditions, which are hereby made conditions precedent to the issuance of such Additional Bonds:

(a) The issuance of Additional Bonds shall have been authorized pursuant to the Law and pursuant hereto and shall have been provided for by a Supplemental Indenture which shall specify the following:

(i) The purpose for which the Additional Bonds are to be issued; provided, that the proceeds of sale of such Additional Bonds shall be applied solely for the purpose of financing the acquisition and construction of the Facilities, including the repayment of funds advanced by the City for the Community Facilities District and the repayment under any agreement of advances of funds or reimbursements for the lesser of the value or cost of work in-kind provided by any person for the Community Facilities District, and including the payment of costs incidental to or connected with such

acquisition, construction and payment, and payment of the Costs of Issuance, or for the refunding of Outstanding Bonds;

(ii) The principal amount and designation of the Additional Bonds and the denomination or denominations of the Additional Bonds;

(iii) The date, the maturity date or dates, the interest payment dates and the dates on which Minimum Sinking Fund Account Payments are due, if any, for such Additional Bonds; provided, that (i) the Serial Bonds of such Additional Bonds shall be payable as to principal on September 1 of each year in which principal of such Additional Bonds falls due, and the Term Bonds of such Additional Bonds shall be subject to mandatory redemption on September 1 of each year in which Minimum Sinking Fund Account Payments for such Additional Bonds are due; (ii) the Additional Bonds shall be payable as to interest semiannually on March 1 and September 1 of each year, except that the first installment of interest may be payable on either March 1 or September 1 and shall be for a period of not longer than twelve (12) months and the interest shall be payable thereafter semiannually on March 1 and September 1, (iii) all the Additional Bonds of a series of like maturity shall be identical in all respects, except as to number or denomination, and (iv) serial maturities of Serial Bonds of such Additional Bonds or Minimum Sinking Fund Account Payments for Term Bonds of such Additional Bonds, or any combination thereof, shall be established to provide for the redemption or payment of the Additional Bonds on or before their respective maturity dates;

(iv) The redemption premiums and redemption terms, if any, for such Additional Bonds;

(v) The form of the Additional Bonds;

(vi) The amount, if any, to be deposited from the proceeds of sale of such Additional Bonds in the Redemption Account, and its use to pay interest on such Additional Bonds;

(vii) The amount to be deposited from the proceeds of sale of such Additional Bonds in the applicable Bond Reserve Account; provided, that the applicable Bond Reserve Account shall equal, at the time that such Additional Bonds become Outstanding, the Required Bond Reserve for such Additional Bonds, and an amount at least equal to the Required Bond Reserve for such Additional Bonds shall thereafter be maintained in the applicable Bond Reserve Account;

(viii) The amounts to be deposited from the proceeds of sale of such Additional Bonds in the separate accounts for each series of Additional Bonds to be established in the Acquisition and Construction Fund and in the Costs of Issuance Fund; and

(ix) Such other provisions that are appropriate or necessary and are not inconsistent with the provisions hereof;

(b) The Community Facilities District shall be in compliance with all agreements, conditions, covenants and terms contained herein and in all Supplemental Indentures required to be observed or performed by it, and no Event of Default hereunder or under any Supplemental Indenture shall have occurred and shall be then continuing; and

(c) In each year until the maturity date for the Additional Bonds, the Maximum Facilities Special Tax for Taxable Property classified as Developed Property, plus the Effective Tax Rate Evaluation Minimum Facilities Revenue for Taxable Property not classified as Developed Property less Priority Administrative Expenses is estimated to equal at least one hundred ten percent (110%) of the sum of the Annual Debt Service for each year on the Bonds, including such Additional Bonds, and the Value of all Taxable Property, in aggregate, is at least three (3) times the aggregate Lien on such Taxable Property.

(d) The Community Facilities District may issue one or more series of Bonds (the "Refunding Bonds") without complying with this Section 2.02(c) if, after the issuance and delivery of such Refunding Bonds, either (i) none of the Bonds theretofore issued hereunder will be Outstanding or (ii) the Debt Service in each Bond Year that begins after the issuance of such Refunding Bonds is not increased by reason of the issuance of such Refunding Bonds.

(e) The Community Facilities District may issue bonds or other obligations payable from the proceeds of the Special Tax on a basis subordinate to the Bonds without complying with this Section 2.02(a), (b) and (c).

Section 2.03. Procedure for the Issuance of Additional Bonds. At any time after the sale of any Additional Bonds in accordance with the Law, the Additional Bonds shall be executed by the Community Facilities District and shall be delivered to the Trustee and thereupon shall be authenticated and delivered by the Trustee, but only upon receipt by the Trustee of the following documents:

(a) An executed copy of the Supplemental Indenture authorizing the issuance of such Additional Bonds;

(b) A Written Request of the Community Facilities District as to the delivery of the Additional Bonds;

(c) One or more Opinions of Counsel to the effect that (i) the Community Facilities District has the right and power under the Law to execute the Indenture and the Supplemental Indenture, and the Indenture and Supplemental Indenture have each been duly and lawfully executed and delivered by the Community Facilities District and are in full force and effect and are valid and binding upon the Community Facilities District and enforceable in accordance with their terms (except as enforcement may be limited by bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium and other laws relating to or affecting creditors' rights, by the application of equitable principles, by the exercise of judicial discretion in appropriate cases and by the limitations on legal remedies against cities in the State of California) and no other authorization for the execution thereof is required; and (ii) the Additional Bonds are valid and binding special tax obligations of the Community Facilities District payable from the proceeds of the Special Tax net of Priority Administrative Expenses and the other

funds provided herein for such payment as provided herein and are enforceable in accordance with their terms (except as enforcement may be limited by bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium and other laws relating to or affecting creditors' rights, by the application of equitable principles, by the exercise of judicial discretion in appropriate cases and by the limitations on legal remedies against cities in the State of California) and the terms of the Law and of the Indenture and the Supplemental Indenture and the Additional Bonds have been duly and validly authorized, sold, executed, authenticated and delivered in accordance with the Law and with the Indenture and the Supplemental Indenture;

(d) A Certificate of an Independent Consultant containing such statements as may be reasonably necessary to show compliance with the requirements of Section 2.02(c);

(e) A Certificate of the Community Facilities District containing such statements as may be reasonably necessary to show compliance with the requirements of Section 2.02; and

(f) The proceeds of the sale of such Additional Bonds.

Section 2.04. Date and Maturity Dates of and Interest Rates on and Minimum Sinking Fund Account Payments for Bonds. The Bonds shall be issued in fully registered form and shall be numbered consecutively from one (1) upward in order of issuance. The dates, maturity dates, interest rates, and Minimum Sinking Fund Account Payments for any Additional Bonds shall be set forth in the Supplemental Indenture relating thereto. The 2024 Bonds shall be dated the date of the delivery thereof, and shall mature on the dates and in the principal amounts and shall bear interest at the rates per annum as set forth in the following schedule:

Principal Payment Date (September 1)	Principal Amount	Interest Rate
	$	%

*

* Term Bonds

Minimum Sinking Fund Account Payments are hereby established for the mandatory redemption and payment of the Term Bonds of the 2024 Bonds, which payments shall become due during the years ending on the dates and in the amounts as set forth in the following schedule (except that if any of the Term Bonds of the 2024 Bonds shall have been redeemed pursuant to Section 3.01, the amounts of the Minimum Sinking Fund Account Payments shall be reduced proportionately by the principal amount of all such Term Bonds of the 2024 Bonds so redeemed), namely:

Term Bond Maturing September 1, 20[__]

Year Ending September 1	Minimum Sinking Fund Account Payment
	$
*	

* Maturity.

Term Bond Maturing September 1, 20[__]

Year Ending September 1	Minimum Sinking Fund Account Payment
	$
*	

* Maturity.

All such Minimum Sinking Fund Account Payments shall be deposited in the Sinking Fund Subaccount, which subaccount is hereby established and which subaccount the Community Facilities District hereby agrees and covenants to cause to be maintained by the Trustee so long as any of the Term Bonds are Outstanding. All money in the Sinking Fund Subaccount shall be used and withdrawn by the Trustee (upon receipt of a Written Request of the Community Facilities District) at any time for the purchase of the Term Bonds at public or private sales as and when and at such prices (including brokerage and other charges) as the Community Facilities District may in its discretion determine, but not to exceed the principal amount of such Term Bonds. All money in the Sinking Fund Subaccount on September 1 of each year during the period beginning on September 1, 20[__], and ending on September 1, 20[__], both dates inclusive, shall be used and withdrawn by the Trustee on such September 1 for the mandatory redemption or payment of the Term Bonds of the 2024 Bonds maturing on September 1, 20[__]; and all money in the Sinking Fund Subaccount on September 1 of each year during the period beginning on September 1, 20[__], and ending on September 1, 20[__], both dates inclusive, shall be used and withdrawn by the Trustee on such September 1 for the mandatory redemption or payment of the Term Bonds of the 2024 Bonds maturing on September 1, 20[__], and the Community Facilities

District hereby agrees and covenants with the Holders of the Term Bonds to call and redeem in accordance with Article III or pay the Term Bonds from the Minimum Sinking Fund Account Payments deposited in the Sinking Fund Subaccount pursuant to this paragraph whenever on September 1 of any year there is money in the Sinking Fund Subaccount available for such purpose.

Section 2.05. Interest Payment Dates of Bonds. Interest on the Bonds shall be computed on the basis of a 360-day year of twelve (12) 30-day calendar months, and shall be payable on [March 1, 2025], and semiannually thereafter on September 1 and March 1 in each year until the principal sum of the Bonds has been paid. The Bonds shall bear interest from the interest payment date next preceding the date of registration thereof, unless they are registered on a day during the period from the sixteenth (16th) day of the month next preceding an interest payment date to such interest payment date, both inclusive, in which event they shall bear interest from such interest payment date, or unless they are registered on a day on or before the fifteenth (15th) day of the month next preceding the first (1st) interest payment date, in which event they shall bear interest from their dated date; provided, that if at the time of registration of any Bond interest is then in default on the Outstanding Bonds, such Bond shall bear interest from the interest payment date to which interest has previously been paid or made available for payment on the Outstanding Bonds.

Section 2.06. Form of Bonds. The Bonds and the authentication and registration endorsement and assignment to appear thereon shall be substantially in the form appearing in Exhibit A.

Section 2.07. Payment of Bonds. The interest on and principal of and redemption premiums, if any, on the Bonds shall be payable in lawful money of the United States of America at the Corporate Trust Office of the Trustee, and the Community Facilities District and the Trustee shall be entitled to conclusively treat the registered owner of any Bond as the absolute owner of such Bond for all purposes hereof, whether such Bond shall be overdue or not, and neither the Community Facilities District nor the Trustee shall be affected by any notice or knowledge to the contrary. Payment of interest on the Bonds due on or before the maturity or prior redemption thereof shall be made only to the person whose name appears in the registration books required to be kept by the Trustee pursuant to Section 2.09 as the registered owner thereof at the close of business as of the fifteenth (15th) day of the month next preceding each interest payment date, such interest to be paid by check mailed by first class mail on each such interest payment date to such registered owner at his or her address as it appears on such books, except that in the case of a Holder of one million dollars ($1,000,000) or more in principal amount of Bonds then Outstanding, payment shall be made at such Holder's option by wire transfer on each such interest payment date of immediately available funds to an account in a bank or trust company or savings bank that is a member of the Federal Reserve System and is located in the continental United States of America according to written instructions provided by such Holder to the Trustee at least fifteen (15) days before such interest payment date. Payment of the principal of and redemption premiums, if any, on the Bonds shall be made only to the person whose name appears in the registration books required to be kept by the Trustee pursuant to Section 2.09 as the registered owner thereof, such principal and redemption premiums, if any, to be paid only on the surrender of the Bonds at the Corporate Trust Office of the Trustee at maturity or on redemption prior to maturity. All such payments of interest and principal and redemption premiums, if any, on any

Bond shall be valid and effectual to satisfy and discharge the liability on such Bond to the extent of the sum or sums so paid.

Notwithstanding the foregoing, a Holder of any Bond may, in lieu of surrendering the same for a new Bond, endorse on such Bond a record of partial payment of the principal of such Bond in the form set forth below (which shall be typed or printed on such Bond):

PAYMENTS ON ACCOUNT OF PRINCIPAL

Payment Date	Principal Amount Paid	Balance of Principal Amount Unpaid	Signature of Registered Holder

The Trustee shall maintain a record of each such partial payment made in accordance with the foregoing agreement and such record of the Trustee shall be conclusive. Such partial payment shall be valid upon payment of the amount thereof to the Registered Holder of such Bond, and the Community Facilities District and the Trustee shall be fully released and discharged from all liability to the extent of such payment regardless of whether such endorsement shall or shall not have been made upon such Bond by the Holder thereof and regardless of any error or omission in such endorsement.

Section 2.08. Execution of Bonds. The Bonds shall be signed on behalf of the Community Facilities District by the manual or facsimile signature of the Mayor and countersigned by the manual or facsimile signature of the City Clerk, and any Bond may be signed on behalf of the Community Facilities District by any person who, on the actual date of the execution of such Bond, shall be the proper officer of the City and member of the City Council, as legislative body of the Community Facilities District, although on the nominal date of such Bond such person shall not have been such officer of the City. In case any such officer, who shall have signed any of the Bonds, shall cease to be such officer before the Bonds so signed shall have been delivered to the purchaser by the Trustee, such Bonds may nevertheless be delivered and issued and, upon such delivery and issuance, shall be as binding upon the Community Facilities District as though such officer who signed the same had continued to be such officer until such delivery and issuance. Only those Bonds that bear thereon a certificate of authentication executed by the Trustee shall be entitled to any benefit, protection or security hereunder or be valid or obligatory for any purpose, and such certificate of the Trustee shall be conclusive evidence that the Bonds so authenticated have been duly authorized, sold, executed, authenticated and delivered hereunder and are entitled to the benefits hereof.

Section 2.09. Transfer and Exchange of Bonds. The Trustee shall keep at its Corporate Trust Office sufficient books for the transfer and exchange of the Bonds, which books shall at all times during normal business hours with reasonable prior written notice be open to inspection by the Community Facilities District or by any Holder (or his representative authorized in writing). Any Bond may, in accordance with its terms, be transferred or exchanged on such

books by the person in whose name it is registered, in person or by his or her duly authorized attorney, upon payment by the Holder requesting such transfer or exchange of any tax or other governmental charge required to be paid with respect to such transfer or exchange and upon surrender of such Bond for cancellation accompanied by delivery of a duly executed written instrument of transfer or exchange in a form approved by the Trustee. Whenever any Bond or Bonds shall be surrendered for transfer or exchange, the Community Facilities District shall execute and the Trustee shall authenticate and deliver a new Bond or Bonds of the same series and maturity date for the same aggregate principal amount, except that neither the Community Facilities District nor the Trustee shall be required (i) to transfer or exchange any Bonds during the fifteen-day period prior to the selection of any Bonds for redemption under Article III, or (ii) to transfer or exchange any Bond which has been selected for redemption in whole or in part, except the unredeemed portion of such Bond selected for redemption in part, from and after the day that such Bond has been selected for redemption in whole or in part under Article III.

Section 2.10. Mutilated, Destroyed, Stolen or Lost Bonds. In case any Bond shall become mutilated in respect of the body of such Bond or shall be believed by the Community Facilities District to have been destroyed, stolen or lost, upon proof of ownership satisfactory to the Community Facilities District and the Trustee and upon the surrender of such mutilated Bond at the Corporate Trust Office of the Trustee, or upon the receipt of evidence satisfactory to the Community Facilities District and the Trustee of such destruction, theft or loss and upon receipt of indemnity satisfactory to the Community Facilities District and the Trustee, and also upon payment of all expenses incurred by the Community Facilities District and the Trustee in the premises and receipt of each of indemnity satisfactory to them, the Community Facilities District shall execute and the Trustee shall authenticate and deliver at the Corporate Trust Office a new Bond or Bonds of the same series and maturity date for the same aggregate principal amount of like tenor and date and bearing such numbers and notations as shall be appropriate in exchange and substitution for and upon cancellation of the mutilated Bond or in lieu of and in substitution for the Bond so destroyed, stolen or lost.

If any such destroyed, stolen or lost Bond shall have matured or shall have been called for redemption, payment of the amount due thereon shall be made by the Trustee, at the written direction of the Community Facilities District, upon receipt of like proof, indemnity and payment of expenses.

Any replacement Bonds issued pursuant to this Section shall be entitled to equal and proportionate benefits with all other Bonds issued hereunder, and the Community Facilities District and the Trustee shall not be required to treat both the original Bond and any replacement Bond as being Outstanding for the purpose of determining the principal amount of Bonds which may be issued hereunder or for the purpose of determining any percentage of Bonds Outstanding hereunder, but both the original and the replacement Bond shall be treated as one and the same.

Section 2.11. Registration of the Bonds. The Bonds shall be registered in the name of the Authority and delivered to the Authority Trustee upon the issuance thereof in accordance with the provisions of the Local Obligation Purchase Contract.

Section 2.12. CUSIP Numbers. The Community Facilities District in issuing the Bonds may, but shall not be required to, use "CUSIP" numbers (if then generally in use), and, if

used, the Trustee shall use "CUSIP" numbers in notices of redemption as a convenience to Holders; provided that the Trustee shall have no liability for any defect in the "CUSIP" numbers as they appear on any Bond, notice or elsewhere, and, provided further that any such notice may state that no representation is made as to the correctness of such numbers either as printed on the Bonds or as contained in any notice of a redemption and that reliance may be placed only on the other identification numbers printed on the Bonds, and any such redemption shall not be affected by any defect in or omission of such numbers. The Community Facilities District shall promptly notify the Trustee in writing of any change in "CUSIP" numbers, if any. The Community Facilities District does not expect to use "CUSIP" numbers for the 2024 Bonds.

Section 2.13. Application of Proceeds of Sale of 2024 Bonds. Upon the receipt of payment of the purchase price of the 2024 Bonds when the 2024 Bonds shall have been duly sold by the Community Facilities District, the Trustee shall deposit such proceeds of sale of the 2024 Bonds into a temporary account called the Proceeds Fund which the Trustee shall establish, maintain and hold in trust, and which shall be disbursed in full on the date of receipt (whereupon said temporary account shall be closed) in the following order:

(a) The Trustee shall deposit in the Series 2024 Bond Reserve Account the amount of $[_____], being a sum equal to the Required Bond Reserve, which such account is hereby created in the Bond Reserve Fund;

(b) The Trustee shall deposit in the Acquisition and Construction Fund the amount of $[_____]; and

(c) The Trustee shall deposit in the Costs of Issuance Fund the amount of $[_____].

Section 2.14. Reserved.

Section 2.15. Acquisition and Construction Fund. There is hereby established a fund to be known as the City of Folsom Community Facilities District No. 23 (Folsom Ranch) Improvement Area No. 4 Special Tax Bonds Acquisition and Construction Fund, to be held and administered by the Trustee. All money in the Acquisition and Construction Fund shall be used by the Trustee for payment of the costs of the acquisition and construction of the Facilities, including the repayment of funds advanced by the City for the Community Facilities District and the repayment under any agreement of advances of funds or reimbursement for the lesser of the value or cost of work in-kind provided by any person for the Community Facilities District, upon receipt of a Written Request of the Community Facilities District filed with the Trustee, each of which shall be sequentially numbered and shall state the person to whom payment is to be made, the amount to be paid, the purpose for which the obligation was incurred and that such payment is a proper charge against such fund; provided, that any remaining amount therein after the completion of such purpose (as set forth in a Certificate of the Community Facilities District so determining filed with the Trustee) shall be transferred by the Trustee to the Redemption Account. The Acquisition and Construction Fund will be closed following the last date of transfer.

Section 2.16. Costs of Issuance Fund. There is hereby established a fund to be known as the City of Folsom Community Facilities District No. 23 (Folsom Ranch) Improvement

Area No. 4 Special Tax Bonds Costs of Issuance Fund, to be held and administered by the Trustee. All money in the Costs of Issuance Fund shall be used and withdrawn by the Trustee to pay the Costs of Issuance upon receipt of a Written Request of the Community Facilities District filed with the Trustee, each of which shall be sequentially numbered and shall state the person to whom payment is to be made, the amount to be paid, the purpose for which the obligation was incurred and that such payment is a proper charge against such fund; provided, that on [June 5], 2025, or upon a prior determination by the Community Facilities District that all Costs of Issuance have been paid (as set forth in a Certificate of the Community Facilities District so determining filed with the Trustee), any balance of money remaining in the Costs of Issuance Fund shall be withdrawn from the Costs of Issuance Fund by the Trustee and transferred to the Acquisition and Construction Fund. The Costs of Issuance Fund will be closed following the last date of transfer.

ARTICLE III

REDEMPTION OR EXCHANGE OF BONDS

Section 3.01. Redemption Prices and Terms of Bonds. Any Supplemental Indenture may set forth the provisions for redemption of any Additional Bonds.

(a) Mandatory Sinking Fund Account Redemption of the 2024 Bonds. The 2024 Bonds maturing on September 1, 20[__], are subject to mandatory redemption by the Community Facilities District prior to their maturity date in part on September 1 in each of the years 20[__] through 20[__], both years inclusive; and the 2024 Bonds maturing on September 1, 20[__], are subject to mandatory redemption by the Community Facilities District prior to their maturity date in part on September 1 in each of the years 20[__] through 20[__], both years inclusive, in each case solely from Minimum Sinking Fund Account Payments deposited in the Sinking Fund Subaccount, upon mailed notice as provided herein, at a redemption price equal to one hundred percent (100%) of the principal amount thereof called for redemption together with accrued interest thereon to the date fixed for redemption.

(b) Optional Redemption of the 2024 Bonds. The 2024 Bonds are subject to optional redemption by the Community Facilities District prior to their respective maturity dates as a whole or in part on any date on or after September 1, 20[__], from funds derived by the Community Facilities District from any source other than such Minimum Sinking Fund Account Payments deposited in the Sinking Fund Subaccount or such prepayments of the Special Tax, upon mailed notice as provided herein, at the following redemption prices (computed upon the principal amount of the 2024 Bonds or portions thereof called for redemption) together with accrued interest thereon to the date fixed for redemption:

103% if redeemed on any date on or after September 1, 20[__], through August 31, 20[__];

102% if redeemed on any date from September 1, 20[__], through August 31, 20[__];

101% if redeemed on any date from September 1, 20[__], through August 31, 20[__];

100% if redeemed on September 1, 20[__], and any date thereafter.

(c) Extraordinary Redemption of the 2024 Bonds. The 2024 Bonds are subject to extraordinary redemption by the Community Facilities District prior to their respective maturity dates, as a whole or in part on any interest payment date on and after March 1, 2025, from funds derived by the Community Facilities District from prepayments of the Special Tax, upon mailed notice as provided herein, at the following redemption prices (computed upon the principal amount of the 2024 Bonds or portions thereof called for redemption) together with accrued interest thereon to the date fixed for redemption, to wit:

103% if redeemed on any interest payment date on or after March 1, 2025, through March 1, 20[__];

102% if redeemed on an interest payment date on September 1, 20[__], or March 1, 20[__];

101% if redeemed on an interest payment date on September 1, 20[__], or March 1, 20[__]; and

100% if redeemed on September 1, 20[__], or any interest payment date thereafter.

Section 3.02. Selection of Bonds for Redemption. If less than all the Outstanding Bonds are to be redeemed as a result of prepayments of the Special Tax at any one time, the Bonds shall be redeemed pro rata by maturity. If less than all the Outstanding Bonds are to be redeemed at the option of the Community Facilities District at any one time, the Bonds of the latest maturity date or dates shall be redeemed prior to or simultaneously with the redemption of the Bonds maturing prior thereto, and if less than all the Outstanding Bonds of any one maturity date are to be redeemed at any one time, the Trustee shall select the Bonds or the portions thereof of such maturity date to be redeemed in integral multiples of five thousand dollars ($5,000) in a manner that it deems appropriate and fair.

Section 3.03. Notice of Redemption of Bonds. At the Written Request of and at the sole cost and expense of the Community Facilities District, received by the Trustee at least ten (10) days in advance of so sending, such Written Request to contain the information to be contained in the notice of redemption to be sent to Holders, as set forth below, the Trustee shall mail at least twenty (20) and not more than sixty (60) days prior to the date fixed for redemption, notice of redemption pursuant to Section 10.14 to the respective Holders of all Bonds selected for redemption in whole or in part and to all securities depositories and securities information services selected by the Community Facilities District to comply with custom or the rules of any securities exchange or commission or brokerage board or otherwise as may be determined by the Community Facilities District in its sole discretion, but neither failure to receive any such mailed notice nor any immaterial defect contained therein shall affect the sufficiency or the validity of such proceedings for redemption; provided, that no notice of redemption need be given to the Authority

for any Bonds for which the Authority is the Holder. Such notice shall state the date of such notice, the Bonds to be redeemed, the date of issue of such Bonds, the redemption date, the redemption price, the place of redemption (including the name and appropriate address of the Trustee), and, if less than all of any such maturity, the numbers of the Bonds of such maturity to be redeemed and, in the case of Bonds to be redeemed in part only, the respective portions of the principal amount thereof to be redeemed, and shall give notice that further interest on such Bonds or the portions thereof to be redeemed will not accrue from and after the redemption date, and shall require that such Bonds be then surrendered for redemption at the address of the Trustee so designated. If any Bond so chosen for redemption shall not be redeemable in whole, such notice shall also state that such Bond is to be redeemed in part only and that upon presentation of such Bond for redemption there will be issued in lieu of the unredeemed portion of principal thereof a new Bond or Bonds of the same series and maturity date equal in aggregate principal amount to such unredeemed portion.

In the event of an optional redemption of Bonds, the Trustee shall mail a notice of redemption, in the same manner as aforesaid, only after receipt of a Written Request of the Community Facilities District at least 10 days prior to the date on which the Trustee must send notice to the Holders of the Bonds; provided, however, if sufficient monies for the payment of the redemption price of all Bonds to be redeemed are not then on deposit with the Trustee, such notice shall state that such redemption shall be conditioned upon the timely deposit of sufficient funds therefor with the Trustee.

Any notice of optional redemption may be rescinded by written notice given by the Community Facilities District to the Trustee no later than three (3) Business Days prior to the date specified for redemption. The Trustee shall give notice of rescission of the notice of optional redemption or non-satisfaction of any conditions specified in the notice of optional redemption as soon as practicable to the same parties and in the same manner as the notice of redemption was given pursuant to this Section.

Section 3.04. Partial Redemption of Bonds. Upon surrender of any Bond redeemed in part only, the Community Facilities District shall execute and the Trustee shall authenticate and deliver to the registered owner thereof at the expense of the Community Facilities District a new Bond or Bonds of the same series and maturity date equal in aggregate principal amount to the unredeemed portion of the Bond surrendered.

Section 3.05. Effect of Redemption of Bonds. If notice of redemption has been duly given and not rescinded as aforesaid and money sufficient for the payment of the principal of and redemption premiums, if any, on, together with interest to the redemption date on, the Bonds or portions thereof so called for redemption has been irrevocably deposited with the Trustee, then on the redemption date designated in such notice such Bonds or such portions thereof shall become irrevocably due and payable, and from and after the date so designated interest on the Bonds or such portions thereof so called for redemption shall cease to accrue and the Holders of such Bonds shall have no rights in respect thereof except to receive payment of the principal of such Bonds or such portions thereof and the redemption premiums, if any, thereon and the interest accrued thereon to the redemption date; provided, that redemption of Bonds other than from Minimum Sinking Fund Account Payments shall be made only from and to the extent of funds on deposit with the Trustee and available for such purpose on the date of redemption.

ARTICLE IV

SPECIAL TAX

Section 4.01. Deposit of Proceeds of the Special Tax in the Community Facilities Fund and Transfer to the Special Tax Fund. The Community Facilities District agrees and covenants that it will deposit the Special Tax proceeds in the City of Folsom Community Facilities District No. 23 (Folsom Ranch) Improvement Area No. 4 Community Facilities Fund (the "Community Facilities Fund"), which fund is hereby established in the treasury of the City, for and on behalf of the Community Facilities District, and which fund the Community Facilities District hereby agrees and covenants to maintain so long as any Bonds are Outstanding hereunder. All money in the Community Facilities Fund shall be used and withdrawn by the Community Facilities District solely for the benefit of the Community Facilities District in accordance with the Law, including payment of Expenses and Services. The Community Facilities District agrees and covenants that, after payment of its Priority Administrative Expenses, it will transfer to the Trustee from the Community Facilities Fund amounts sufficient and in sufficient time for the Trustee to make the transfers required by Section 4.02 (less any amounts to be transferred pursuant to Section 2.14), and the Trustee shall deposit such proceeds as and when received in the City of Folsom Community Facilities District No. 23 (Folsom Ranch) Improvement Area No. 4 Special Tax Fund, which fund the Trustee shall establish and maintain so long as Bonds remain Outstanding hereunder, and all money in such fund shall be held by the Trustee in trust hereunder and shall be disbursed, allocated and applied solely to the uses and purposes hereinafter set forth in this Article.

Section 4.02. Allocation of Money in the Special Tax Fund. All money in the Special Tax Fund shall be set aside by the Trustee in the following respective special accounts and fund within the Special Tax Fund (each of which accounts and fund is hereby created) in the following order of priority, and all money in each of such accounts and fund shall be applied, used and withdrawn only for the purposes hereinafter authorized in this Section, namely:

(1) Redemption Account; and

(2) Bond Reserve Fund.

(a) Redemption Account. On or before September 1 and March 1 in each year, beginning on March 1, 2025, the Trustee shall, from the money in the Special Tax Fund, transfer to and deposit in the Redemption Account an amount of money equal to the aggregate amount of interest becoming due and payable on all Outstanding Bonds on such March 1 or September 1, as the case may be, and on or before September 1 in each year, beginning on September 1, 2025, the Trustee shall, from the then remaining money in the Special Tax Fund, transfer to and deposit in the Redemption Account an amount of money equal to the aggregate amount of principal becoming due and payable on all Outstanding Serial Bonds on such September 1 plus all Minimum Sinking Fund Account Payments required to be made on such September 1 into the Sinking Fund Subaccount; provided, that all of the aforesaid payments shall be made without priority of any payment over any other payment, and in the event that money in the Special Tax Fund on any March 1 or September 1 is not equal to the amount of interest becoming due on all Bonds on such date, or in the event that the money in the Special Tax Fund on any September 1 is not

equal to the amount of principal of the Bonds becoming due on such date, as the case may be, then such money shall be applied pro rata in such proportion as such interest and principal and Minimum Sinking Fund Account Payments bear to each other.

No deposit need be made into the Redemption Account if the amount of money contained therein is at least equal to the amount required by the terms of the preceding paragraph to be deposited therein at the times and in the amounts herein provided.

All money in the Redemption Account shall be used and withdrawn by the Trustee to pay the interest on the Bonds as it shall become due and payable (including accrued interest on any Bonds purchased or redeemed prior to maturity) plus the principal of and redemption premiums, if any, on the Bonds as they shall mature or upon the prior redemption thereof, except that any money in the Sinking Fund Subaccount shall be used only to purchase or redeem or retire the Term Bonds as provided herein.

(b) Bond Reserve Fund. On or before March 1 and September 1 in each year, beginning on March 1, 2025, the Trustee shall, from the then remaining money in the Special Tax Fund, transfer to and deposit in each Bond Reserve Account within the Bond Reserve Fund such amount of money as shall be required to restore each such Bond Reserve Account to a sum equal to the Required Bond Reserve for the applicable series of Bonds, *pro rata*, to the extent that amounts are available in the Special Tax Fund for such purpose; and for this purpose all investments in each Bond Reserve Account shall (beginning on March 1, 2025) be valued on March 1 and September 1 of each year at the face value thereof if such investments mature within twelve (12) months from the date of valuation, or if such investments mature more than twelve (12) months after the date of valuation, at the price at which such investments are redeemable by the Holder at his or her option, if so redeemable, or if not so redeemable, at the lesser of (i) the cost of such investments plus the amortization of any premium or minus the amortization of any discount, or (ii) the market value of such investments. For purposes of allocating remaining money in the Special Tax Fund between more than one Bond Reserve Account, any such transfers to and deposits in each Bond Reserve Account shall be made equally and ratably in proportion to the Required Bond Reserve for each series of Bonds.

No deposit need be made into a Bond Reserve Account if the value of the investments contained therein is at least equal to the Required Bond Reserve for the applicable series of Bonds.

All money in each Bond Reserve Account shall be used and withdrawn by the Trustee solely for the purpose of paying the interest on or principal of the corresponding series of Bonds in the event there is insufficient money in the Redemption Account available for this purpose; provided, that if as a result of any of the foregoing valuations or as a result of any property owner prepayment it is determined that the amount of money in a Bond Reserve Account exceeds or will exceed the Required Bond Reserve for the applicable series of Bonds, the Trustee shall withdraw the amount of money representing such excess from such fund and shall deposit such amount of money in the Redemption Account as provided in the last paragraph of Section 10.05. For the avoidance of doubt, amounts in a Bond Reserve Account are not available to make up a deficiency for the

payment of principal and interest on any Bonds other than the specific series of Bonds to which the Bond Reserve Account relates.

(c) Surplus Amounts. On or before March 1 and September 1 in each year, beginning on March 1, 2025, the Trustee shall, from the then remaining money in the Special Tax Fund, transfer all amounts remaining in the Special Tax Fund after the transfers specified in subsections (a) and (b) above to the City for deposit in the Community Facilities Fund.

ARTICLE V

COVENANTS OF THE COMMUNITY FACILITIES DISTRICT

Section 5.01. Punctual Payment and Performance. The Community Facilities District will punctually pay the interest on and principal of and redemption premium, if any, to become due on every Bond issued hereunder in strict conformity with the terms of the Law and hereof and of the Bonds, and will faithfully observe and perform all the agreements, conditions, covenants and terms contained herein and in the Bonds required to be observed and performed by it.

Section 5.02. Against Indebtedness and Encumbrances. The Community Facilities District will not issue any evidences of indebtedness payable from the proceeds of the Special Tax except as provided herein, and will not create, nor permit the creation of, any pledge, lien, charge or other encumbrance upon any money in the Special Tax Fund other than as provided herein; provided, that the Community Facilities District may at any time, or from time to time, issue evidences of indebtedness for any lawful purpose of the Community Facilities District which are payable from any money in the Community Facilities Fund as may from time to time be deposited therein so long as any payments due thereunder shall be subordinate in all respects to the use of the proceeds of the Special Tax as provided herein.

Section 5.03. Against Federal Income Taxation.

(a) To the extent a series of Bonds (the "Tax-Exempt Bonds") are acquired by the Authority using the proceeds of a series of Authority Bonds for which the Authority has obtained an opinion of Bond Counsel that interest on such Authority Bonds is excluded from gross income for federal income tax purposes (the "Tax-Exempt Authority Bonds"), the Community Facilities District will not take any action, or fail to take any action, if such action or failure to take such action would adversely affect the exclusion from gross income of the interest on the Tax-Exempt Authority Bonds pursuant to Section 103 of the Code, and specifically the Community Facilities District will not directly or indirectly use or make any use of the proceeds of the Tax-Exempt Bonds or any other funds of the Community Facilities District or take or omit to take any action that would cause the Tax-Exempt Authority Bonds to be "arbitrage bonds" subject to federal income taxation by reason of Section 148 of the Code or "private activity bonds" subject to federal income taxation by reason of Section 141(a) of the Code or obligations subject to federal income taxation because they are "federally guaranteed" as provided in Section 149(b) of the Code; and to that end the Community Facilities District, with respect to the

proceeds of the Tax-Exempt Bonds and such other funds, will comply with all requirements of such sections of the Code and all regulations of the United States Department of the Treasury issued thereunder to the extent that such regulations are, at the time, applicable and in effect; provided, that if the Community Facilities District shall obtain an opinion of nationally recognized bond counsel to the effect that any action required under the provisions of the Indenture described in this subsection is no longer required, or to the effect that some further action is required, to maintain the exclusion from gross income of the interest on the Tax-Exempt Authority Bonds pursuant to Section 103 of the Code, the Community Facilities District may rely conclusively on such opinion in complying with the provisions of the Indenture. In the event that at any time the Community Facilities District is of the opinion that for purposes of the provisions of the Indenture described in this subsection it is necessary to restrict or limit the yield on the investment of any money held by the Finance Director, for and on behalf of the Community Facilities District, under the Indenture or otherwise, the Community Facilities District shall so instruct the Finance Director or the Trustee, as the case may be, in writing, and the Finance Director or the Trustee, as the case may be, shall take such action as may be necessary in accordance with such instructions.

(b) Without limiting the generality of the foregoing, the Community Facilities District will pay from time to time all amounts required to be rebated to the United States of America pursuant to Section 148(f) of the Code and all regulations of the United States Department of the Treasury issued thereunder to the extent that such regulations are, at the time, applicable and in effect, which obligation shall survive payment in full or defeasance of the Bonds, and to that end, there is hereby established in the treasury of the City, for and on behalf of the Community Facilities District, a fund to be known as the City of Folsom Community Facilities District No. 23 (Folsom Ranch) Improvement Area No. 4 Special Tax Bonds Rebate Fund to be held in trust and administered by the Finance Director for and on behalf of the Community Facilities District. The Community Facilities District will comply with the provisions of the Tax Certificate with respect to making deposits in the Rebate Fund, and all money held in the Rebate Fund is pledged to provide payments to the United States of America as provided herein and in the Tax Certificate and no other person shall have claim to such money except as provided in the Tax Certificate.

Section 5.04. Payment of Claims. The Community Facilities District will pay and discharge any and all lawful claims which, if unpaid, might become payable from the proceeds of the Special Tax or any part thereof or upon any funds in the hands of the Community Facilities District or the Trustee allocated to the payment of the interest on or principal of or redemption premiums, if any, on the Bonds, or which might impair the security of the Bonds.

Section 5.05. Expense and Services Budgets. The City Council, as legislative body of the Community Facilities District, will, on or before July 1 in each year, adopt a budget setting forth the costs of the estimated Expenses and Services for the period from such July 1 through the next succeeding June 30; provided, that any budget adopted in accordance with this Section may be amended by the City Council at any time.

Section 5.06. Accounting Records; Financial Statements and Other Reports.

(a) The Community Facilities District will keep, or in the case of transactions made by the Trustee it will cause the Trustee to keep, appropriate accounting records in which complete and correct entries shall be made of all transactions relating to the receipt, investment, disbursement, allocation and application of the proceeds of the Special Tax and of the proceeds of the Bonds, which accounting records shall at all times during business hours with reasonable prior written notice be subject to the inspection of any Holder (or his or her representative authorized in writing). The Trustee shall furnish the Community Facilities District periodic cash transaction statements which include detail for all investment transactions effected by the Trustee or brokers selected by the Community Facilities District. Upon the Community Facilities District's election, such statements will be delivered via the Trustee's online service and upon electing such service, paper statements will be provided only upon request. The Community Facilities District waives the right to receive brokerage confirmations of security transactions effected by the Trustee as they occur, to the extent permitted by law. The Community Facilities District further understands that trade confirmations for securities transactions effected by the Trustee will be available upon written request and at no additional cost and other trade confirmations may be obtained from the applicable broker.

(b) The Community Facilities District will prepare annually not more than two hundred seventy (270) days after the close of each Fiscal Year (commencing with the Fiscal Year ending June 30, 2025) a summary report showing in reasonable detail the proceeds of the Special Tax levied and collected and the costs of the Expenses and Services for the preceding Fiscal Year and containing a general statement of the physical condition of the Facilities. The Community Facilities District will furnish a copy of such summary report without charge to any Holder (or his or her representative authorized in writing) and to any investment banker, security dealer or other person interested in the Bonds requesting a copy thereof.

(c) The Community Facilities District will prepare annually not later than October 30 of each year (beginning in 2025) and file with the California Debt and Investment Advisory Commission by mail, postage prepaid, all necessary information required to be filed under the Law, including:

(1) The principal amount of the Bonds Outstanding;

(2) The balance in each Bond Reserve Account;

(3) The balance in the Redemption Account constituting capitalized interest, if any;

(4) The number of parcels securing the Bonds which are delinquent with respect to their Special Tax payments, the amount that each delinquent parcel is delinquent, the length of time that each delinquent parcel has been delinquent and when foreclosure was commenced for each delinquent parcel; and

(5) The assessed value of all parcels subject to the levy of the Special Tax to repay the Bonds, as shown on the most equalized assessment roll of the County of Sacramento.

Additionally, the Community Facilities District will notify the California Debt and Investment Advisory Commission by mail, postage prepaid, within ten (10) days if the Community Facilities District or the Trustee fails to pay any interest on or principal of any of the Bonds on any scheduled payment date, or if funds are withdrawn from a Bond Reserve Account to pay any interest on or principal of a series of the Bonds.

Section 5.07. Protection of Security and Rights of Holders. The Community Facilities District will preserve and protect the security of the Bonds and the rights of the Holders and will warrant and defend their rights against all claims and demands of all persons.

Section 5.08. Payment of Governmental Charges and Compliance with Governmental Regulations. The Community Facilities District will pay and discharge all taxes or payments in lieu of taxes, assessments and other governmental charges or liens that may be levied, assessed or charged upon the Facilities or any part thereof promptly as and when the same shall become due and payable, except that the Community Facilities District shall not be required to pay any such governmental charges so long as the application or validity thereof shall be contested in good faith and the Community Facilities District shall have set aside reserves to cover such charges. The Community Facilities District will duly observe and conform with all valid regulations and requirements of any governmental authority relative to the operation of the Facilities or any part thereof, except that the Community Facilities District shall not be required to comply with any such regulations or requirements so long as the application or validity thereof shall be contested in good faith.

Section 5.09. Levy and Collection of the Special Tax. The Community Facilities District, so long as any Bonds are Outstanding, will annually levy the Special Tax against all Taxable Property in the Improvement Area and make provision for the collection of the Special Tax in amounts which will be sufficient, together with the money then on deposit in the Redemption Account, after making reasonable allowances for contingencies and errors in the estimates, to yield proceeds equal to the amounts required for compliance with the agreements, conditions, covenants and terms contained herein, and which in any event will be sufficient to pay the interest on and principal of and Minimum Sinking Fund Account Payments for and redemption premiums, if any, on the Bonds as they become due and payable and to replenish each Bond Reserve Account and to pay all current Expenses and Services as they become due and payable in accordance with the provisions and terms hereof. The Special Tax shall be collected in the same manner as ordinary ad valorem property taxes are collected and, except as otherwise provided in Section 5.10 or by the Law, shall be subject to the same penalties and the same collection procedure, sale, and lien priority in case of delinquency as is provided for ad valorem property taxes.

Section 5.10. Foreclosure of Special Tax Liens. The Community Facilities District shall annually on or before September 1 of each year review the public records of the County of Sacramento relating to the collection of the Special Tax in order to determine the amount of the Special Tax collected in the prior Fiscal Year, and if the Community Facilities District

determines on the basis of such review that (1) the amount so collected is deficient by more than five percent (5%) of the total amount of the Special Tax levied in such Fiscal Year or (2) any individual lot or parcel in the Improvement Area is then delinquent on four or more installments of the Special Tax, then in each case the Community Facilities District shall within sixty (60) days thereafter institute foreclosure proceedings as authorized by the Law in order to enforce the lien of the delinquent installments of the Special Tax against (i) in the case of clause (1) above, each delinquent lot or parcel in the Improvement Area or (ii) in the case of clause (2) above, such delinquent lot or parcel, respectively, which it shall diligently prosecute and pursue such foreclosure proceedings to judgment and sale; provided, that the Community Facilities District shall not be obligated to enforce the lien of any delinquent installment of the Special Tax for any Fiscal Year in which the Community Facilities District has received one hundred percent (100%) of the amount of such installment from the County of Sacramento pursuant to the so-called "Teeter Plan." Any actions taken to enforce delinquent Special Tax liens shall be taken only consistent with Sections 53356.1 through 53356.7, both inclusive, of the Government Code of the State of California.

Section 5.11. Further Assurances. The Community Facilities District will adopt, deliver, execute, make and file any and all further assurances, instruments and resolutions as may be reasonably necessary or proper to carry out the intention or to facilitate the performance hereof and for the better assuring and confirming unto the Holders of the rights and benefits provided herein, including without limitation the filing of all financing statements, agreements, instruments or other documents in the forms and in the locations necessary to perfect and protect, and to continue the perfection of, the pledge of the Special Taxes provided herein to the fullest extent possible under applicable law of the State of California. Further, the Community Facilities District covenants to not approve any amendments, changes or modifications relating to development of the property within the Improvement Area that would reduce the amount of the Maximum Facilities Special Tax less Priority Administrative Expenses to equal less than one hundred ten percent (110%) of the sum of the Annual Debt Service on the Bonds in any year until the maturity date for the Bonds.

ARTICLE VI

THE TRUSTEE

Section 6.01. The Trustee. U.S. Bank Trust Company, National Association at its Corporate Trust Office in San Francisco, California, is hereby appointed Trustee for the purpose of receiving all money which the Community Facilities District is required to transfer to it hereunder and for applying and using such money as provided herein for the purpose of paying the interest on and principal of and redemption premiums, if any, on the Bonds. The Community Facilities District agrees that it will at all times maintain a Trustee having a designated corporate trust office in Los Angeles or San Francisco, California.

The Trustee and the Community Facilities District shall, prior to an Event of Default, and after the curing or waiver of all Events of Default which may have occurred, perform such duties and only such duties as are specifically set forth in this Indenture. The Trustee shall, during the existence of any Event of Default (which has not been cured or waived), exercise such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in

their exercise as a prudent person would exercise or use under the circumstances in the conduct of his or her own affairs.

The Community Facilities District may remove the Trustee initially appointed and any successor thereto and may appoint a successor or successors thereto by an instrument in writing; provided, that any such successor shall be a bank or trust company doing business and having a designated corporate trust office in Los Angeles or San Francisco, California, having a combined capital (exclusive of borrowed capital) and surplus of at least one hundred million dollars ($100,000,000) and subject to supervision or examination by a federal or state banking authority. If such bank or trust company publishes a report of condition at least annually, pursuant to law or to the requirements of any supervising or examining authority above referred to, then for the purpose of this Section the combined capital and surplus of such bank or trust company shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. The Trustee may at any time resign by giving written notice of such resignation to the Community Facilities District and by giving notice of such resignation by mail pursuant to Section 10.14 to the Holders, and upon receiving such notice of resignation, the Community Facilities District shall promptly appoint a successor Trustee by an instrument in writing having the qualifications required hereby. Any resignation or removal of a Trustee and appointment of a successor Trustee shall become effective only upon the acceptance of appointment by the successor Trustee. If within thirty (30) days after notice of the removal or resignation of the Trustee no successor Trustee shall have been appointed by the Community Facilities District and shall have accepted such appointment, the removed or resigning Trustee may petition, at the expense of the Community Facilities District, any court of competent jurisdiction for the appointment of a successor Trustee, which court may thereupon, after such notice, if any, as it may deem proper and prescribe and as may be required by law, appoint a successor Trustee having the qualifications required hereby.

Any company into which the Trustee shall be merged or converted or with which it may be consolidated or any company resulting from any merger, conversation or consolidation to which it shall be a party or any company to which the Trustee may sell or transfer all or substantially all of its corporate trust business, so long as such company shall meet the requirements set forth in this Section, shall be the successor to the Trustee and shall be vested with all of the trusts, powers, discretions, immunities, privileges and all other matters as was its predecessor, without the execution or filing of any paper or further act, anything herein to the contrary notwithstanding.

Section 6.02. Liability of the Trustee. The recitals of facts, agreements and covenants contained herein and in the Bonds shall be taken as statements, agreements and covenants of the Community Facilities District, and the Trustee shall not assume any responsibility for the correctness of the same and does not make any representation as to the sufficiency or validity hereof or of the Bonds or of the Special Tax, or as to the financial or technical feasibility of the acquisition and construction of any of the Facilities, and shall not incur any responsibility in respect thereof other than in connection with the rights and obligations expressly assigned to or imposed upon it herein or in the Bonds, and shall not be liable in connection with the performance of its duties hereunder except for its own negligence or willful misconduct. The Trustee shall not be liable for any error of judgment made in good faith, unless it shall be proved that the Trustee was negligent in ascertaining the pertinent facts, and no provision hereof shall require the Trustee

to expend or risk its own funds or otherwise incur any liability for the performance of its duties hereunder, or in the exercise of any of its rights or powers hereunder.

The Trustee shall not be liable for any error of judgment made in good faith by a Responsible Officer unless it shall be proved that the Trustee was negligent in ascertaining the pertinent facts, and the Trustee shall be entitled to advice of counsel of its selection concerning all matters of trust and its duties hereunder and the advice of such counsel or any Opinion of Counsel shall be full and complete authorization and protection in respect of any action taken, suffered or omitted by it hereunder in good faith and in reliance thereon. The Trustee may execute any of the trusts or powers set forth herein and perform the duties required of it hereunder by or through attorneys, agents or attorneys, and the Trustee shall not be liable for the negligence or misconduct of any agent, attorney or certified public accountant selected by it with due care.

The Trustee shall, at all times, perform such duties and only such duties as are specifically set forth herein, and no implied duties or obligations shall be read herein against the Trustee. At no time shall the Trustee be a fiduciary or have fiduciary duties hereunder.

The Trustee shall not be bound to recognize any person as the Holder of a Bond unless and until such Bond is submitted for inspection, if required, and such Holder's title thereto is certified to the Trustee in a written instrument, upon which the Trustee shall be entitled to conclusively rely.

The Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Holders of not less than a majority in aggregate principal amount of the Bonds exercising any trust or power conferred upon the Trustee hereunder.

The Trustee has no obligation to the Holders and shall incur no liability for the payment of the interest on, principal of or redemption premiums, if any, with respect to the Bonds from its own funds. The duties and obligations of the Trustee shall be determined solely by the express provisions of this Indenture, and the Trustee shall perform such duties and obligations as are specifically set forth in this Indenture and shall not be liable except for its negligence or willful misconduct, and no implied covenants or obligations shall be read into this Indenture against the Trustee.

The Trustee shall not be deemed to have knowledge of any Event of Default hereunder unless and until a Responsible Officer at the Trustee's Corporate Trust Office responsible for the administration of the Trustee's duties and obligations hereunder shall have actual knowledge thereof or the Trustee shall have received written notice thereof at its Corporate Trust Office. The Trustee shall not be bound to ascertain or to inquire as to the performance or observance of any of the agreements, conditions, covenants or terms herein or of any of the documents executed in connection with the Bonds, or as to the existence of an Event of Default hereunder.

No provision hereof shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance or exercise of any of its duties hereunder, or in the exercise of its rights or powers. The Trustee shall be entitled to interest on all amounts

advanced to it hereunder at its prime rate plus two percent (2%), but not greater than twelve percent (12%) per annum.

The Trustee shall have no responsibility, opinion or liability with respect to any information, statement or recital in any offering memorandum or other disclosure material prepared or distributed with respect to the issuance of the Bonds.

All rights, privileges, immunities, indemnifications and releases from liability granted herein to the Trustee shall extend to the directors, employees, officers and agents thereof.

In no event shall the Trustee be responsible or liable for special, indirect, punitive or consequential loss or damage of any kind whatsoever (including, but not limited to, loss of profit) irrespective of whether the Trustee has been advised of the likelihood of such loss or damage and regardless of the form of action.

Section 6.03. Compensation and Indemnification of the Trustee. The Community Facilities District agrees to pay to the Trustee from time to time, and the Trustee shall receive compensation for all services rendered by it in the exercise and performance of any of the duties and obligations of the Trustee hereunder, as mutually and previously agreed upon in writing, and the Community Facilities District will pay or reimburse the Trustee upon its request for all expenses, disbursements and advances incurred or made by the Trustee and its affiliates, directors, employees or agents in accordance with any of the provisions hereof (including the reasonable compensation and the expenses and disbursements of its counsel and of all persons not regularly in its employ) except any such expense, disbursement or advance as may arise from its negligence or willful misconduct. The Community Facilities District, to the extent permitted by law, agrees to indemnify, defend and hold harmless the Trustee against any and all loss, damages, claims, liability or expense incurred without negligence or willful misconduct on the part of the Trustee arising out of or in connection with (i) the exercise or performance of any of its duties or obligations hereunder, or (ii) any untrue statement or alleged untrue statement of any material fact or omission or alleged omission to state a material fact necessary to make the statements made, in the light of the circumstances under which they were made, not misleading in any official statement or other offering circular utilized in connection with the sale of any of the Bonds, including costs and expenses (including attorneys' fees and expenses) of defending itself against any claim or liability in connection with the exercise or performance of any of its duties and obligations hereunder. The rights of the Trustee and the obligations of the Community Facilities District under this Section shall survive the discharge of the Bonds and the resignation or removal of the Trustee.

Section 6.04. Notice to the Trustee. The Trustee shall be protected in acting upon any Bond, certificate, consent, notice, opinion, report, request, resolution or other document or paper believed by it to be genuine and to have been signed or presented by the proper party or parties. The Trustee may consult with counsel of its selection, including, without limitation, counsel to the Community Facilities District, with regard to legal questions, and the opinion of such counsel shall be full and complete authorization and protection with respect to any action taken or suffered hereunder in good faith and in accordance therewith.

Whenever in the administration of its rights and obligations hereunder the Trustee shall deem it necessary or desirable that a matter be established or proved prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may, in the absence of negligence or willful misconduct on the part of the Trustee, be deemed to be conclusively established or proved by a Certificate of the Community Facilities District or an Accountant's Report, which shall be full warrant to the Trustee for any action taken or suffered under the provisions hereof upon the faith thereof, and on which the Trustee may conclusively rely, but in its reasonable judgment the Trustee may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as it may deem reasonable.

ARTICLE VII

AMENDMENT OF OR SUPPLEMENT TO THE INDENTURE

Section 7.01. Procedure for Amendment of or Supplement to the Indenture.

(a) Amendment or Supplement With Consent of Holders. The Indenture and the rights and obligations of the Community Facilities District and of the Holders may be amended or supplemented at any time by the execution and delivery of a Supplemental Indenture by the Community Facilities District and the Trustee, which Supplemental Indenture shall become binding when the written consents of the Holders of sixty percent (60%) or more in aggregate principal amount of the Bonds then Outstanding, exclusive of Bonds disqualified as provided in Section 7.02, shall have been filed with the Trustee; provided, that no such amendment or supplement shall (1) extend the maturity of or reduce the interest rate on or otherwise alter or impair the obligation of the Community Facilities District to pay the interest on or principal of or Minimum Sinking Fund Account Payment for or redemption premium, if any, on any Bond at the time and place and at the rate and in the currency and from the funds provided herein without the express written consent of the Holder of such Bond, or (2) permit the issuance by the Community Facilities District of any obligations payable from the proceeds of the Special Tax other than the Bonds as provided herein, or jeopardize the ability of the Community Facilities District to levy and collect the Special Tax, or (3) reduce the percentage of Bonds required for the written consent to any such amendment or supplement, or (4) modify any rights or obligations of the Trustee without its prior written assent thereto.

(b) Amendment or Supplement Without Consent of Holders. The Indenture and the rights and obligations of the Community Facilities District and of the Holders may also be amended or supplemented at any time by the execution and delivery of a Supplemental Indenture by the Community Facilities District and the Trustee, which Supplemental Indenture shall become binding upon execution without the prior written consent of any Holders, but only to the extent permitted by law and after receiving an Opinion of Counsel, stating that the Supplemental Indenture is the valid and binding obligation of the Community Facilities District, and only for any one or more of the following purposes:

(i) To add to the agreements and covenants required herein to be performed by the Community Facilities District other agreements and covenants thereafter to be performed by the Community Facilities District which shall not (in the opinion of the Community Facilities District) adversely affect the interests of the Holders, or to surrender any right or power reserved herein to or conferred herein upon the Community Facilities District which shall not (in the opinion of the Community Facilities District) adversely affect the interests of the Holders;

(ii) To make such provisions for the purpose of curing any ambiguity or of curing, correcting or supplementing any defective provision contained herein or in regard to questions arising hereunder which the Community Facilities District may deem desirable or necessary and not inconsistent herewith and which shall not (in the opinion of the Community Facilities District) adversely affect the interests of the Holders;

(iii) To authorize the issuance of Additional Bonds and to provide the conditions and terms under which the Additional Bonds may be issued;

(iv) To authorize the issuance under and subject to the Law of any refunding bonds for any of the Bonds and to provide the conditions and terms under which such refunding bonds may be issued;

(v) To make such additions, deletions or modifications as may be necessary or appropriate to ensure compliance with Section 148(f) of the Code relating to the required rebate of excess investment earnings to the United States of America, or otherwise as may be necessary to ensure the exclusion from gross income for purposes of federal income taxation of the interest on the Bonds or the exemption of such interest from State of California personal income taxes; or

(vi) To make such additions, deletions or modifications as may be necessary or appropriate to maintain any then current rating on the Bonds.

Section 7.02. Disqualified Bonds. Bonds owned or held for the account of the Community Facilities District shall not be deemed Outstanding for the purpose of any consent or other action or any calculation of Outstanding Bonds provided for in this Article or in Article VIII, and shall not be entitled to consent to or take any other action provided for in this Article or in Article VIII.

Section 7.03. Endorsement or Replacement of Bonds After Amendment or Supplement. After the effective date of any action taken as hereinabove provided, the Community Facilities District may determine that the Bonds may bear a notation by endorsement in form approved by it as to such action, and in that case upon demand of the Holder of any Bond Outstanding on such effective date and presentation of his or her Bond for such purpose at the

Corporate Trust Office of the Trustee a suitable notation as to such action shall be made on such Bond. If the Community Facilities District shall so determine, new Bonds so modified as, in the opinion of the Community Facilities District, shall be necessary to conform to such action shall be prepared and executed, and in that case upon demand of the Holder of any Bond Outstanding on such effective date such new Bonds shall, upon surrender of such Outstanding Bonds, be exchanged at the Corporate Trust Office of the Trustee, without cost to each Holder, for Bonds then Outstanding.

Section 7.04. Amendment or Supplement by Mutual Consent. The provisions of this Article shall not prevent any Holder from accepting any amendment or supplement as to any particular Bonds held by him or her; provided, that due notation thereof is made on such Bonds.

ARTICLE VIII

EVENTS OF DEFAULT AND REMEDIES OF HOLDERS

Section 8.01. Events of Default and Remedies of Holders. If one or more of the following events (herein "Events of Default") shall happen, that is to say:

(a) if default shall be made by the Community Facilities District in the due and punctual payment of any interest on or principal of or Minimum Sinking Fund Account Payment for any of the Bonds when and as the same shall become due and payable;

(b) if default shall be made by the Community Facilities District in the observance or performance of any of the other agreements or covenants contained herein required to be observed or performed by it, and such default shall have continued for a period of thirty (30) days after the Community Facilities District shall have been given notice in writing of such default by the Trustee;

(c) if default shall be made by the Community Facilities District in the due and punctual payment of any indebtedness on a parity with or senior to the Bonds; or

(d) if the Community Facilities District shall file a petition or answer seeking arrangement or reorganization under the federal bankruptcy laws or any other applicable law of the United States of America or any state therein, or if a court of competent jurisdiction shall approve a petition filed with or without the consent of the Community Facilities District seeking arrangement or reorganization under the federal bankruptcy laws or any other applicable law of the United States of America or any state therein, or if under the provisions of any other law for the relief or aid of debtors any court of competent jurisdiction shall assume custody or control of the Community Facilities District or of the whole or any substantial part of its property;

then in each and every such case during the continuance of such Event of Default any Holder shall have the right for the equal benefit and protection of all Holders similarly situated:

(a) by mandamus or other suit or proceeding at law or in equity to enforce his rights against the City Council or the Community Facilities District or any of

the officers or employees of the Community Facilities District, and to compel the City Council or the Community Facilities District or any such officers or employees to perform and carry out their duties under the Law and the agreements and covenants with the Holders contained herein;

(b) by suit in equity to enjoin any acts or things which are unlawful or violate the rights of the Holders; or

(c) by suit in equity upon the nonpayment of the Bonds to require the City Council or the Community Facilities District or its officers and employees to account as the trustee of an express trust.

Section 8.02. Non-Waiver. Nothing in this Article or in any other provision herein or in the Bonds shall affect or impair the obligation of the Community Facilities District, which is absolute and unconditional, to pay the interest on and principal of and redemption premiums, if any, on the Bonds to the respective Holders of the Bonds at the respective dates of maturity or upon redemption prior to maturity as provided herein from the proceeds of the Special Tax and the other funds as provided herein, or shall affect or impair the right of such Holders, which is also absolute and unconditional, to institute suit to enforce such payment by virtue of the contract embodied herein and in the Bonds.

A waiver of any Event of Default or breach of duty or contract by any Holder shall not affect any subsequent Event of Default or breach of duty or contract and shall not impair any rights or remedies on any such subsequent Event of Default or breach of duty or contract. No delay or omission by any Holder to exercise any right or remedy accruing upon any Event of Default or breach of duty or contract shall impair any such right or remedy or shall be construed to be a waiver of any such Event of Default or breach of duty or contract or an acquiescence therein, and every right and remedy conferred upon the Holders by the Law or hereby may be enforced and exercised from time to time and as often as shall be deemed expedient by the Holders.

If any action, proceeding or suit to enforce any right or exercise any remedy is abandoned or determined adversely to any Holder, the Community Facilities District and such Holder shall be restored to their former positions, rights and remedies as if such action, proceeding or suit had not been brought or taken.

Section 8.03. Remedies Not Exclusive. No remedy herein conferred upon or reserved to the Holders is intended to be exclusive of any other remedy, and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute or otherwise, and may be exercised without exhausting and without regard to any other remedy conferred by the Law or any other law.

ARTICLE IX

DEFEASANCE

Section 9.01. Discharge of the Bonds.

(a) If the Community Facilities District shall pay or cause to be paid or there shall otherwise be paid to the Holders of all Outstanding Bonds the interest thereon and the principal thereof and the redemption premiums, if any, thereon at the times and in the manner stipulated therein and herein, then all agreements, covenants and other obligations of the Community Facilities District to the Holders of such Bonds hereunder shall thereupon cease, terminate and become void and be discharged and satisfied. In such event, the Trustee shall execute and deliver to the Community Facilities District all such instruments as may be necessary or desirable to evidence such discharge and satisfaction, and the Trustee shall pay over or deliver to the Community Facilities District for deposit in the Community Facilities Fund all money or securities held by it pursuant hereto which are not required for the payment of the interest on and principal of and redemption premiums, if any, on such Bonds.

(b) Any Outstanding Bonds shall on the maturity date or redemption date thereof be deemed to have been paid within the meaning of and with the effect expressed in subsection (a) of this Section if there shall have been irrevocably deposited with the Trustee money which is sufficient to pay the interest due on such Bonds on such date and the principal and redemption premiums, if any, due on such Bonds on such date.

(c) Any Outstanding Bonds shall prior to the maturity date or redemption date thereof be deemed to have been paid within the meaning and with the effect expressed in subsection (a) of this Section if (1) in case any of such Bonds are to be redeemed on any date prior to their maturity date, the Community Facilities District shall have agreed to mail a notice of redemption pursuant to Section 10.14 to the respective Holders of all such Outstanding Bonds and to the securities depositories or securities information services selected by it pursuant to Section 3.03, (2) there shall have been filed with the Community Facilities District and the Trustee an Opinion of Counsel to the effect that the payment of such Bonds has been provided for in the manner set forth herein and that all obligations of the Community Facilities District with respect to such Bonds have been discharged and satisfied and there shall have been deposited with an escrow agent meeting the requirements of a successor trustee set forth in Section 6.01 or the Trustee either (i) money in an amount which shall be sufficient to pay when due the interest on and principal of and redemption premiums, if any, due and to become due on such Bonds on and prior to the date scheduled for redemption or maturity date thereof, as the case may be and/or (ii) Federal Securities which are not subject to redemption except by the holder thereof prior to maturity (including any Federal Securities issued or held in book-entry form on the books of the Department of the Treasury of the United States of America), the interest on and principal of which when paid will provide money which, together with the money, if any, deposited with such escrow agent meeting the requirements of a successor trustee set forth in Section 6.01 or the Trustee at the same time, shall be sufficient to pay when due the interest on and principal of and redemption premiums, if any, due and to

become due on such Bonds on and prior to the date scheduled for redemption or maturity date thereof, as the case may be, as evidenced by an Accountant's Report on file with the Community Facilities District and the Trustee, and (3) in the event such Bonds are not by their terms subject to redemption within the next succeeding sixty (60) days, the Community Facilities District shall have agreed to mail pursuant to Section 10.14 a notice to the Holders of such Bonds and to the securities depositories and securities information services selected by it pursuant to Section 3.03 that the deposit required by clause (2) above has been made with such escrow agent meeting the requirements of a successor trustee set forth in Section 6.01 or the Trustee and that such Bonds are deemed to have been paid in accordance with this Section and stating the maturity dates or redemption dates, as the case may be, upon which money will be available for the payment of the principal of and redemption premiums, if any, on such Bonds.

Section 9.02. Unclaimed Money. Anything contained herein to the contrary notwithstanding, any money held by the Trustee in trust for the payment and discharge of any of the Bonds or any interest thereon which remains unclaimed for two (2) years after the date when such Bonds or interest thereon have become due and payable, either at their stated maturity dates or by call for redemption prior to maturity, if such money was held by the Trustee on such date, or for two (2) years after the date of deposit of such money if deposited with the Trustee after the date when such Bonds or interest thereon became due and payable, shall be repaid by the Trustee to the Community Facilities District as its absolute property free from trust for deposit in the Community Facilities Fund and for use in accordance with the Law, and the Trustee shall thereupon be released and discharged with respect thereto and the Holders shall look only to the Community Facilities District for the payment of such Bonds and interest thereon; provided, that before the Trustee shall be required to make any such repayment the Community Facilities District shall mail pursuant to Section 10.14 a notice to the Holders of all Outstanding Bonds and to such securities depositories and securities information services selected by it pursuant to Section 3.03 that such money remains unclaimed and that after a date named in such notice, which date shall not be less than thirty (30) days after the date of the mailing of such notice, the balance of such money then unclaimed will be returned to the Community Facilities District for deposit in the Community Facilities Fund.

ARTICLE X

MISCELLANEOUS

Section 10.01. Liability of Community Facilities District Limited to Proceeds of the Special Tax and Certain Other Funds. Notwithstanding anything contained herein, the Community Facilities District shall not be required to advance any money derived from any source of income other than the proceeds of the Special Tax net of Priority Administrative Expenses and the other funds provided herein for the payment of the interest on or principal of or redemption premiums, if any, on the Bonds.

The Bonds are special tax obligations of the Community Facilities District and the interest on and principal of and redemption premiums, if any, on the Bonds are payable solely from the proceeds of the Special Tax (including any prepayments thereof and proceeds from the sale of property collected pursuant to the foreclosure provisions of the Indenture for the

delinquency of the Special Tax), net of Priority Administrative Expenses, and amounts in certain funds and accounts established in the Indenture, and the Community Facilities District is not obligated to pay the Bonds except from such funds. The General Fund of the City and the funds of the Community Facilities District are not liable, and neither the full faith and credit of the Community Facilities District nor the City are pledged for the payment of the interest on or principal of or redemption premiums, if any, on the Bonds, and no tax or assessment other than the Special Tax shall ever be levied or collected to pay the interest on or principal of or redemption premiums, if any, on the Bonds. The Bonds are not secured by a legal or equitable pledge of or charge, lien or encumbrance upon any property of the Community Facilities District or any of its income or receipts except the proceeds of the Special Tax (including any prepayments thereof and proceeds from the sale of property collected pursuant to the foreclosure provisions of the Indenture for the delinquency of the Special Tax), net of Priority Administrative Expenses, and amounts in certain funds and accounts established in the Indenture, and neither the payment of the interest on or principal of or redemption premiums, if any, on the Bonds is a general debt, liability or obligation of the Community Facilities District. The Bonds do not constitute an indebtedness of the Community Facilities District within the meaning of any constitutional or statutory debt limitation or restriction, and neither the City Council nor the Community Facilities District nor any officer or employee thereof shall be liable for the payment of the interest on or principal of or redemption premiums, if any, on the Bonds otherwise than from the proceeds of the Special Tax, net of Priority Administrative Expenses, and such other funds as provided in the Indenture.

Section 10.02. Benefits of the Indenture Limited to Certain Parties. Nothing contained herein, express or implied, is intended to give to any entity or person other than the City Council, the Community Facilities District, the Trustee, and the Holders any right, remedy or claim under or by reason hereof, and any agreement or covenant required herein to be performed by or on behalf of the City Council or the Community Facilities District or any officer or employee thereof shall be for the sole and exclusive benefit of the Trustee and the Holders.

Section 10.03. Successor Is Deemed Included in All References to Predecessor. Whenever either the City Council or the Community Facilities District or any officer or employee thereof or of the City is named or referred to herein, such reference shall be deemed to include the successor to the powers, duties and functions with respect to the administration, control and management of the Community Facilities District that are presently vested in the City Council or the Community Facilities District or such officer or employee, and all agreements and covenants required herein to be performed by or on behalf of the City Council or the Community Facilities District or any officer or employee thereof shall bind and inure to the benefit of the respective successors thereof whether so expressed or not.

Section 10.04. Execution of Documents by Holders. Any declaration, request or other instrument which is permitted or required herein to be executed by Holders may be in one or more instruments of similar tenor, and may be executed by Holders in person or by their attorneys duly authorized in writing. The fact and date of the execution by any Holder or his attorney of any declaration, request or other instrument or of any writing appointing such attorney may be proved by the certificate of any notary public or other officer authorized to take acknowledgments of deeds to be recorded in the state or territory in which he or she purports to act that the person signing such declaration, request or other instrument or writing acknowledged to him or her the execution thereof, or by an affidavit of a witness to such execution duly sworn to before such notary public

or other officer. The ownership of Bonds and the amount, maturity, number and date of holding the same shall be provided by the registration books required to be kept by the Trustee pursuant to Section 2.09.

Any declaration, request or other instrument or writing of the Holder of any Bond shall bind all future Holders of such Bond with respect to anything done or suffered to be done by the Community Facilities District in good faith and in accordance therewith.

Section 10.05. Deposit and Investment of Money in Accounts and Funds. All money held by the Trustee in any accounts and funds established herein shall be deposited in time or demand deposits in any state or nationally chartered bank or trust company, including the Trustee, or any state or federal savings and loan association, and shall be secured at all times by such obligations as are required by law and to the fullest extent required by law, except such money that is at the time invested in accordance with this Section. Any money in the Acquisition and Construction Fund and in the Special Tax Fund and in the Redemption Account shall be invested by the Trustee pursuant to a Written Request of the Community Facilities District received by the Trustee at least three (3) days before making any such investment in those Permitted Investments specified in such Written Request of the Community Facilities District that mature not later than the date on which it is estimated that such money will be required to be paid out hereunder, and any money in a Bond Reserve Account shall be invested by the Trustee pursuant to a Written Request of the Community Facilities District received by the Trustee at least three (3) days before making any such investment in those Permitted Investments specified in such Written Request of the Community Facilities District that mature not more than five (5) years from the date of purchase by the Trustee, or the final maturity date of any Outstanding Bonds, whichever is earlier; and the Trustee may conclusively rely and determine that any investment specified in any such Written Request of the Community Facilities District is a Permitted Investment or a Federal Security, as the case may be, hereunder; provided, that in the absence of written instructions from the Community Facilities District regarding such investments, such money shall be held uninvested. The Trustee (or any affiliate thereof) may act as principal or agent in the making of any investment hereunder and may impose its customary charges therefor, and shall not be responsible for any losses, taxes, fees or other charge suffered in connection with any investment, reinvestment or liquidation of investments made in accordance herewith. Notwithstanding anything in the Indenture to the contrary, for purposes of any time limitation on the maturity of an investment of moneys in the funds and accounts held thereunder, such investment shall be deemed to satisfy such time limitation if, by its terms and within such time limitation, the Community Facilities District or the Trustee has the right, for any purpose permitted or required under the Indenture, to demand the repurchase, redemption, withdrawal or termination of such investment and to receive at least the outstanding par amount thereof plus accrued interest, without penalty.

All interest received on any such money so deposited or invested which exceeds the requirements of the account or fund from which such money was deposited or invested shall (as specified in a Written Request of the Community Facilities District filed with the Trustee) (subject to the requirements of Section 5.03) be deposited in the Redemption Account, and all losses on any such money so deposited or invested shall be borne by the account or fund from which the deposit or investment was made.

Section 10.06. Waiver of Personal Liability. No member of the City Council or officer or employee of the City, acting for and on behalf of the Community Facilities District, shall be individually or personally liable for the payment of the interest on or principal of or redemption premiums, if any, on the Bonds, but nothing herein contained shall relieve any member of the City Council or officer or employee of the City from the performance of any official duty provided hereby or by the Law or by any other applicable provisions of law.

Section 10.07. Acquisition of Bonds by Community Facilities District. All Bonds acquired by the Community Facilities District, whether by purchase or gift or otherwise, shall be surrendered to the Trustee for cancellation and destruction by it, and the Trustee shall send the Community Facilities District a certificate of such destruction.

Section 10.08. Content of Certificates and Reports. Every certificate or report with respect to compliance with an agreement, condition, covenant or term provided herein shall include (a) a statement that the person or persons making or giving such certificate or report have read such agreement, condition, covenant or term and the definitions herein relating thereto; (b) a brief statement as to the nature and scope of the examination or investigation upon which the opinion contained in such certificate or report is based; (c) a statement that, in the opinion of the signers, they have made or caused to be made such examination or investigation as is necessary to enable them to express an informed opinion as to whether or not such agreement, condition, covenant or term has been complied with; and (d) a statement as to whether, in the opinion of the signers, such agreement, condition, covenant or term has been complied with.

Any such certificate made or given by an officer of the City, for and on behalf of the Community Facilities District, may be based, insofar as it relates to legal matters, upon a representation made in an Opinion of Counsel unless such officer knows that the representation with respect to the matters upon which his certificate may be based, as aforesaid, is erroneous, or in the exercise of reasonable care should have known that the same was erroneous. Any such Opinion of Counsel may be based, insofar as it relates to factual matters information with respect to which is in the possession of the Community Facilities District, upon a representation by an officer or officers of the City unless the counsel giving such Opinion of Counsel knows that the representation with respect to the matters upon which his representation may be based, as aforesaid, is erroneous, or in the exercise of reasonable care should have known that the same was erroneous.

Section 10.09. Maintenance of Accounts and Funds. Any account or fund required herein to be established and maintained by the Trustee may be maintained by the Trustee in its accounting records in its customary manner either as an account or a fund, and may, for the purposes of such accounting records, any audits thereof and any financial reports or statements with respect thereto, be treated either as an account or as a fund; but all such accounting records with respect to all such accounts and funds shall at all times be maintained by the Trustee in accordance with trust industry standards.

Section 10.10. Article and Section Headings, Gender and References. The headings or titles of the several articles and sections hereof and the table of contents appended hereto shall be solely for convenience of reference and shall not affect the construction, effect or meaning hereof, and words of any gender shall be deemed and construed to include all genders.

All references herein to "Articles," "Sections" and other subdivisions are to the corresponding articles, sections or subdivisions hereof; and the words "hereby," "herein," "hereof," "hereto," "herewith" and "hereunder" and other words of similar import refer to the Indenture as a whole and not to any particular article, section or subdivision hereof.

Section 10.11. Partial Invalidity. If any one or more of the agreements, conditions, covenants or terms or portions thereof required hereby to be observed or performed by the Community Facilities District or the Trustee should be contrary to law, then such agreement or agreements, such condition or conditions, such covenant or covenants or such term or terms or such portions thereof shall be null and void and shall be deemed separable from the remaining agreements, conditions, covenants or terms or portions thereof and shall in no way affect the validity hereof or of the Bonds; and the Holders shall retain all the rights and benefits accorded to them under the Law or any other applicable provisions of law. The Community Facilities District hereby declares that it would have executed the Indenture and each and every other article, section, paragraph, subdivision, sentence, clause and phrase hereof and would have authorized the issuance of the Bonds pursuant hereto irrespective of the fact that any one or more of the articles, sections, paragraphs, subdivisions, sentences, clauses or phrases hereof or the application thereof to any person or circumstance may be held to be unconstitutional, unenforceable or invalid.

Section 10.12. Execution in Counterparts and Electronic Execution. The Indenture may be executed in several counterparts, each of which shall be deemed an original, and all of which shall constitute but one and the same instrument. The exchange of copies of the Indenture and of signature pages by facsimile or PDF transmission shall constitute effective execution and delivery of the Indenture as to the parties hereto and may be used in lieu of the original Indenture and signature pages for all purposes. Each party agrees that the electronic signatures, whether digital or encrypted, of the parties included in this Indenture are intended to authenticate this writing and to have the same force and effect as manual signatures. Electronic signature means any electronic sound, symbol, or process attached to or logically associated with a record and executed and adopted by a party with the intent to sign such record, including facsimile or email electronic signatures.

Section 10.13. Governing Law. The Indenture shall be governed by and construed and interpreted in accordance with the laws of the State of California.

Section 10.14. Notices. All written notices to be given hereunder shall be given by mail or electronic means to the party entitled thereto at its address set forth below, or at such other address as such party may provide to the other parties in writing from time to time, namely:

If to the Community Facilities District:

City of Folsom
50 Natoma Street
Folsom, California 95630
Attention: Finance Director
Fax: 916-985-0870
Email: financetreasury@folsom.ca.us

If to the Trustee:

U.S. Bank Trust Company, National Association
One California Street, Suite 1000
San Francisco, CA 94111
Attention: Global Corporate Trust
Fax: (415) 677-3596
Email: karen.lei@usbank.com

Each such notice, statement, demand, consent, approval, authorization, offer, designation, request or other communication hereunder shall be deemed delivered to the party to whom it is addressed (a) if personally served or delivered, upon delivery, (b) if given by electronic communication, upon the sender's receipt of an appropriate answer back or other written acknowledgment or confirmation of receipt of the entire notice, approval, demand, report or other communication, (c) if given by first class mail deposited with the United States mail postage prepaid, seventy-two (72) hours after such notice is deposited with the United States mail, (d) if given by overnight courier, with courier charges prepaid, twenty-four (24) hours after delivery to said overnight courier, or (e) if given by any other means, upon delivery at the address specified in this Section.

The Trustee shall have the right to accept and act upon instructions, including funds transfer instructions ("**Instructions**") given pursuant to this Indenture and delivered using Electronic Means ("**Electronic Means**" shall mean the following communications methods: e-mail, facsimile transmission, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys issued by the Trustee, or another method or system specified by the Trustee as available for use in connection with its services hereunder); provided, however, that the Community Facilities District shall provide to the Trustee an incumbency certificate listing officers with the Community Facilities District to provide such Instructions and containing specimen signatures of such officers, which incumbency certificate shall be amended by the Community Facilities District whenever a person is to be added or deleted from the listing. If the Community Facilities District elects to give the Trustee Instructions using Electronic Means and the Trustee in its reasonable judgment elects to act upon such Instructions, the Trustee's understanding of such Instructions shall be deemed controlling. The Community Facilities District understands and agrees that the Trustee cannot determine the identity of the actual sender of such Instructions and that the Trustee shall be entitled to conclusively presume without liability that directions that purport to have been sent by an officer listed on the incumbency certificate provided to the Trustee have been sent by such officer. The Community Facilities District shall be responsible for ensuring that only officers transmit such Instructions to the Trustee and that the Community Facilities District and all officers are solely responsible to safeguard the use and confidentiality of applicable user and authorization codes, passwords and/or authentication keys upon receipt by the Community Facilities District. The Trustee shall not be liable for any losses, costs claims, or expenses arising directly or indirectly from the Trustee's reliance upon and compliance with such Instructions notwithstanding the fact that such directions conflict or are inconsistent with a subsequent written instruction. The Community Facilities District agrees: (i) to assume all risks arising out of the use of Electronic Means to submit Instructions to the Trustee,

including without limitation the risk of the Trustee acting on unauthorized Instructions, and the risk of interception and misuse by third parties; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting Instructions to the Trustee and that there may be more secure methods of transmitting Instructions than the method(s) selected by the Community Facilities District; (iii) that the security procedures (if any) to be followed in connection with its transmission of Instructions provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances; and (iv) to notify the Trustee in writing immediately upon learning of any compromise or unauthorized use of the security procedures.

Section 10.15. U.S.A. Patriot Act. The parties hereto acknowledge that in accordance with Section 326 of the U.S.A. Patriot Act, the Trustee, like all financial institutions and in order to help fight the funding of terrorism and money laundering, is required to obtain, verify, and record information that identifies each person or legal entity that establishes a relationship or opens an account with the Trustee. The parties to this Indenture agree that they will provide the Trustee with such information as it may request in order for the Trustee to satisfy the requirements of the U.S.A. Patriot Act.

Section 10.16. Force Majeure. In no event shall the Trustee be responsible or liable for any failure or delay in the performance of its obligations hereunder arising out of or caused by, directly or indirectly, forces beyond its control, including, without limitation, strikes, work stoppages, accidents, acts of war or terrorism, pandemics, epidemics, quarantine restrictions, recognized public emergencies, civil or military disturbances, nuclear or natural catastrophes or acts of God, and interruptions, loss or malfunctions of utilities, communications or computer (software and hardware) services; it being understood that the Trustee shall use reasonable efforts which are consistent with accepted practices in the banking industry to resume performance as soon as practicable under the circumstances.

Section 10.17. Effective Date of the Indenture. The Indenture shall take effect from and after its execution and delivery.

IN WITNESS WHEREOF, the City of Folsom Community Facilities District No. 23 (Folsom Ranch) has caused the Indenture to be signed in its name by the Finance Director of the City of Folsom and U.S. Bank Trust Company, National Association, as Trustee, in token of its acceptance of the trusts created hereunder, has caused the Indenture to be signed in its corporate name by its officer thereunto duly authorized, all as of the date and year first above written.

CITY OF FOLSOM COMMUNITY FACILITIES DISTRICT NO. 23 (FOLSOM RANCH)

By_____
Finance Director of the City of Folsom

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION,
as Trustee

By_____
Authorized Officer

EXHIBIT A

[FORM OF BONDS]

No. _____ $_____

UNITED STATES OF AMERICA

STATE OF CALIFORNIA

COUNTY OF SACRAMENTO

CITY OF FOLSOM
COMMUNITY FACILITIES DISTRICT NO. 23
(FOLSOM RANCH) IMPROVEMENT AREA NO. 4
SPECIAL TAX BOND, SERIES 2024

Interest Rate	Maturity Date	Bond Date
_____ %	September 1, ____	December [__], 2024

REGISTERED OWNER: U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, AS TRUSTEE FOR THE FOLSOM RANCH FINANCING AUTHORITY

PRINCIPAL AMOUNT: DOLLARS

The City of Folsom Community Facilities District No. 23 (Folsom Ranch), organized and existing under and pursuant to the laws of the State of California (the "Community Facilities District"), for value received hereby promises to pay (but only out of the proceeds of the Special Tax hereinafter referred to, net of Priority Administrative Expenses (as defined in the Indenture hereinafter referred to), and certain other funds as described herein) to the registered owner set forth above on the maturity date set forth above (subject to any right of prior redemption hereinafter provided for) the principal amount set forth above, together with interest thereon computed on the basis of a 360-day year of twelve (12) 30-day calendar months from the interest payment date next preceding the date of registration of this Bond (unless this Bond is registered on a day during the period from the sixteenth (16th) day of the month next preceding an interest payment date to such interest payment date, both inclusive, in which event it shall bear interest from such interest payment date, or unless this Bond is registered on a day on or before the fifteenth (15th) day of the month next preceding the first interest payment date, in which event it shall bear interest from its dated date) until the principal hereof shall have been paid, at the interest rate per annum set forth above, payable on [March 1, 2025], and semiannually thereafter on September 1 and March 1 in each year. The interest on and principal of and redemption premium,

if any, on this Bond are payable in lawful money of the United States of America at the Corporate Trust Office (as that term is defined in the Indenture hereinafter referred to, and herein the "Corporate Trust Office") of U.S. Bank Trust Company, National Association, or any other bank or trust company at its Corporate Trust Office, which may at any time be substituted in its place as provided in the Indenture hereinafter described, the Trustee of the Community Facilities District for the Bonds (the "Trustee"). The interest on this Bond due on or before the maturity or prior redemption hereof shall be payable only to the person whose name appears in the registration books required to be kept by the Trustee as the registered owner hereof at the close of business as of the fifteenth (15th) day of the month next preceding each interest payment date, such interest to be paid by check mailed by first class mail on each such interest payment date to such registered owner at his or her address as it appears on such books, except that in the case of a registered owner of one million dollars ($1,000,000) or more in principal amount of Bonds then Outstanding, payment shall be made at such owner's option by wire transfer on each such interest payment date of immediately available funds to an account in a bank or trust company or savings bank that is a member of the Federal Reserve System and that is located in the continental United States of America according to written instructions provided by such owner to the Trustee at least fifteen (15) days before such interest payment date. The principal of and redemption premium, if any, on this Bond shall be payable only to the person whose name appears in such registration books as the registered owner hereof, such principal and redemption premium, if any, to be paid only on the surrender of this Bond at the Corporate Trust Office of the Trustee at maturity or on redemption prior to maturity.

Notwithstanding the foregoing, the Trustee may agree with the Holder of this Bond that such Holder may, in lieu of surrendering the same for a new Bond, endorse on this Bond a record of partial payment of the principal of this Bond as follows:

PAYMENTS ON ACCOUNT OF PRINCIPAL

Payment Date	Principal Amount Paid	Balance of Principal Amount Unpaid	Signature of Holder

This Bond is one of a duly authorized issue of Bonds in the aggregate principal amount of [_____] dollars ($[_____]) issued by the Community Facilities District located in the City of Folsom (the "City"), designated the "City of Folsom Community Facilities District No. 23 (Folsom Ranch) Improvement Area No. 4 Special Tax Bonds, Series 2024" (the "Bonds"), which Bonds are issued under and pursuant to the Mello-Roos Community Facilities Act of 1982, as amended (being Sections 53311 et seq. of the Government Code of the State of California), and all laws amendatory thereof or supplemental thereto (the "Law") and under and

pursuant to the provisions of an Indenture dated as of December 1, 2024 (the "Indenture") between the Community Facilities District and U.S. Bank Trust Company, National Association, as Trustee, all of like tenor and date (except for such variations, if any, as may be required to designate varying numbers, maturities, interest rates or redemption provisions), and all capitalized terms used herein not otherwise defined shall have the meanings contained in the Indenture. All the Bonds are equally and ratably secured in accordance with the terms and conditions of the Indenture (copies of which are on file at the office of the City Clerk of the City and at the Corporate Trust Office of the Trustee), and reference is hereby made to the Law and to the Indenture and any and all amendments thereof and supplements thereto for a description of the terms on which the Bonds are issued and for the rights of the registered owners of the Bonds; and all the terms of the Law and the Indenture are hereby incorporated herein and constitute a contract between the Community Facilities District and the registered owner from time to time of this Bond, to all the provisions of which the registered owner of this Bond, by his or her acceptance hereof, agrees and consents; and each taker and subsequent registered owner hereof shall have recourse to all the provisions of the Law and the Indenture and shall be bound by all the terms and conditions thereof.

The Bonds are issued to provide funds to pay costs of the acquisition and construction of the Facilities. The Bonds are special tax obligations of the Community Facilities District and the interest on and principal of and redemption premiums, if any, on the Bonds are payable solely from the proceeds of the Special Tax, net of Priority Administrative Expenses, and certain other funds, as provided in the Indenture, and the Community Facilities District is not obligated to pay them except from the proceeds of the Special Tax, net of Priority Administrative Expenses, and such other funds. The General Fund of the City and the funds of the Community Facilities District are not liable and neither the full faith and credit of the Community Facilities District nor the City are pledged for the payment of the interest on or principal of or redemption premiums, if any, on the Bonds, and no tax or assessment other than the Special Tax shall ever be levied or collected to pay the interest on or principal of or redemption premiums, if any, on the Bonds. The Bonds are not secured by a legal or equitable pledge of or charge, lien or encumbrance upon any property of the Community Facilities District or any of its income or receipts except the proceeds of the Special Tax, net of Priority Administrative Expenses, and such other funds, and neither the payment of the interest on or principal of or redemption premiums, if any, on the Bonds is a general debt, liability or obligation of the Community Facilities District.

The Bonds maturing on September 1, 20[__], are subject to mandatory redemption by the Community Facilities District prior to their maturity date in part on September 1 in each of the years 20[__] through 20[__], both years inclusive; and the Bonds maturing on September 1, 20[__], are subject to mandatory redemption by the Community Facilities District prior to their maturity date in part on September 1 in each of the years 20[__] through 20[__], both years inclusive, in each case solely from Minimum Sinking Fund Account Payments deposited in the Sinking Fund Subaccount, upon mailed notice as hereinafter provided, at a redemption price of one hundred percent (100%) of the principal amount thereof called for redemption together with accrued interest thereon to the date of redemption.

The Bonds are subject to optional redemption by the Community Facilities District prior to their respective maturity dates as a whole or in part on any date on or after September 1, 20[__], from funds derived by the Community Facilities District from any source other than such Minimum Sinking Fund Account Payments deposited in the Sinking Fund Subaccount or such

prepayments of the Special Tax, upon mailed notice as hereinafter provided, at the following redemption prices (computed upon the principal amount of the Bonds or portions thereof called for redemption) together with accrued interest thereon to the date fixed for redemption, to wit:

> 103% if redeemed on any date on or after September 1, 20[__], through August 31, 20[__];
>
> 102% if redeemed on any date from September 1, 20[__], through August 31, 20[__];
>
> 101% if redeemed on any date from September 1, 20[__], through August 31, 20[__]; and
>
> 100% if redeemed on September 1, 20[__], and any date thereafter.

The Bonds are subject to extraordinary redemption by the Community Facilities District prior to their respective maturity dates, as a whole or in part on any interest payment date on and after March 1, 2025, from funds derived by the Community Facilities District from prepayments of the Special Tax, upon mailed notice as hereinafter provided, at the following redemption prices (computed upon the principal amount of the Bonds or portions thereof called for redemption) together with accrued interest thereon to the date fixed for redemption, to wit:

> 103% if redeemed on any interest payment date on or after March 1, 2025, through March 1, 20[__];
>
> 102% if redeemed on an interest payment date on September 1, 20[__], or March 1, 20[__];
>
> 101% if redeemed on an interest payment date on September 1, 20[__], or March 1, 20[__]; and
>
> 100% if redeemed on September 1, 20[__], or any interest payment date thereafter.

If less than all the Outstanding Bonds are to be redeemed as a result of prepayments of the Special Tax at any one time, the Bonds shall be redeemed pro rata by maturity. If less than all the Outstanding Bonds are to be redeemed at the option of the Community Facilities District at any one time, the Bonds of the latest maturity date or dates shall be redeemed prior to or simultaneously with the redemption of the Bonds maturing prior thereto, and if less than all the Outstanding Bonds of any one maturity date are to be redeemed at any one time, the Trustee shall select the Bonds or the portions thereof of such maturity date to be redeemed in integral multiples of five thousand dollars ($5,000) in a manner that it deems appropriate and fair.

Notice of redemption of this Bond or any portion hereof shall be mailed by the Trustee to the registered owner hereof and to those securities depositories and securities information services selected by the Community Facilities District in accordance with the Indenture, but neither failure to receive any such mailed notice nor any immaterial defect contained therein shall affect the sufficiency or validity of such proceedings for redemption. Any notice of

optional redemption may be rescinded by written notice given by the Community Facilities District to the Trustee no later than three (3) Business Days prior to the date specified for redemption. The Trustee shall give notice of rescission of the notice of optional redemption or non-satisfaction of any conditions specified in the notice of optional redemption as soon as practicable to the same parties and in the same manner as the notice of redemption was given pursuant to the Indenture.

If notice of redemption has been duly given and not rescinded as aforesaid and money sufficient for the payment of the principal of and redemption premiums, if any, on, together with interest to the redemption date on, this Bond or portion thereof so called for redemption has been irrevocably deposited with the Trustee, then this Bond or the portion thereof to be redeemed shall, on the redemption date designated in such notice, become due and payable at the above-described redemption price; and from and after the date so designated interest on this Bond or the portion thereof to be redeemed shall cease to accrue and the registered owner of this Bond shall have no rights in respect hereof except to receive payment of the redemption price of this Bond or the portion thereof to be redeemed, and upon surrender of this Bond if redeemed in part only, the Community Facilities District shall execute and the Trustee shall authenticate and deliver to the registered owner hereof at the expense of the Community Facilities District a new Bond or Bonds equal in aggregate principal amount to the unredeemed portion of this Bond so surrendered.

The Community Facilities District has covenanted that, so long as any Bonds are Outstanding, it will annually levy the Special Tax against all Taxable Property in the Improvement Area and make provision for the collection of the Special Tax in amounts which will be sufficient, together with the money then on deposit in the Redemption Account, after making reasonable allowances for contingencies and errors in the estimates, to yield proceeds equal to the amounts required for compliance with the agreements, conditions, covenants and terms contained in the Indenture, and which in any event will be sufficient to pay the interest on and principal of and Minimum Sinking Fund Account Payments for and redemption premiums, if any, on the Bonds as they become due and payable and to replenish each Bond Reserve Account established under the Indenture and to pay all current Expenses and Services as they become due and payable in accordance with the provisions and terms of the Indenture.

The Bonds are issuable in the form of fully registered bonds. The registered owner of any Bond or Bonds may surrender the same (together with a written instrument of transfer satisfactory to the Trustee duly executed by the registered owner or his or her duly authorized attorney) in exchange for an equal aggregate principal amount of Bonds of the same series and maturity date in the manner, subject to the conditions and upon payment of the charges provided in the Indenture.

The registration of this Bond is transferable on the registration books kept by the Trustee by the registered owner hereof or by his or her duly authorized attorney upon surrender of this Bond together with a written instrument of transfer satisfactory to the Trustee duly executed by the registered owner or his or her duly authorized attorney, and thereupon a new Bond or Bonds of the same series and maturity date in the same aggregate principal amount will be issued to the transferee in exchange therefor in the manner, subject to the conditions and terms and upon payment of the charges provided in the Indenture. The Community Facilities District and the Trustee shall be entitled to conclusively treat the person in whose name this Bond is registered as

the absolute owner hereof for the purpose of receiving payment of, or on account of, the principal hereof and redemption premium, if any, hereon and for all other purposes.

The rights and obligations of the Community Facilities District and of the registered owners of the Bonds may be amended at any time in the manner, to the extent and upon the terms provided in the Indenture, and in certain circumstances without the consent of such registered owners, but no such amendment shall (1) extend the maturity of this Bond or reduce the interest rate hereon or otherwise alter or impair the obligation of the Community Facilities District to pay the interest hereon or principal hereof or Minimum Sinking Fund Account Payment herefor or redemption premium, if any, hereon at the time and place and at the rate and in the currency and from the funds provided herein without the express written consent of the registered owner of this Bond, or (2) permit the issuance by the Community Facilities District of any obligations payable from the proceeds of the Special Tax other than as provided in the Indenture, or jeopardize the ability of the Community Facilities District to levy and collect the Special Tax, or (3) reduce the percentage of Bonds required for the written consent to an amendment of the Indenture, or (4) modify any rights or obligations of the Trustee without its prior written assent thereto; all as more fully set forth in the Indenture.

The Bonds do not constitute an indebtedness of the Community Facilities District within the meaning of any constitutional or statutory debt limitation or restriction, and neither the City Council of the City nor the Community Facilities District nor any officer or employee thereof or of the City shall be liable for the payment of the interest on or principal of or redemption premiums, if any, on the Bonds otherwise than from the proceeds of the Special Tax, net of Priority Administrative Expenses, and such other funds, as provided in the Indenture.

This Bond shall not be entitled to any benefits under the Indenture or become valid or obligatory for any purpose until the certificate of authentication and registration hereon endorsed shall have been manually signed by an authorized signatory of the Trustee.

It is hereby certified that all acts, conditions and things required by law to exist, to have happened and to have been performed precedent to and in the issuance of this Bond do exist, have happened and have been performed in due time, form and manner as required by law and that the amount of this Bond, together with all other obligations of the Community Facilities District, does not exceed any limit prescribed by the laws of the State of California and is not in excess of the principal amount of the Bonds permitted to be issued under the Indenture.

IN WITNESS WHEREOF, the City of Folsom Community Facilities District No. 23 (Folsom Ranch) has caused this Bond to be executed in its name and on its behalf by the manual or facsimile signature of the Mayor of the City and countersigned by the manual or facsimile signature of the City Clerk of the City, and has caused this Bond to be dated December [__], 2024.

CITY OF FOLSOM COMMUNITY FACILITIES DISTRICT NO. 23 (FOLSOM RANCH)

By _____
Mayor of the City of Folsom

Countersigned:

_____
City Clerk of the City of Folsom

[FORM OF TRUSTEE'S CERTIFICATE OF AUTHENTICATION
TO APPEAR ON BONDS]

This is one of the Bonds described in the within-mentioned Indenture which has been authenticated on December [__], 2024.

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION,
as Trustee

By_____
Authorized Signatory

[FORM OF ASSIGNMENT TO APPEAR ON BONDS]

For value received the undersigned do(es) hereby sell, assign and transfer unto _____ the within Bond and do(es) hereby irrevocably constitute and appoint _____ attorney to transfer the same on the bond register of the Trustee, with full power of substitution in the premises.

_____

Dated: _____

SIGNATURE GUARANTEED BY:

_____

Note: Signatures must be guaranteed by an "eligible guarantor institution" meeting the requirements of membership or participation in the Security Transfer Agent Medallion Program ("STAMP") or such other "signature guarantee program" as may be determined in substitution for STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.

Social Security Number, Taxpayer Identification Number or other identifying number of Assignee: _____

ATTACHMENT 5

PRELIMINARY OFFICIAL STATEMENT DATED NOVEMBER [__], 2024

NEW ISSUE-BOOK-ENTRY ONLY **NOT RATED**

In the opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel to the Authority, based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 and is exempt from State of California personal income taxes. In the further opinion of Bond Counsel, interest on the Bonds is not a specific preference item for purposes of the federal individual alternative minimum tax. Bond Counsel observes that interest on the Bonds included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Bonds. See "TAX MATTERS."

$10,705,000*
FOLSOM RANCH FINANCING AUTHORITY
CITY OF FOLSOM COMMUNITY FACILITIES DISTRICT NO. 23
(FOLSOM RANCH) IMPROVEMENT AREA NO. 4
SPECIAL TAX REVENUE BONDS
SERIES 2024

Dated: Date of Delivery **Due: September 1, as shown on inside front cover**

The Folsom Ranch Financing Authority City of Folsom Community Facilities District No. 23 (Folsom Ranch) Improvement Area No. 4 Special Tax Revenue Bonds, Series 2024 (the "Bonds") are being issued by the Folsom Ranch Financing Authority (the "Authority") to provide funds to finance the purchase of limited obligation special tax bonds (the "Local Obligations"), issued by the City of Folsom Community Facilities District No. 23 (Folsom Ranch) (the "District"). The purchase price of the Local Obligations will be used to finance the acquisition of certain public facilities, fund a debt service reserve account, and pay certain costs of issuance of the Local Obligations and the Bonds.

The Bonds are being issued by the Authority pursuant to a Trust Agreement (the "Trust Agreement") among the District, the Authority, and U.S. Bank Trust Company, National Association, as trustee (the "Trustee") and will be secured by a pledge of the Trust Estate, as defined herein. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS."

The Bonds are special, limited obligations of the Authority. The Bonds are payable solely from and secured by the Trust Estate of the Authority pledged under the Trust Agreement, consisting primarily of payments received by the Authority from the District under the Local Obligations, which payments are secured by a lien of the Special Taxes (defined herein) levied upon property within Improvement Area No. 4 of the District (the "Improvement Area"), as more fully described herein. Payments under the Local Obligations are calculated to be sufficient to permit the Authority to pay the principal of, and interest on, the Bonds when due.

The Local Obligations Indenture (defined herein) for the Local Obligations establishes a debt service reserve fund (the "Local Obligations Reserve Fund") with a debt service reserve account therein for the Local Obligations (the "Local Obligations Reserve Account"). Pursuant to the Local Obligations Indenture, a deposit is being made to the Local Obligations Reserve Account for the Local Obligations. **Amounts available from the Local Obligations Reserve Account are not available to make up a deficiency for the payment of principal of and interest on the Bonds**. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS—Terms of the Local Obligations—*Local Obligations Reserve Account*."

The Bonds are being issued only as fully registered bonds registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC") and interest thereon is payable on March 1 and September 1 of each year, commencing March 1, 2025, by the Trustee to DTC. DTC will in turn remit principal or redemption price and interest to the DTC participants, which will in turn remit such principal or redemption price and interest to the Beneficial Owners of the Bonds, as described herein. DTC will act as securities depository for the Bonds. Individual purchases will be made in book-entry only form in the principal amount of $5,000 or integral multiple thereof. Purchasers of the Bonds will not receive instruments representing their interest in the Bonds purchased. See APPENDIX F—"DTC AND THE BOOK–ENTRY ONLY SYSTEM."

The Bonds are subject to optional, extraordinary and mandatory redemption as described herein. * See "THE BONDS—Redemption Provisions."

NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE CITY OF FOLSOM (THE "CITY"), THE AUTHORITY, THE STATE OF CALIFORNIA OR ANY OTHER POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE BONDS. THE AUTHORITY HAS NO TAXING POWER. EXCEPT FOR THE TRUST ESTATE, NO OTHER REVENUES OR TAXES ARE PLEDGED TO THE PAYMENT OF THE BONDS. THE BONDS ARE NOT GENERAL OBLIGATIONS OF THE AUTHORITY, THE DISTRICT OR THE CITY, BUT ARE LIMITED OBLIGATIONS OF THE AUTHORITY PAYABLE SOLELY FROM THE TRUST ESTATE, DERIVED PRIMARILY FROM

* Preliminary, subject to change.

PAYMENT ON THE LOCAL OBLIGATIONS FROM THE PAYMENT OF THE SPECIAL TAXES LEVIED WITHIN THE IMPROVEMENT AREA AS MORE FULLY DESCRIBED HEREIN.

The Bonds are not rated by any rating agency. Investment in the Bonds involves a substantial degree of risk that may not be appropriate for some investors. See "CERTAIN RISKS TO BONDHOLDERS" for a discussion of special risk factors that should be considered, in addition to the other matters set forth herein, in evaluating the investment quality of the Bonds.

This cover page contains information for general reference only and it is *not* a complete summary of the Bonds. Investors should read the entire Official Statement to obtain information essential to the making of an informed investment decision.

Maturity Schedule, Interest Rates, Prices and CUSIPS
(See inside front cover)

The Bonds are offered when, as and if issued, subject to the approval as to their legality by Orrick, Herrington & Sutcliffe LLP, Bond Counsel to the Authority, and certain other conditions. Certain legal matters will be passed on for the Authority and the District by the City Attorney. Certain legal matters will be passed upon for the Underwriter by Stradling, Yocca, Carlson & Rauth LLP. It is anticipated that the Bonds in book-entry form will be available for delivery through the facilities of The Depository Trust Company in New York, New York on or about [December 5], 2024.

Piper Sandler & Co.

The date of this Official Statement is _____, 2024.

$10,705,000*
FOLSOM RANCH FINANCING AUTHORITY
CITY OF FOLSOM COMMUNITY FACILITIES DISTRICT NO. 23
(FOLSOM RANCH) IMPROVEMENT AREA NO. 4
SPECIAL TAX REVENUE BONDS
SERIES 2024

MATURITY SCHEDULE, INTEREST RATES, PRICES AND CUSIPS

Maturity (September 1)	Principal Amount	Interest Rate	Price	CUSIP No.† (344414)
	$	%		

$_____ _____% Term Bond maturing _____ 1, 20__ Price ___% (CUSIP No.† 344414__)
$_____ _____% Term Bond maturing _____ 1, 20__ Price___% (CUSIP No.† 344414__)

* Preliminary, subject to change.

† CUSIP® is a registered trademark of the American Bankers Association. CUSIP Global Services (CGS) is managed on behalf of the American Bankers Association by FactSet Research Systems Inc. Copyright© 2024 CUSIP Global Services. All rights reserved. CUSIP® data herein is provided by CUSIP Global Services. This data is not intended to create a database and does not serve in any way as a substitute for the CGS database. CUSIP numbers are provided for convenience of reference only. The Authority, the District, the Underwriter, and the City take no responsibility for the accuracy of such numbers.

No dealer, broker, salesperson or other person has been authorized by the Authority, the District or the Underwriter to give any information or to make any representations other than as contained in this Official Statement, and if given or made, such other information or representations must not be relied upon as having been authorized by any of the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds by any person, in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. This Official Statement is not to be construed as a contract with the purchasers of the Bonds. Statements contained in this Official Statement which involve estimates, forecasts or matters of opinion, whether or not expressly so described herein, are intended solely as such and are not to be construed as representations of fact.

The information set forth herein has been obtained from sources which are believed to be reliable, but such information is neither guaranteed as to accuracy or completeness, nor is it to be construed as a representation of such by the Authority, the District or the Underwriter. The information and expressions of opinion stated herein are subject to change without notice; and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Authority, the District or the property owners in the Improvement Area, or in the condition of the property in the Improvement Area, since the date hereof.

The summaries and references to the Trust Agreement, the Mello-Roos Act, the Local Obligations Indenture and to other statutes and documents referred to herein do not purport to be comprehensive or definitive and are qualified in their entireties by reference to each such statute and document. This Official Statement including any amendment or supplement hereto is intended to be deposited with one or more depositories.

The Underwriter has provided the following sentence for inclusion in this Official Statement. The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, their responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME. THE UNDERWRITER MAY OFFER AND SELL THE BONDS TO CERTAIN DEALERS AND OTHERS AT PRICES LOWER THAN THE PUBLIC OFFERING PRICES SET FORTH ON THE INSIDE FRONT COVER PAGE HEREOF AND SUCH PUBLIC OFFERING PRICES MAY BE CHANGED FROM TIME TO TIME BY THE UNDERWRITER.

THE BONDS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, IN RELIANCE UPON AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS CONTAINED IN SUCH ACT. THE BONDS HAVE NOT BEEN REGISTERED OR QUALIFIED UNDER THE SECURITIES LAWS OF ANY STATE.

Certain statements included or incorporated by reference in this Official Statement constitute forward-looking statements. Such statements are generally identifiable by the terminology used such as "plan," "expect," "estimate," "budget" or similar words. The achievement of certain results or other expectations contained in such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause actual results, performance or achievements described to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements.

[INSERT REGIONAL AND CITY CONTEXT MAPS]

CITY OF FOLSOM
COMMUNITY FACILITIES DISTRICT NO. 23
(FOLSOM RANCH)
IMPROVEMENT AREA NO. 4

Photos taken September 11, 2024. The approximate boundaries of the Improvement Area have been outlined.

AUTHORITY GOVERNING BOARD/CITY COUNCIL

Mike Kozlowski, *Chair / Mayor*
Sarah Aquino, *Vice Chair / Vice Mayor*
YK Chalamcherla, *Member / Councilmember*
Rosario Rodriguez, *Member / Councilmember*
Anna Rohrbough, *Member / Councilmember*

AUTHORITY/CITY STAFF

Elaine Andersen, *Executive Director / City Manager**
Stacey Tamagni, *Treasurer / Finance Director*
Steven Wang, Esq., *General Counsel / City Attorney*
Christa Freemantle, *Secretary / City Clerk*

SPECIAL SERVICES

BOND AND DISCLOSURE COUNSEL

Orrick, Herrington & Sutcliffe LLP

MUNICIPAL ADVISOR

Fieldman, Rolapp & Associates, Inc.

TRUSTEE

U.S. Bank Trust Company, National Association

SPECIAL TAX CONSULTANT

NBS

APPRAISER

Integra Realty Resources

* Current Executive Director of the Authority and City Manager of the City, Elaine Andersen, is retiring in late December, 2024. The City is coordinating recruitment process for the next City Manager.

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APPENDIX G — APPRAISAL

$10,705,000*
FOLSOM RANCH FINANCING AUTHORITY
CITY OF FOLSOM COMMUNITY FACILITIES DISTRICT NO. 23
(FOLSOM RANCH) IMPROVEMENT AREA NO. 4
SPECIAL TAX REVENUE BONDS
SERIES 2024

INTRODUCTION

The description and summaries of various documents hereinafter set forth do not purport to be comprehensive or definitive, and reference is made to each document for the complete details of all terms and conditions. All statements herein are qualified in their entirety by reference to each document. All capitalized terms used in this Official Statement and not otherwise defined herein have the same meaning as in the Trust Agreement (defined below) or the Local Obligations Indenture (defined below), as applicable.

General

This Official Statement, including the cover page, the inside cover page and the Appendices hereto, is provided to furnish certain information in connection with the issuance and sale by the Folsom Ranch Financing Authority (the "Authority") of $10,705,000* aggregate principal amount of Folsom Ranch Financing Authority City of Folsom Community Facilities District No. 23 (Folsom Ranch) Improvement Area No. 4 Special Tax Revenue Bonds, Series 2024 (the "Bonds").

Authority for Issuance

The Bonds will be issued pursuant to the provisions of the Trust Agreement (the "Trust Agreement") among the Authority, the City of Folsom Community Facilities District No. 23 (Folsom Ranch) (the "District"), and U.S. Bank Trust Company, National Association, as trustee (the "Trustee"), as authorized pursuant to a resolution of the Authority. The Bonds will be issued pursuant to the Marks-Roos Local Bond Pooling Act of 1985, as amended, constituting Article 4 of Chapter 5, Division 7, Title 1 of the Government Code of the State of California. The Bonds will be issued as fully registered bonds in book-entry form, in denominations of $5,000 each or any integral multiple thereof and will be dated the date of delivery thereof and bear interest at the rates set forth on the inside front cover page hereof. See "THE BONDS—Description of the Bonds."

Purpose

The Bonds are being issued to finance the purchase of the limited obligation special tax bonds (the "Local Obligations"), issued by the District pursuant to an Indenture (the "Local Obligations Indenture") between the District and U.S. Bank Trust Company, National Association, as trustee (the "Local Obligations Trustee"). The purchase price of the Local Obligations will be used to finance the acquisition of certain public facilities, fund a debt service reserve account, and pay certain costs of issuance of the Local Obligations and Bonds. See "PLAN OF FINANCE" and "THE IMPROVEMENT AREA."

* Preliminary, subject to change.

The Local Obligations are authorized pursuant to (i) the provisions of the Mello-Roos Community Facilities Act of 1982, as amended, constituting Section 53311, *et seq.* of the California Government Code (the "Mello-Roos Act"), (ii) a resolution of the City Council of the City of Folsom (the "City") as legislative body of the District adopted on November 12, 2024, and (iii) the Local Obligations Indenture. The Local Obligations are payable from the special taxes authorized to be levied and collected annually upon taxable real property within Improvement Area No. 4 of the District (the "Improvement Area"). See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS—General."

Security for the Bonds and the Local Obligations

The Bonds are special, limited obligations of the Authority, payable from and secured by the Trust Estate (as defined herein) pledged under the Trust Agreement, consisting primarily of payments received from the District as debt service payments on the Local Obligations.

The Local Obligations will be issued with an annual scheduled debt service that results in at least 110% annual debt service coverage for the Local Obligations from Effective Tax Rate Evaluation Maximum Facilities Special Tax revenues for Developed Property and Small Lot Final Map Property as of August 31, 2024, net of Priority Administrative Expenses (each as defined below), beginning with the levy for Fiscal Year 2025-26. The debt service on the Local Obligations is expected to increase approximately 2% annually through 2044 and then be level through the final maturity. [The Local Obligations are sized so that, beginning with Fiscal Year 2025-26, the Special Tax is expected to only need to be levied on Developed Property to provide sufficient funds to pay the debt service on the Local Obligations. However, if needed, the Special Tax may be levied on other, less-developed categories of property pursuant to the Rate and Method (as defined herein) and, as the Improvement Area continues to develop, the expected Special Tax levy on Developed Property will be allocated across a greater number of parcels.] Although the scheduled payments under the Local Obligations are sufficient, in the aggregate, to provide the Authority with moneys to pay the principal of, premium, if any, and interest on the Bonds when due (see "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS"), investment in the Bonds involves a substantial degree of risk that may not be appropriate for some investors. See "CERTAIN RISKS TO BONDHOLDERS" below.

The Local Obligations are secured by a pledge of special taxes (including both the Facilities Special Tax and the Services Special Tax for the Improvement Area, each as defined herein) received by the District (the "Special Tax" or the "Special Taxes," as the context requires) (including any prepayment thereof and proceeds from foreclosure sales pursuant to the Local Obligations Indenture), net of Priority Administrative Expenses, and the Local Obligations Reserve Account established for the Local Obligations under the Local Obligations Indenture. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS." The Special Taxes are included on the regular property tax bill sent to the record owners of taxable properties within the Improvement Area. The District has covenanted in the Local Obligations Indenture to commence judicial foreclosure proceedings against property with delinquent Special Taxes and to diligently pursue such proceedings to completion; provided, however, that the District is not obligated under the Local Obligations Indenture to commence such judicial foreclosure proceedings on any delinquent installment of the Special Tax for any Fiscal Year in which the District has received one hundred percent (100%) of the amount of such installment from the County of Sacramento (the "County") pursuant to the Teeter Plan (described below). See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS—Payment of the Local Obligations," "—Special Tax Authorization," "—Covenant for Foreclosure" and "—The Teeter Plan."

The Special Taxes secure only the Local Obligations. For this reason, a delinquency or default in the payment of Special Taxes could cause a default in the payments of principal and interest on the Bonds

if moneys in the Local Obligations Reserve Account are insufficient to make up the deficit in debt service for the Local Obligations caused by such delinquency or nonpayment.

NEITHER THE FULL FAITH AND CREDIT NOR THE TAXING POWER OF THE CITY, THE DISTRICT, THE AUTHORITY, THE STATE OF CALIFORNIA (THE "STATE") OR ANY OTHER POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE BONDS. THE AUTHORITY HAS NO TAXING POWER. EXCEPT FOR THE TRUST ESTATE, NO OTHER REVENUES OR TAXES ARE PLEDGED TO THE PAYMENT OF THE BONDS. THE BONDS ARE NOT GENERAL OBLIGATIONS OF THE AUTHORITY, THE DISTRICT OR THE CITY, BUT ARE LIMITED OBLIGATIONS OF THE AUTHORITY PAYABLE SOLELY FROM THE TRUST ESTATE, DERIVED PRIMARILY FROM DEBT SERVICE PAYMENTS ON THE LOCAL OBLIGATIONS FROM THE PAYMENT OF THE SPECIAL TAXES LEVIED WITHIN THE IMPROVEMENT AREA AS MORE FULLY DESCRIBED HEREIN.

The Improvement Area

General. The Improvement Area is located in the southern portion of the City, west of East Bidwell Street, north of Mangini Parkway and south of U.S. Highway 50 and consists of over 150 total gross acres (excluding non-parcel areas, such as roadways), of which approximately 95 acres are subject to the Special Tax. Presently, the Improvement Area includes properties in varying stages of development, including unimproved lots, finished lots, homes under construction, and completed homes. Collectively, these properties are planned to include 648 single family homes.

Formation Proceedings. The District was formed by the City pursuant to the Mello-Roos Act. The Mello-Roos Act was enacted by the California legislature to provide an alternative method of financing certain public capital facilities and services, especially in developing areas of the State. Any local agency (as defined in the Mello-Roos Act) may establish a community facilities district to provide for and finance the cost of eligible public facilities, development-related fees, and services. Subject to approval by two-thirds of the votes cast at an election and compliance with the other provisions of the Mello-Roos Act, a legislative body of a local agency may issue bonds for a community facilities district and may levy and collect a special tax within such district to repay such indebtedness.

Pursuant to the Mello-Roos Act, the City Council undertook proceedings to form the District, initially designating six separate improvement areas therein, including the Improvement Area, and called an election to authorize the incurring of bonded indebtedness and authorize the levy of special taxes within the District. On May 26, 2020, elections were held within the District for each improvement area therein at which the eligible voters in each improvement area approved the levy of special taxes in accordance with the respective Rate and Method of Apportionment of Special Tax for such improvement area (the "Rate and Method" for the Improvement Area). In addition, the eligible voters in the Improvement Area authorized the issuance of bonds in an amount not to exceed $64,000,000 for the Improvement Area. In December 2021, a seventh improvement area was designated within the District. Pursuant to the Rate and Method, an Effective Tax Rate Evaluation was conducted in early 2023 to determine the Total Effective Tax Rate for Residential Property within the Improvement Area (each as defined in the Rate and Method). In connection with that Effective Tax Rate Evaluation, the Rate and Method was updated to include the Effective Tax Rate Evaluation Maximum Facilities Special Tax Rates and the Effective Tax Rate Evaluation Minimum Facilities Revenue amounts for all Taxable Property for Fiscal Year 2022-23. The Rate and Method is included as APPENDIX A hereto and summarized herein under "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS – Special Tax Analysis."

Property Ownership and Development Status

The property within the Improvement Area is under development, with homes completed and sold to individual homeowners, homes under construction and being marketed to individual homeowners, finished lots, and unimproved land. As of November 1, 2024, the Taxable Property within the Improvement Area was owned by Taylor Morrison of California, LLC, a California limited liability company ("Taylor Morrison"); Folsom Real Estate South, LLC, a Delaware limited liability company ("Folsom Real Estate South"); and individual homeowners. As of that date, Taylor Morrison owned 114 single family lots, Folsom Real Estate South owned four large lot parcels that it expects will ultimately be developed by a separate developer to include 388 single family homes, and individuals owned 146 single family homes. See "PROPOSED PROPERTY DEVELOPMENT—Property Ownership." At full buildout, the Improvement Area is expected to include a total of 648 detached single-family homes.

To date, a final map has been approved and recorded for the 260 single family lots that are owned by Taylor Morrison and the individual homeowners. This portion of the Improvement Area contains the lots that have been, and are currently being, developed by Taylor Morrison for home sales to individual homebuyers. Taylor Morrison's lots in the Improvement Area are being developed and sold across three separate product lines: Debut at Folsom Ranch, Encore at Folsom Ranch, and Legends at Folsom Ranch. Construction and sale of these 260 single family homes is well underway, with 146 having sold and closed to individual homebuyers as of November 1, 2024. As of that same date, Taylor Morrison had pulled 217 building permits and expects to complete construction of its final home within the Improvement Area by the first quarter of 2026.

Other than the 260 lots owned by Taylor Morrison and the individual homeowners, Folsom Real Estate South owns the remainder of the Taxable Property (as defined herein) within the Improvement Area (the "Four Large Lots"). Currently, the Four Large Lots are unimproved land. There are several remaining discretionary and non-discretionary approvals required before the Four Large Lots can be fully developed, including the approval of tentative and final small lot maps and satisfaction of City requirements relating to inclusionary housing and habitat mitigation. See "PROPOSED PROPERTY DEVELOPMENT—Folsom Real Estate South Development—Development Status – Folsom Real Estate South." Additionally, a deviation in the development of the Four Large Lots from the current development entitlements may require additional governmental approvals and could delay the expected development timing.

Folsom Real Estate South is in the process of selling the Four Large Lots and has entered into letters of intent with multiple nationally recognized homebuilders to negotiate the sale of the Four Large Lots and other properties within the Folsom Plan Area (but outside of the Improvement Area). Folsom Real Estate South is actively negotiating a purchase and sale agreement with one of these homebuilders for the Four Large Lots, which it expects to ultimately be developed to include 388 single family homes. Folsom Real Estate South expects that the sale of these lots to the builder would close upon the satisfaction of various conditions, including the buyer's prior payment of one or more non-refundable deposits and City approval of a small lot tentative map. Folsom Real Estate South is in the process of preparing the small lot tentative map for the Four Large Lots, which it anticipates being approved by the City during the second quarter of 2025. The anticipated purchase and sale agreement would obligate the builder to complete the infrastructure improvements and site development required for the construction of the homes on the Four Large Lots, which includes mass grading work, utilities and roadway improvements, and subdivision improvements. Folsom Real Estate South anticipates construction of the required infrastructure relating to the Four Large Lots to commence during the third quarter of 2025 and continue through 2026.

As of August 31, 2024 (the date of value of the Appraisal), the Improvement Area included 139 completed homes that had closed escrow to individual homeowners, 53 homes under construction, 68 finished lots without vertical home construction, and the unimproved Four Large Lots (which are expected to ultimately be developed into 388 single family homes). Since that date, development within the Improvement Area has continued. As of November 1, 2024, the Improvement Area included 146 completed homes that had closed escrow to individual homeowners, 4 completed model homes, an additional 10 completed homes that had not yet closed escrow to individual homeowners, 47 homes under construction, 53 finished lots without vertical home construction, and the unimproved Four Large Lots. As of November 1, 2024, Taylor Morrison was under contract for the sale of 8 homes (3 in Encore at Folsom Ranch and 5 in Legends at Folsom Ranch) to individual homeowners. Homes under contract may not result in closed escrows as sales contracts are subject to cancellation.

The following table summarizes, as of November 1, 2024, the ownership and development status of the residential lots and homes proposed to be constructed within the Improvement Area.

City of Folsom
Community Facilities District No. 23 (Folsom Ranch)
Improvement Area No. 4
[Estimated] Development Status as of November 1, 2024[1]

Owner	Product Line	Under Construction	Complete[2]	Finished Lots[3]	Partially Improved/ Undeveloped Lots	Total Proposed Units
Taylor Morrison	Encore at Folsom Ranch	22	6[4]	22	0	50
Taylor Morrison	Legends at Folsom Ranch	25	8[5]	31	0	64
Folsom Real Estate South[6]		0	0	0	388	388
Individual Homeowners	Debut at Folsom Ranch	0	42	0	0	42
Individual Homeowners	Encore at Folsom Ranch	0	54	0	0	54
Individual Homeowners	Legends at Folsom Ranch	0	50	0	0	50
TOTAL:		**47**	**160**	**53**	**388**	**648**

(1) Reflects the development status within the Improvement Area as of November 1, 2024. The Appraisal (defined below) and the value to lien information provided herein reflect an August 31, 2024, date of value for the Taxable Property in the Improvement Area.
(2) Includes model homes that have not been released for sale as well as homes under contract for sale that have been completed but not closed.
(3) Reflects lots for which all conditions to issuance of a building permit have been completed, consisting generally of paved lots with streets installed and paved with all utilities and utilities stubbed to the pad.
(4) Includes 2 complete model homes and 4 complete production homes.
(5) Includes 2 complete model homes and 6 complete production homes.
(6) Planned for development by a separate homebuilder.

Source: Taylor Morrison and Folsom Real Estate South.

Property Values and Value to Lien

As of August 31, 2024, 114 parcels of Taxable Property within the Improvement Area with assessed structural improvements values of $300,000 or more (the "Unappraised Property") had, in aggregate, an assessed land and improvements value of $80,841,034.

Integra Realty Resources, Sacramento, California (the "Appraiser") prepared an appraisal (the "Appraisal") for the remaining portion of the Taxable Property within the Improvement Area (the "Appraised Property"). The purpose of the Appraisal was to estimate the market value, subject to the special tax and based upon a hypothetical condition, for the Appraised Property. Subject to the

assumptions, hypothetical condition and limiting conditions contained in the Appraisal, the Appraiser estimated that the Appraised Property within the Improvement Area had an estimated not-less-than aggregate market value of $69,275,000 as of August 31, 2024.

Based on a principal amount of $10,705,000* for the Local Obligations (and the Bonds) and the aggregate appraised and assessed values for Taxable Property within the Improvement Area of $150,116,034 (including both the Unappraised Property and the Appraised Property), the value-to-lien ratio for the Improvement Area is 14.0*:1.0. The overall value to overlapping debt ratio, including certain overlapping general obligation tax and assessment debt and CFD 17 and CFD 18 (each as defined herein) special tax debt, is 10.5*:1.0. See "THE IMPROVEMENT AREA—Value-to-Lien Analysis" and "THE IMPROVEMENT AREA—Overlapping Debt." The Appraisal is attached to this Official Statement as APPENDIX G.

Bondholders Risks

Investment in the Bonds involves a substantial degree of risk that may not be appropriate for some investors. For a discussion of certain considerations relevant to an investment in the Bonds, in addition to the other matters set forth herein, see "CERTAIN RISKS TO BONDHOLDERS." Investors should read the entire Official Statement to obtain information essential to the making of an informed investment decision.

Continuing Disclosure

The District will agree to provide certain annual financial information and operating data by not later than April 1 in each year, commencing April 1, 2025 (the "Annual Report"), and to provide notices of the occurrence of certain enumerated events. The Annual Report and notices will be filed with the Municipal Securities Rulemaking Board's Electronic Municipal Market Access database ("EMMA"). The specific nature of the information to be contained in the Annual Report or the notices of enumerated events is set forth in APPENDIX D—"FORMS OF CONTINUING DISCLOSURE UNDERTAKINGS." These covenants have been made in order to assist the Underwriter in complying with S.E.C. Rule 15c2-12.

Taylor Morrison and Folsom Real Estate South will each covenant for the benefit of the Bondholders to provide certain information relating to it and its development within the Improvement Area no later than June 1 and December 1 in each year, commencing June 1, 2025 (collectively, the "Disclosure Reports"), and to provide notices of the occurrence of certain enumerated events. The Disclosure Reports and notices will be filed with EMMA. The specific nature of the information to be contained in the Disclosure Reports or the notices of enumerated events is set forth in APPENDIX D—"FORMS OF CONTINUING DISCLOSURE UNDERTAKINGS." The obligations of Taylor Morrison and Folsom Real Estate South will terminate upon the occurrence of certain events as set forth in the applicable Continuing Disclosure Certificate, including at such time as Taylor Morrison and Folsom Real Estate South (and each of their Affiliates (as defined in the applicable Continuing Disclosure Agreement)) own property that is (i) entitled to include less than 137 of the residential lots within the Improvement Area subject to the Special Taxes and (ii) obligated to pay less than 20% of the Special Taxes levied on all of the Taxable Property within the Improvement Area for the then current Fiscal Year.

* Preliminary, subject to change.

Summaries Not Definitive

Brief descriptions of the Bonds; the Local Obligations; the security for the Bonds and the Local Obligations; the City, the District, the Improvement Area; and the status of development within the Improvement Area are included in this Official Statement together with summaries of certain provisions of the Bonds, the Trust Agreement, and the Local Obligations Indenture. Such descriptions do not purport to be comprehensive or definitive. All references herein to the Trust Agreement and the Local Obligations Indenture are qualified in their entirety by reference to such documents, copies of which are available for inspection at the office of Trustee.

FOLSOM PLAN AREA

General Folsom Plan Area Plan of Finance

In 2001, the City commenced plans to expand its sphere of influence area to include an area south of US Route 50. The area, known as the Folsom Plan Area is bordered to the west by Prairie City Road, the east by the Sacramento/El Dorado County boundary line, the north by US Route 50, and the south by White Rock Road. In November 2004, the citizens of the City adopted Measure W ("Measure W"), which specified certain requirements for annexing the Folsom Plan Area into the City. In June 2011, the City adopted its Folsom Plan Area Specific Plan (the "Specific Plan"). The Local Agency Formation Commission approved the City's plan to annex the Folsom Plan Area on January 18, 2012.

As described below, the Folsom Plan Area is an area of approximately 3,500 acres in the southern portion of the City that has been approved for development of approximately 11,461 units of residential development, plus 274.5 acres of commercial/industrial development (including mixed use development). Over the build out of the property, the City has used and anticipates continuing to use community facilities districts under the Mello-Roos Act to finance a large portion of the public infrastructure required for the development, plus certain maintenance obligations of public improvements and facilities.

Two community facilities districts formed by the City to finance public infrastructure, maintenance and services benefiting the Folsom Plan Area include Community Facilities District No. 17 (Willow Hill Pipeline) ("CFD 17") and Community Facilities District No. 18 (Folsom Plan Area – Area-Wide Improvements and Services) ("CFD 18"). CFD 17 encompasses nearly all of the property within the Folsom Plan Area, excluding approximately 190 acres bordering El Dorado County in the eastern portion of the City south of US Route 50. CFD 18 encompasses all of the property within the Folsom Plan Area, overlapping all of CFD 17 and the additional 190 acres bordering El Dorado County. The City has issued bonds for CFD 17 in the principal amount of $6,675,000, of which $5,415,000 are currently outstanding. CFD 18 is authorized to issue up to $200,000,000 in bonds. In October 2024, CFD 18 issued bonds in the aggregate principal amount of $26,735,000 to help finance the Phase 2 Water Transmission Facilities (as defined herein). See "PROPOSED PROPERTY DEVELOPMENT—Development Entitlements—*Water Supply Infrastructure*." The Improvement Area represents approximately 4.9% by acres of CFD 17 and approximately 4.6% by acres of CFD 18, however any overlapping debt issued by CFD 17 or CFD 18 will not be allocated to the properties in the Improvement Area based on their acreage, and the amount of overlapping debt allocated may vary over time. Based on the development status within CFD 18 as of August 31, 2024, the Improvement Area would generate approximately 5.6% of the maximum CFD 18 special tax levy for bonds. This share of the maximum CFD 18 special tax levy for bonds is expected to decrease over time as undeveloped properties within CFD 18 become approved with final maps or developed. The allocable portion of bonds previously issued for CFD 17 and any bonds to be issued for CFD 18 constitute overlapping debt. See "THE IMPROVEMENT AREA—Overlapping Debt."

Public Facilities Financing Plan

Measure W, adopted by City residents in November 2004, required, among other things, that residents north of US Route 50 not bear the cost for infrastructure and public facilities serving the Folsom Plan Area. The City adopted a Public Facilities Financing Plan ("PFFP") for the Folsom Plan Area on January 14, 2014. The PFFP provides an overview of how the infrastructure required for the development of the Folsom Plan Area will be financed and constructed and how various public facilities will be financed and maintained to ensure that public facilities and infrastructure will be available for the orderly development of the Folsom Plan Area without cost to the residents of the City north of US Route 50 and without an adverse impact on the service levels provided to future residents of the Folsom Plan Area.

The PFFP contemplates that the primary sources of funding for the construction of the public infrastructure and facilities in the Folsom Plan Area are community facilities districts, development impact fees collected upon permit issuance (including development impact fees of the Folsom Cordova Unified School District), direct developer financing, and matching state school grants and other school funding (including the school facilities improvement district described under "THE IMPROVEMENT AREA—Overlapping Debt"). Subdivision improvements are not included as part of the PFFP.

On September 8, 2015, the City implemented its Specific Plan Infrastructure Fees (the "SPIF") to be collected for the Specific Plan. The SPIF has been updated from time to time and new nexus studies performed periodically to evaluate the costs of improvements and the appropriate fee rates.

As of the date of the Nexus Study Fiscal Year 2020-21 Update, the estimated remaining cost of the backbone infrastructure and public facilities for the Folsom Plan Area at build-out was $403,482,461. This estimate is subject to a variety of construction and market risks. The City and the District can provide no assurances that the overall costs will not increase, even significantly, in the future. The City has used, and intends to continue to use, multiple funding sources for the Folsom Plan Area infrastructure as development progresses and has continued to progress, including SPIF and the issuance of bonds for the District and other community facilities districts within the Folsom Plan Area.

The SPIF is administered by the City for the purposes of collecting impact fees for plan area wide improvements for the construction of roadways, water, sewer, drainage, dry utilities, recycled water and habitat mitigation in the Folsom Plan Area. The purpose of the SPIF is to require each landowner to pay its fair share of Folsom Plan Area area-wide improvements and to be reimbursed for any amount expended in excess of a landowner's fair share requirement. Under the terms of an Ordinance for the SPIF adopted by the City (the "SPIF Ordinance"), property owners in the Folsom Plan Area will be eligible to enter into an agreement with the City and receive future reimbursements (that are convertible to fee credits for use within the owner's property) in exchange for the construction of eligible SPIF improvements. Based on the amount of improvements eligible for SPIF reimbursement, a number of properties within the District are anticipated to fully cover their SPIF obligations through the conversion of these SPIF reimbursements to SPIF fee credits. After applying the SPIF reimbursements as SPIF fee credits to all properties in the District, amounts expended by landowners in excess of a project's SPIF obligation are expected to be reimbursed from the City as other SPIF fees are collected in the Folsom Plan Area.

Within the Folsom Plan Area, initial development will be required to pay a "SPIF Set-Aside" component to address initial water and sewer facility costs. This is a loan of SPIF collections to help the cash flow for the initial water and sewer costs. It will be repaid or equalized to all properties through the SPIF program as well as through the District. The SPIF Set-Aside will apply to the first 2,500 Folsom Plan Area dwelling units that would be subject to the SPIF. A portion of the SPIF will be required to be paid regardless of whether a developer/property owner has advance-funded eligible SPIF infrastructure

and has executed a Fee Reimbursement Agreement through the City. An exception to this rule is that a property owner who constructs certain water or sewer infrastructure for which the SPIF Set-Aside is being collected may take a credit against the SPIF Set-Aside.

In addition, in August 2020, the City approved an ordinance amending certain provisions of the SPIF Ordinance to include a new SPIF – Offsite Water Set-Aside. This new SPIF – "Offsite Water Set-Aside" will be payable at the building permit stage and will not be eligible to be offset by fee credits.

In connection with the Specific Plan amendments adopted in August 2024, the City will conduct an update to the Public Facilities Financing Plan.

Phasing of Development. For purposes of setting the PFFP costs, the City projected single family units would be sold and occupied within 13 years, multi-family low density units within 15 years, and multi-family medium and high density units within 18 years.

Backbone Infrastructure. The PFFP provides for the financing or collection of impact fees for and the construction of the backbone infrastructure required before construction in the Folsom Plan Area can proceed. Specifically, the PFFP recognizes the need for roadway improvements, on-site water system improvements, off-site water system improvements, recycled water system improvements, sanitary sewer system improvements, storm drainage system improvements, habitat mitigation, and construction of two freeway interchanges and improvements to an existing freeway interchange.

Public Facilities – the Folsom Plan Area. The PFFP describes plans for the financing of public schools, parks, transit services, trails, police and fire facilities and equipment, municipal service center, a corporation yard, solid waste facilities, a library, general capital improvements, transportation, and a community and aquatic center. The PFFP anticipates that the land for the public facilities will be dedicated to the City without cost to the City.

The Folsom Plan Area is currently being served by the existing fire resources of the City as well as other County, El Dorado County and Placer County fire agencies through mutual aid agreements with the City. As noted in the PFFP, the City's goal is to maintain a level of service that represents a rate of 1 station per 12,000 population. The City's first fire station within the Folsom Plan Area opened on September 26, 2024.

Development within the Folsom Plan Area, including within the Improvement Area, is dependent upon completion of certain of the above-described infrastructure. For more information on status of construction of improvements and development necessary for development to occur within the Improvement Area, see "PROPOSED PROPERTY DEVELOPMENT." See also "THE IMPROVEMENT AREA—Overlapping Debt."

Folsom Plan Area Development

The Folsom Plan Area is an area of approximately 3,520 acres in the southern portion of the City that has been approved for development of approximately 13,343 units of residential development, plus 274.5 acres (equating to 2.5 million square feet) of commercial/industrial development (including mixed use development). Through multiple acquisitions beginning in 2012, affiliates of WestLand Capital Partners, L.P. ("WestLand") acquired nearly 2,400 acres within the Folsom Plan Area, including property planned for development of approximately 8,350 dwelling units, 1.2 million square feet of commercial, office and industrial space, as well as several sites for elementary, middle, and high schools.

Since development began in May 2017, WestLand affiliates have invested more than $250 million into backbone infrastructure and subdivision improvements. WestLand affiliates' remaining land holdings include land planned for development of nearly 3,500 dwelling units and 1.2 million square feet of commercial and office uses.

Many of the region's largest public and private homebuilders have been actively building in the Folsom Plan Area, including Toll Brothers, Lennar Homes, Tri Pointe Homes, Taylor Morrison, KB HOME Sacramento, Beazer Homes, Woodside Homes and Richmond American in more than ten separate development communities. Multifamily developers undertaking high density projects include Van Daele Homes, A.G. Spanos Company, and St. Anton Communities.

Dignity Health and UC Davis Medical, two of the region's major healthcare providers, own a total of approximately 70 acres within the Folsom Plan Area that are being developed into hospital and medical campus facilities. Development for the Dignity Health campus began in 2021, and significant land development has progressed. The UC Davis Medical property commenced development in August 2023.

The Folsom Plan Area, including Folsom Ranch and Russell Ranch, is widely considered to be the premier master-planned community in the Sacramento region. As of September 30, 2024, final maps had been approved and recorded for 4,603 dwelling units. In addition, as of September 30, 2024, building permits for 3,871 residential units and 3,491 certificates of occupancy had been issued in the Folsom Plan Area for projects underway. Based on ownership data as of June 30, 2024, 3,110 homes had been conveyed to individual homeowners.

PLAN OF FINANCE

Facilities to be Financed

The Bonds are issued for the purpose of providing funds to purchase the Local Obligations. The Local Obligations are being issued to finance the acquisition of certain public capital improvements more particularly described in the Resolution of Formation adopted by the City Council of the City on May 26, 2020. The City and TCS Improvement Company, LLC, a California limited liability company (the "Original Developer") have entered into an acquisition and shortfall agreement (the "Acquisition Agreement") wherein the City has agreed to use a portion of the proceeds of the Local Obligations to finance the acquisition from the Original Developer of those facilities set forth in the Acquisition Agreement. Such facilities are expected to consist of certain transportation improvements, water system improvements, recycled water system improvements, drainage system improvements, wastewater system improvements, park, parkway and open space improvements, Specific Plan Infrastructure Fee program improvements and certain Specific Plan Infrastructure Fee obligations (collectively, the "Facilities").

Proceeds from the Local Obligations are expected to finance some, but not all, of the Facilities eligible to be financed within the District, and the District expects to issue one or more series of bonds to finance the acquisition of additional facilities in the future. See "PROPOSED PROPERTY DEVELOPMENT—Development Plan and Status of Development—*Status of Development*."

THE BONDS

General

The Bonds are secured by a pledge of amounts paid with respect to the Local Obligations. The Local Obligations are secured by a pledge of Special Taxes (including both the Facilities Special Tax and the Services Special Tax, each as defined herein), levied against Taxable Property within the

Improvement Area, net of Priority Administrative Expenses. See "DEBT SERVICE SCHEDULE" and "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS." The Local Obligations are secured by a pledge of Special Taxes (net of Priority Administrative Expenses) on parity with any Additional Local Obligations (defined below).

The Local Obligations Indenture establishes a Local Obligation Reserve Fund and a Local Obligations Reserve Account therein with respect to the Local Obligations. Amounts available from the Local Obligations Reserve Account are available to pay debt service on the Local Obligations. The Local Obligations Indenture requires the funding of separate debt service reserve accounts for the Local Obligations and any Additional Local Obligations, each of which may be used only to pay the principal of and interest on the related series of special tax bonds issued under the Local Obligations Indenture. There is no reserve fund with respect to the Bonds. Amounts available from the Local Obligations Reserve Account are not available to cure a deficiency generally in the Trust Estate to make debt service payments on the Bonds.

Description of the Bonds

General. The Bonds will be dated their date of delivery and mature on September 1, as set forth on the inside front cover page hereof (each, a "Principal Payment Date"). Interest is payable semiannually on March 1 and September 1 of each year, commencing March 1, 2025 (each, an "Interest Payment Date").

The Bonds will be issued as fully registered bonds, without coupons, in denominations of $5,000, or any integral multiple thereof. The Bonds will be issued in book-entry only form and will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository for the Bonds. So long as the Bonds are in book-entry only form, principal of and redemption premium, if any, on the Bonds will be payable to DTC or its nominee, who will in turn remit such payments to DTC Participants for subsequent disbursement to the Beneficial Owners. See APPENDIX F—"DTC AND THE BOOK-ENTRY ONLY SYSTEM."

Principal of, and redemption premium, if any, on the Bonds is payable at the corporate trust office of the Trustee. Interest on the Bonds will be paid only to the registered owners as shown on the Trustee's books as of the fifteenth day of the calendar month next preceding each Interest Payment Date (the "Record Date"), except that in the case of an owner of $1,000,000 or more in aggregate principal amount of Bonds outstanding, payment will be made at the owner's option by wire transfer of immediately available funds to an account in a bank or trust company or savings bank that is a member of the Federal Reserve System and that is located in the continental United States of America according to instructions provided by such owner to the Trustee and received no later than the Record Date for such Interest Payment Date.

The Bonds are special, limited obligations of the Authority. The Bonds are payable solely from and secured by the Trust Estate of the Authority pledged under the Trust Agreement, consisting primarily of payments received by the Authority from the District under the Local Obligations, which payments are secured by a lien of the Special Taxes (defined herein) (net of Priority Administrative Expenses) levied upon property within the Improvement Area, as more fully described herein. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS."

Payments under the Local Obligations are calculated to be sufficient to permit the Authority to pay the principal of, and interest on, the Bonds when due. Pursuant to the Local Obligations Indenture, a Local Obligations Reserve Account is established for the Local Obligations. Amounts available from the Local Obligations Reserve Account are *not* available to cure a deficiency in the Trust Estate available to

pay debt service of the Bonds. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS—Terms of the Local Obligations—*Local Obligations Reserve Account*."

No Additional Bonds under the Trust Agreement. The Trust Agreement does not permit the Authority to issue any additional bonds on parity with the Bonds. However, subject to certain conditions contained in the Local Obligations Indenture, the District may at any time issue bonds (the "Additional Local Obligations") payable from the net proceeds of the Special Tax (after payment of Priority Administrative Expenses) on parity with the Local Obligations. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS—Terms of the Local Obligations—*Additional Local Obligations*."

Redemption Provisions*

Optional Redemption. The Bonds are subject to optional redemption by the Authority prior to their respective maturity dates as a whole or in part on any date on or after _____, 20__, from any source of available funds other than Minimum Sinking Fund Payments and Special Tax Prepayments, at the following redemption prices (computed upon the principal amount of the Bonds or portions thereof called for redemption) together with accrued interest thereon to the date fixed for redemption:

103% if redeemed on any date on or after _____, 20__ through _____, 20__;

102% if redeemed on any date from _____, 20__ through _____, 20__;

101% if redeemed on any date from _____, 20__ through _____, 20__; and

100% if redeemed on _____, 20__ and any date thereafter.

Extraordinary Redemption from Prepayment of Special Taxes. The Bonds are subject to extraordinary redemption by the Authority prior to their respective maturity dates, as a whole or in part on any Interest Payment Date on or after _____, 20__, solely from funds derived from the extraordinary redemption of Local Obligations from Special Tax Prepayments, at the following redemption prices (computed upon the principal amount of the Bonds or portions thereof called for redemption) together with accrued interest thereon to the date fixed for redemption:

103% if redeemed on any Interest Payment Date on or after _____, 20__ through _____, 20__;

102% if redeemed on an Interest Payment Date on _____, 20__ and _____, 20__;

101% if redeemed on an Interest Payment Date on _____, 20__ and _____, 20__; and

100% if redeemed on _____, 20__ and any Interest Payment Date thereafter.

* Preliminary, subject to change.

Prepayments from prepaid Special Taxes could be made by any of the owners of any of the property within the Improvement Area, including Taylor Morrison, Folsom Real Estate South, any other developers or homebuilders owning Taxable Property in the Improvement Area, or any individual owner; and they could also be made from the proceeds of bonds issued by or on behalf of an overlapping special assessment district or community facilities district. The resulting redemption of Bonds that were purchased at a price greater than the applicable redemption price could reduce the otherwise expected yield on such Bonds. See "CERTAIN RISKS TO BONDHOLDERS—Potential Early Redemption of Bonds from Prepaid Special Taxes."

Mandatory Sinking Fund Redemption of Bonds. The Bonds maturing on September 1, 20__, are subject to mandatory redemption in part on September 1 of each year commencing September 1, 20__, at a redemption price equal to one hundred percent (100%) of the principal amount thereof called for redemption together with accrued interest thereon to the date fixed for redemption:

Minimum Sinking Fund Payment Date (September 1)	Bonds Minimum Sinking Fund Payment
	$
†	

† Maturity.

The Bonds maturing on September 1, 20__ are subject to mandatory redemption in part on September 1 of each year commencing September 1, 20__, at a redemption price equal to one hundred percent (100%) of the principal amount thereof called for redemption together with accrued interest thereon to the date fixed for redemption:

Minimum Sinking Fund Payment Date (September 1)	Bonds Minimum Sinking Fund Payment
	$
†	

† Maturity.

If the Bonds subject to mandatory redemption are redeemed in part prior to their stated maturity date other than from Minimum Sinking Fund Payments, the Minimum Sinking Fund Payments for such Bonds shall be reduced proportionately by the principal amount of such Bonds so redeemed.

Redemption Instructions. Upon any prepayment of a Local Obligation, the Authority shall deliver to the Trustee a Written Order of the Authority designating the amounts and maturities of the Bonds to be redeemed, which shall be in the manner necessary to enable the Authority to deliver a Cash Flow Certificate satisfying the requirements described below. In the event only a portion of the Outstanding Bonds of any maturity are to be redeemed at any one time, the Trustee shall select the

particular Bonds of each maturity date to be redeemed in accordance with DTC procedures (which, at the time of the issuance of the Bonds, would be a redemption by lot) or, if the Bonds are not then in book-entry, in a manner that it deems appropriate and fair. The Trustee shall redeem Bonds in Authorized Denominations.

Upon any redemption of a portion but not all of the Outstanding Bonds, the Authority shall deliver to the Trustee a Cash Flow Certificate to the effect that, assuming all payments are made with respect to the Local Obligations, (i) the Revenues, together with moneys on deposit in other funds and accounts held under the Trust Agreement, will be sufficient to pay all Principal Installments, Minimum Sinking Fund Payments and interest payments on the Bonds when due; and (ii) the redemption premiums, if any, on the Local Obligations, together with other Revenues available to the Trustee for such purpose, are sufficient to offset any difference between the interest to accrue on the Bonds to be paid or redeemed with the proceeds of prepayment of such Local Obligations (plus any redemption premium payable upon redemption of such Bonds) and the income to be earned on any investment of such proceeds (assured as of the date of payment thereof), in each case until the date of payment or redemption of Bonds, such that in no event will the prepayment of Local Obligations cause the Trustee to have insufficient funds to pay debt service on the Bonds when due.

In no event shall Bonds be redeemed if upon such redemption the principal amount of the Local Obligations remaining outstanding will be less than the total principal amount of Outstanding Bonds. Such Written Order of the Authority may specify that optional redemption of the Bonds will be conditioned upon receipt of funds or other events.

Notice of Redemption. Subject to receipt of the Written Order of the Authority described under "—Redemption Instructions," the Trustee shall give notice of redemption; provided, that Bonds, identified by CUSIP numbers, serial numbers and maturity date, have been called for redemption and, in the case of Bonds to be redeemed in part only, the portion of the principal amount thereof that has been called for redemption (or if all the Outstanding Bonds are to be redeemed, so stating, in which event such serial numbers may be omitted), that they will be due and payable on the date fixed for redemption (specifying such date) upon surrender thereof to the Trustee at its Corporate Trust Office, subject to any conditions to such redemption specified in the Written Order of the Authority, at the redemption price (specifying such price), together with any accrued interest to such date, and that all interest on the Bonds (or portions thereof) so to be redeemed will cease to accrue on and after such date and that from and after such date such Bond (or such portion thereof) shall no longer be entitled to any lien, benefit or security under the Trust Agreement, and the Owner thereof shall have no rights in respect of such redeemed Bond or such portion except to receive payment from such money of such redemption price plus accrued interest to the date fixed for redemption. If sufficient monies for the payment of the redemption price of all Bonds to be redeemed are not then on deposit with the Trustee, such notice shall also state that redemption is conditioned upon the timely deposit of sufficient funds therefor with the Trustee.

Such notice shall be mailed by first class mail, in a sealed envelope, postage prepaid, at least thirty (30) but not more than sixty (60) days before the date fixed for redemption, to the Owners of such Bonds (or portions thereof) so called for redemption, at their respective addresses as the same shall last appear on the Bond Register; provided, that neither the failure of an Owner to receive notice of redemption of Bonds nor any error in such notice shall affect the validity of the proceedings for the redemption of Bonds.

Any notice of optional redemption may be rescinded by written notice given by the Authority to the Trustee no later than three Business Days prior to the date specified for redemption. The Trustee shall give notice of rescission of the notice of optional redemption or non-satisfaction of any conditions

specified in the notice of optional redemption as soon as practicable to the same parties and in the same manner as the notice of redemption was given.

So long as the Bonds are in book-entry only form, notices of redemption will be given directly by the Trustee to DTC and not to the Beneficial Owners of the Bonds. See APPENDIX F—"DTC AND THE BOOK-ENTRY ONLY SYSTEM."

Purchase in Lieu of Redemption. In lieu of redemption of any Bond, amounts on deposit in the Proceeds Fund, the Principal Fund or in the Redemption Fund may be used and withdrawn by the Trustee at any time prior to a notice of redemption having been delivered, upon a Written Order for the purchase of such Bonds at public or private sale as and when and at such prices as the Authority may in its discretion determine, but not in excess of the lower of the highest or then current redemption price thereof plus accrued interest to the purchase date; and all Bonds so purchased shall be delivered to the Trustee for cancellation.

Payment of Redeemed Bonds. If notice of redemption has been given and not rescinded and if the conditions to such redemption specified therein, if any, have been satisfied, each as provided in the Trust Agreement, the Bonds or portions thereof called for redemption will become irrevocably due and payable on the date fixed for redemption at the redemption price thereof, together with accrued interest to the date fixed for redemption, upon presentation and surrender of the Bonds to be redeemed at the office specified in the notice of redemption. If less than the full principal amount of a Bond is called for redemption, the Authority is required to execute and deliver and the Trustee is required to authenticate, upon surrender of such Bond, and without charge to the Owner thereof, Bonds of like interest rate and maturity in an aggregate principal amount equal to the unredeemed portion of the principal amount of the Bonds so surrendered in such Authorized Denominations as specified by the Owner.

If any Bond or any portion thereof has been duly called for redemption and payment of the redemption price, together with unpaid interest accrued to the date fixed for redemption, has been made or provided for by the Authority, then interest on such Bond or such portion will cease to accrue from such date, and from and after such date such Bond or such portion will no longer be entitled to any lien, benefit or security under the Trust Agreement, and the Owner thereof will have no rights in respect of such Bond or such portion except to receive payment of such redemption price, and unpaid interest accrued to the date fixed for redemption.

ESTIMATED SOURCES AND USES OF FUNDS

The proceeds from the sale of the Bonds will be used to purchase the Local Obligations. The proceeds of the Local Obligations in turn will be used to finance construction and acquisition of the Facilities and pay costs of issuance of the Local Obligations and Bonds. The following table sets forth the sources and uses of the funds as allocated to the Bonds:

Sources of Funds	
Principal Amount	$
[Plus/Less]: [Net] Original Issue [Premium/Discount]	
Total Sources:	$
Uses of Funds	
Acquisition and Construction Fund	$
Underwriter's Discount	
Deposit to Local Obligations Reserve Account[1]	
Deposit to Costs of Issuance Fund[2]	
Total Uses:	$

(1) A portion of the purchase price of the Local Obligations will be deposited into the Local Obligations Reserve Account for the Local Obligations. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS."

(2) A portion of the purchase price of the Local Obligations will be used to pay costs of issuance including fees of Bond Counsel and the Municipal Advisor, the initial fees of the Trustee, noncontingent fees of the Appraiser, printing costs and other miscellaneous expenses.

DEBT SERVICE SCHEDULE

The annual scheduled debt service for the Bonds, assuming no early redemption other than from mandatory sinking fund installments, is set forth in Table 1 below. The Local Obligations are sized to provide 100% of the debt service on the Bonds when due and have the same principal amortization as the Bonds. The Local Obligations will be issued with an annual scheduled debt service that results in at least 110% annual debt service coverage for the Local Obligations from the revenues of the Effective Tax Rate Evaluation Maximum Facilities Special Tax (as defined herein) for Developed Property and Small Lot Final Map Property as of August 31, 2024, net of Priority Administrative Expenses, beginning with the levy for Fiscal Year 2025-26. The debt service on the Bonds is expected to increase approximately 2% annually through 2044 and then be level through the final maturity. The District expects that Additional Local Obligations will be issued on parity with the Local Obligations as the Improvement Area develops. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS—Terms of the Local Obligations—*Additional Local Obligations*."

Table 1
Folsom Ranch Financing Authority
City of Folsom Community Facilities District No. 23 (Folsom Ranch)
Improvement Area No. 4
Special Tax Revenue Bonds, Series 2024
Debt Service Schedule[1]

Period Ending (September 1)	Principal	Interest	Total Debt Service
2025	$	$	$
2026			
2027			
2028			
2029			
2030			
2031			
2032			
2033			
2034			
2035			
2036			
2037			
2038			
2039			
2040			
2041			
2042			
2043			
2044			
2045			
2046			
2047			
2048			
2049			
2050			
2051			
2052			
2053			
2054			
TOTAL	$	$	$

[1] Amounts rounded to the nearest dollar.
Source: Piper Sandler & Co.

The following table shows the expected debt service coverage for the Local Obligations for bond year 2026, taking into account the debt service on the Local Obligations for that year, based on the projected Fiscal Year 2025-26 revenues from the Maximum Facilities Special Tax for the Developed Property and Small Lot Final Map Property in the Improvement Area, as of August 31, 2024, net of Priority Administrative Expenses in the amount of $20,400.

Table 2
City of Folsom Community Facilities District No. 23 (Folsom Ranch)
Improvement Area No. 4
Fiscal Year 2025-26
Debt Service and Debt Service Coverage – Local Obligations

Fiscal Year	Maximum Facilities Special Tax Revenue[(1)]	Priority Administrative Expense[(2)]	Net Maximum Facilities Special Tax Revenue	Local Obligations Debt Service*	CFD Debt Service Coverage*
2025-26	$658,860	$20,400	$638,460	$579,250	110.2%

* Preliminary, subject to change.
(1) The Maximum Facilities Special Tax Rates escalate annually at 2%. Based on the development status for Developed Property and Small Lot Final Map Property as of August 31, 2024.
(2) The Priority Administrative Expense amount was established at $20,000 for Fiscal Year 2024-25 and escalates annually at 2%.

Source: Piper Sandler & Co. for Local Obligations debt service figures; NBS for all other amounts.

SECURITY AND SOURCES OF PAYMENT FOR THE BONDS

The Bonds are secured by a lien on and pledge of the Trust Estate, consisting primarily of payments received by the Authority from the District under the Local Obligations, which payments are secured by Special Taxes (net of Priority Administrative Expenses) levied upon property within the Improvement Area and received by the District.

NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE CITY, THE DISTRICT, THE AUTHORITY, THE STATE OF CALIFORNIA OR ANY OTHER POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE BONDS. THE AUTHORITY HAS NO TAXING POWER. EXCEPT FOR THE TRUST ESTATE, NO OTHER REVENUES OR TAXES ARE PLEDGED TO THE PAYMENT OF THE BONDS. THE BONDS ARE NOT GENERAL OBLIGATIONS OF THE AUTHORITY, THE DISTRICT OR CITY, BUT ARE LIMITED OBLIGATIONS OF THE AUTHORITY PAYABLE SOLELY FROM THE TRUST ESTATE, DERIVED PRIMARILY FROM PAYMENTS ON THE LOCAL OBLIGATIONS FROM THE PAYMENT OF THE SPECIAL TAXES LEVIED WITHIN THE IMPROVEMENT AREA AS MORE FULLY DESCRIBED HEREIN.

The Trust Agreement does not permit the Authority to issue any additional bonds on parity with the Bonds. However, subject to certain conditions contained in the Local Obligations Indenture, the District may at any time issue Additional Local Obligations payable from the net proceeds of the Special Tax (after payment of Priority Administrative Expenses) on parity with the Local Obligations. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS—Terms of the Local Obligations—*Additional Local Obligations*."

General

The Trust Estate consists of the Revenues, the amounts in certain of the funds established and held under the Trust Agreement, and the Local Obligations. The Revenues consist of amounts received by the Trustee as the payment of interest on, or the equivalent thereof, and the payment or return of principal of, or redemption premiums, if any, on, or the equivalent thereof, the Local Obligations, whether as a result of scheduled payments, or redemption premiums, Special Tax Prepayments or remedial proceedings taken in the event of a default thereon, and all investment earnings on any money held in the Funds held under the Trust Agreement (except the Rebate Fund).

The principal of and the interest on the Local Obligations are payable from the annual Special Taxes levied and to be collected on all real property within the Improvement Area subject to the Special Taxes and the proceeds, if any, from the sale of such property for delinquency of such Special Taxes, after payment of Priority Administrative Expenses. The Special Taxes securing the Local Obligations include both the Facilities Special Tax and the Services Special Tax (each as defined herein) levied within the Improvement Area. The Local Obligations are secured by a pledge on the Special Taxes (net of Priority Administrative Expenses) on parity with the pledge of such Special Taxes for any Additional Local Obligations issued under the Local Obligations Indenture. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS—Payment of the Local Obligations" and "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS—Terms of the Local Obligations."

The District may not issue indebtedness payable from the Special Taxes except as provided in the Local Obligations Indenture. See APPENDIX C—"SUMMARY OF PRINCIPAL DOCUMENTS—SUMMARY OF THE LOCAL OBLIGATIONS INDENTURE—Authorization and Issuance of Bonds—*Additional Bonds; Subordinate Bonds*." The City has, however, formed CFD 17 and CFD 18, each of which has issued bonds secured by special taxes with a co-equal lien on property within the Improvement Area. See "FOLSOM PLAN AREA." The Authority, the District and the City have no control over the amount of additional debt payable from taxes or assessments on all or any portion of the property within the Improvement Area that may be issued in the future by other governmental entities or districts having jurisdiction over all or a portion of the land within the Improvement Area, including CFD 17 and CFD 18. To the extent such debt is payable from other assessments or special taxes levied pursuant to the applicable law, such assessments or special taxes may have a lien on the property within the Improvement Area on parity with the lien of the Special Taxes.

Flow of Funds

Receipt and Deposit of Revenues. As noted above, Revenues consist of amounts received by the Trustee as the payment of interest on, or the equivalent thereof, and the payment or return of principal of, or redemption premiums, if any, on, or the equivalent thereof, all Local Obligations, whether as a result of scheduled payments, or redemption premiums, Special Tax Prepayments or remedial proceedings taken in the event of a default thereon, and all investment earnings on any money held under the Trust Agreement (except the Rebate Fund). All Revenues, other than Revenues derived from the early redemption of Local Obligations from Special Tax Prepayments received by the Trustee from the Authority, will be deposited into the Revenue Fund. On each Interest Payment Date and each Principal Payment Date, the Trustee will transfer Revenues from the Revenue Fund, in the amounts required in the order of priority as set forth below, with the requirements of each fund being fully satisfied, leaving no deficiencies therein, prior to any deposit into any fund later in priority:

First: To the Interest Fund, an amount of Revenues which together with amounts on deposit therein, is equal to the interest due and payable on the Bonds due on such Interest Payment Date;

Second: To the Principal Fund (i) on each Principal Payment Date from the Revenue Fund an amount of Revenues which, together with any amounts then on deposit in the Principal Fund (other than amounts previously deposited on account of any Bonds which have matured but which have not been presented for payment) is sufficient to pay the Principal Installments on the Bonds due on such Principal Payment Date and (ii) on each September 1 on which a Minimum Sinking Fund Payment is required to be made (for deposit in the Sinking Fund Account) from the Revenue Fund an amount of Revenues which is equal to the Minimum Sinking Fund Payment due and payable on such date. On each Principal Payment Date, the Trustee shall pay the principal or redemption price due and payable on the Bonds on such date from the Principal Fund.

Following such deposits, any remaining money in the Revenue Fund is required to be transferred to the Local Obligations Trustee for application under the Local Obligations Indenture. For additional information regarding the Flow of Funds, see "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS—Local Obligations Flow of Funds."

Revenues Derived from Special Tax Prepayments. All Revenues derived from early redemption of Local Obligations from Special Tax Prepayments received by the Trustee will be immediately deposited into the Redemption Fund to be applied to the extraordinary redemption of Bonds. See "THE BONDS—Redemption Provisions—*Extraordinary Redemption from Prepayment of Special Taxes.*"

Description of Local Obligations

The District will issue the Local Obligations in the principal amount of $10,705,000.* The Local Obligations are secured solely by the Special Taxes (net of Priority Administrative Expenses) levied upon certain real property within the Improvement Area and proceeds of foreclosure sales in the Improvement Area. [The Local Obligations are sized so that, beginning with Fiscal Year 2025-26, the Special Tax is expected to only need to be levied on Developed Property to provide sufficient funds to pay the debt service on the Local Obligations. However, if needed, the Special Tax may be levied on other, less-developed categories of property pursuant to the Rate and Method (as defined herein) and, as the Improvement Area continues to develop, the expected Special Tax levy on Developed Property will be allocated across a greater number of parcels.]

The pledge of Special Taxes (net of Priority Administrative Expenses) levied within the Improvement Area is on parity with the pledge thereof securing any Additional Local Obligations issued under the Local Obligations Indenture. The District may issue Additional Local Obligations secured on parity with the pledge of the Special Taxes (net of Priority Administrative Expenses) within the Improvement Area only in accordance with the Local Obligations Indenture. See APPENDIX C—"SUMMARY OF PRINCIPAL DOCUMENTS—SUMMARY OF THE LOCAL OBLIGATIONS INDENTURE—Authorization and Issuance of Bonds—*Additional Bonds; Subordinate Bonds*."

A description of the Improvement Area is set forth under the caption, "THE IMPROVEMENT AREA."

Issuance of Local Obligations

The Local Obligations are authorized pursuant to the Mello-Roos Act and are issued under a resolution of the City Council of the City, as legislative body of the District and the Local Obligations Indenture. The Mello-Roos Act was enacted by the State Legislature to provide an alternate method of

* Preliminary, subject to change.

financing certain essential public capital facilities and services, especially in developing areas of the State. Subject to approval by a two-thirds vote of qualified electors and compliance with the provisions of the Mello-Roos Act, a legislative body of a local agency may issue bonds for a community facilities district and may levy and collect a special tax within such district to repay such indebtedness.

The Local Obligations constitute special tax obligations of the District payable as to both principal and interest from the annual Special Tax (after payment of the District's Priority Administrative Expenses) to be levied by the District on land within the Improvement Area, including proceeds from the sale of property within the Improvement Area collected as a result of foreclosure of the lien of the Special Taxes and certain funds and accounts held under the Local Obligations Indenture. The District's sole recourse in the event of a delinquency or failure to pay Special Taxes on a particular parcel is to institute foreclosure proceedings with respect to that parcel. However, the District is not obligated under the Local Obligations Indenture to enforce the lien of any delinquent installment of the Special Tax for any Fiscal Year in which the District has received one hundred percent (100%) of the amount of such installment from the County pursuant to the Teeter Plan. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS—Covenant for Foreclosure" and "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS—The Teeter Plan" herein.

Payment of the Local Obligations

The Local Obligations constitute the limited obligations of the District payable as to both principal and interest from the annual Special Tax (net of Priority Administrative Expenses) levied by the District on Taxable Property within the Improvement Area, including proceeds from the sale of property within the Improvement Area collected as a result of foreclosure of the lien on the Special Taxes and certain funds and accounts held under the Local Obligations Indenture. The District's sole recourse in the event of a delinquency or failure to pay Special Taxes on a particular parcel is to institute foreclosure proceedings with respect to that parcel.

The term "Priority Administrative Expenses" means an amount equal to (a) for Fiscal Year 2024-25, $20,000, and (b) for any subsequent Fiscal Year, the amount resulting from increasing the Priority Administrative Expenses on each July 1, from and including the July 1 immediately following the end of the then current Fiscal Year to and including the July 1 in such Fiscal Year by 2% of the amount in effect for the previous Fiscal Year.

THE LOCAL OBLIGATIONS ARE SPECIAL TAX OBLIGATIONS OF THE DISTRICT, AND THE INTEREST ON AND PRINCIPAL OF AND REDEMPTION PREMIUMS, IF ANY, ON THE LOCAL OBLIGATIONS ARE PAYABLE SOLELY FROM THE PROCEEDS OF THE SPECIAL TAX (INCLUDING ANY PREPAYMENTS THEREOF AND PROCEEDS FROM THE SALE OF PROPERTY COLLECTED PURSUANT TO THE FORECLOSURE PROVISIONS OF THE LOCAL OBLIGATIONS INDENTURE FOR THE DELINQUENCY OF THE SPECIAL TAX), NET OF PRIORITY ADMINISTRATIVE EXPENSES, AND AMOUNTS IN CERTAIN FUNDS AND ACCOUNTS ESTABLISHED IN THE LOCAL OBLIGATIONS INDENTURE, AND THE DISTRICT IS NOT OBLIGATED TO PAY THE LOCAL OBLIGATIONS EXCEPT FROM SUCH FUNDS. THE GENERAL FUND OF THE CITY AND THE FUNDS OF THE DISTRICT ARE NOT LIABLE, AND NEITHER THE FULL FAITH AND CREDIT OF THE DISTRICT NOR THE CITY ARE PLEDGED FOR THE PAYMENT OF THE INTEREST ON OR PRINCIPAL OF OR REDEMPTION PREMIUMS, IF ANY, ON THE LOCAL OBLIGATIONS. NO TAX OR ASSESSMENT OTHER THAN THE SPECIAL TAX SHALL EVER BE LEVIED OR COLLECTED TO PAY THE INTEREST ON OR PRINCIPAL OF OR REDEMPTION PREMIUMS, IF ANY, ON THE LOCAL OBLIGATIONS. THE LOCAL OBLIGATIONS ARE NOT SECURED BY A LEGAL OR EQUITABLE PLEDGE OF OR CHARGE, LIEN OR ENCUMBRANCE UPON ANY PROPERTY OF THE DISTRICT OR ANY OF

ITS INCOME OR RECEIPTS EXCEPT THE PROCEEDS OF THE SPECIAL TAX (INCLUDING ANY PREPAYMENTS THEREOF AND PROCEEDS FROM THE SALE OF PROPERTY COLLECTED PURSUANT TO THE FORECLOSURE PROVISIONS OF THE LOCAL OBLIGATIONS INDENTURE FOR THE DELINQUENCY OF THE SPECIAL TAX), NET OF PRIORITY ADMINISTRATIVE EXPENSES, AND AMOUNTS IN CERTAIN FUNDS AND ACCOUNTS ESTABLISHED IN THE LOCAL OBLIGATIONS INDENTURE, AND NEITHER THE PAYMENT OF THE INTEREST ON OR PRINCIPAL OF OR REDEMPTION PREMIUMS, IF ANY, ON THE LOCAL OBLIGATIONS IS A GENERAL DEBT, LIABILITY OR OBLIGATION OF THE CITY OR THE DISTRICT. THE LOCAL OBLIGATIONS DO NOT CONSTITUTE AN INDEBTEDNESS OF THE CITY OR THE DISTRICT WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMITATION OR RESTRICTION, AND NEITHER THE CITY COUNCIL NOR THE DISTRICT NOR ANY OFFICER OR EMPLOYEE THEREOF SHALL BE LIABLE FOR THE PAYMENT OF THE INTEREST ON OR PRINCIPAL OF OR REDEMPTION PREMIUMS, IF ANY, ON THE LOCAL OBLIGATIONS OTHERWISE THAN FROM THE PROCEEDS OF THE SPECIAL TAX (INCLUDING ANY PREPAYMENTS THEREOF AND PROCEEDS FROM THE SALE OF PROPERTY COLLECTED PURSUANT TO THE FORECLOSURE PROVISIONS OF THE LOCAL OBLIGATIONS INDENTURE FOR THE DELINQUENCY OF THE SPECIAL TAX), NET OF PRIORITY ADMINISTRATIVE EXPENSES, AND AMOUNTS IN CERTAIN FUNDS AND ACCOUNTS ESTABLISHED IN THE LOCAL OBLIGATIONS INDENTURE.

Although the Special Tax will constitute a lien on property subject to taxation in the Improvement Area, it will not constitute a personal indebtedness of the owners of such property. There is no assurance that the owners will be financially able to pay the annual Special Tax or that they will pay such tax even if financially able to do so. The risk of nonpayment by property owners is more fully described in "CERTAIN RISKS TO BONDHOLDERS—Collection of Special Tax."

Local Obligations Flow of Funds

Application of Special Tax Fund. Pursuant to the Local Obligations Indenture, the District agrees and covenants that it will deposit the Special Tax proceeds in the Community Facilities Fund, which fund is established in the treasury of the City. All money in the Community Facilities Fund shall be used and withdrawn by the District solely for the benefit of the District in accordance with the Mello-Roos Act, including payment of Expenses and Services. Pursuant to the Local Obligations Indenture, the District further agrees and covenants that, after payment of Priority Administrative Expenses, it will transfer to the Local Obligations Trustee from the Community Facilities Fund amounts sufficient and in sufficient time for the Local Obligations Trustee to make the transfers required by it, and the Local Obligations Trustee shall deposit such proceeds as and when received in the Special Tax Fund. All money in the Special Tax Fund is required to be set aside by the Local Obligations Trustee in the following respective special account and fund within the Special Tax Fund in the following order of priority, and all money in each such account and fund shall be applied, used and withdrawn only for the purposes specified in the Local Obligations Indenture:

(1) Redemption Account; and

(2) Local Obligations Reserve Fund.

Redemption Account. On or before March 1 and September 1 in each year, the Local Obligations Trustee shall, from the money in the Special Tax Fund, transfer to and deposit in the Redemption Account an amount of money equal to the aggregate amount of interest becoming due and payable on all Outstanding Local Obligations and any Additional Local Obligations on such March 1 or September 1, as

the case may be, and on or before September 1 in each year, the Local Obligations Trustee shall, from the then remaining money in the Special Tax Fund, transfer to and deposit in the Redemption Account an amount of money equal to the aggregate amount of principal becoming due and payable on all Outstanding serial Local Obligations and any Additional Local Obligations on such September 1 plus all Minimum Sinking Fund Account Payments required to be made on such September 1 into the Sinking Fund Subaccount; provided, that all of the aforesaid payments shall be made without priority of any payment over any other payment, and in the event that money in the Special Tax Fund on any March 1 or September 1 is not equal to the amount of interest becoming due on all Local Obligations and any Additional Local Obligations on such date, or in the event that the money in the Special Tax Fund on any September 1 is not equal to the amount of principal of the Local Obligations and Additional Local Obligations becoming due on such date, as the case may be, then such money shall be applied pro rata in such proportion as such interest and principal and Minimum Sinking Fund Account Payments bear to each other.

No deposit need be made into the Redemption Account if the amount of money contained therein is at least equal to the amount required by the terms of the preceding paragraph to be deposited therein at the times and in the amounts provided in the Local Obligations Indenture.

All money in the Redemption Account shall be used and withdrawn by the Local Obligations Trustee to pay the interest on the Local Obligations and any Additional Local Obligations as it shall become due and payable (including accrued interest on any Local Obligations or any Additional Local Obligations purchased or redeemed prior to maturity) plus the principal of and redemption premiums, if any, on the Local Obligations and any Additional Local Obligations as they shall mature or upon the prior redemption thereof, except that any money in the Sinking Fund Subaccount shall be used only to purchase or redeem or retire the term Local Obligations and any Additional Local Obligations as provided in the Local Obligations Indenture.

Local Obligations Reserve Fund. On or before March 1 and September 1 in each year, the Local Obligations Trustee shall, from the then remaining money in the Special Tax Fund, transfer to and deposit in each Local Obligations Reserve Account within the Local Obligations Reserve Fund such amount of money as shall be required to restore each such Local Obligations Reserve Account to a sum equal to the Required Bond Reserve (as defined herein) for the applicable series of Local Obligations or Additional Local Obligations, *pro rata*, to the extent that amounts are available in the Special Tax Fund for such purpose; and for this purpose all investments in each Local Obligations Reserve Account shall be valued on March 1 and September 1 of each year at the face value thereof if such investments mature within twelve (12) months from the date of valuation, or if such investments mature more than twelve (12) months after the date of valuation, at the price at which such investments are redeemable by the holder at his option, if so redeemable, or if not so redeemable, at the lesser of (i) the cost of such investments plus the amortization of any premium or minus the amortization of any discount, or (ii) the market value of such investments. For purposes of allocating remaining money in the Special Tax Fund between more than one Local Obligations Reserve Account, any such transfers to and deposits in each Local Obligations Reserve Account shall be made equally and ratably.

No deposit need be made into a Local Obligations Reserve Account if the value of the investments contained therein is at least equal to the Required Bond Reserve for the applicable series of Local Obligations or Additional Local Obligations.

All money in each Local Obligations Reserve Account shall be used and withdrawn by the Local Obligations Trustee solely for the purpose of paying the interest on or principal of the corresponding series of Local Obligations or Additional Local Obligations in the event there is insufficient money in the Redemption Account available for this purpose; provided, that if as a result of any of the foregoing

valuations or due to redemption as a result of property owner prepayments it is determined that the amount of money in a Local Obligations Reserve Account exceeds or will exceed the Required Bond Reserve for the applicable series of Local Obligations or Additional Local Obligations, the Local Obligations Trustee shall withdraw the amount of money representing such excess from such fund and shall deposit such amount of money in the Redemption Account. For the avoidance of doubt, amounts in a Local Obligations Reserve Account are not available to make up a deficiency for the payment of principal and interest on any series of Local Obligations or Additional Local Obligations, other than the specific series of Local Obligations or Additional Local Obligations to which that Local Obligations Reserve Account relates.

Surplus Amounts. On or before March 1 and September 1 in each year, the Local Obligations Trustee shall, from the then remaining money in the Special Tax Fund, transfer all amounts remaining in the Special Tax Fund after the transfers specified in the immediately preceding paragraphs to the City for deposit in the Community Facilities Fund.

Special Tax Authorization

The Special Tax is to be levied and collected against all Taxable Property within the Improvement Area in accordance with the Rate and Method. See APPENDIX A—"RATE AND METHOD." The Special Tax is to be collected in the same manner as ordinary *ad valorem* property taxes are collected, and, except as otherwise provided in the covenant for foreclosure and in the Mello-Roos Act, is to be subject to the same penalties and the same procedure, sale and lien priority in case of delinquency as is provided for *ad valorem* property taxes. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS—Covenant for Foreclosure" and "CERTAIN RISKS TO BONDHOLDERS—Collection of Special Tax."

The Rate and Method, subject to the maximum rates set forth therein, apportions the total debt service requirement (principal, interest, and mandatory sinking fund payments), restoration of the Required Bond Reserve, current annual expenses, pay as you go improvement costs and other costs each year among the Taxable Property in the Improvement Area. See APPENDIX A—"RATE AND METHOD."

Pursuant to the Local Obligations Indenture, so long as any Local Obligations or Additional Local Obligations are Outstanding, the District is required annually to levy the Special Tax against all Taxable Property in the Improvement Area and make provision for the collection of such Special Tax in amounts which will be sufficient, after making reasonable allowances for contingencies and errors in the estimates, to yield proceeds equal to the amounts required for compliance with the agreements, conditions, covenants and terms contained in the Local Obligations Indenture, and which in any event will be sufficient to pay the interest on and principal of and Minimum Sinking Fund Account Payments for and redemption premiums, if any, on the Local Obligations and any Additional Local Obligations as they become due and payable, to replenish each reserve account within the Local Obligations Reserve Fund to the Required Bond Reserve and to pay all current Expenses as they become due and payable.

Under the Rate and Method, the Facilities Special Tax (as defined herein) levied in any fiscal year against any Assessor's Parcel (as defined in the Rate and Method) of Developed Property classified as Residential Property may not be increased as a consequence of delinquency or default by the owner or owners of any other parcel or parcels within the Improvement Area by more than 10% above the amount that would have been levied against such Assessor's Parcel in that fiscal year had there never been any such delinquencies or defaults. Pursuant to the Rate and Method, property is considered "Residential Property" once a building permit could be issued for the purposes of constructing one or more Residential Units, including either single family detached homes or multi-family attached properties, such as

apartments, and property is considered "Developed Property" if a building permit for new construction was issued prior to June 30 of the previous fiscal year. See "CERTAIN RISKS TO BONDHOLDERS—Maximum Special Tax."

Covenant for Foreclosure

The Local Obligations Indenture provides that the Special Tax is to be collected in the same manner as ordinary *ad valorem* property taxes are collected and, except as provided in the special covenant for foreclosure described below and in the Mello-Roos Act, is subject to the same penalties and the same procedure, sale, and lien priority in case of delinquency as is provided for *ad valorem* property taxes.

Pursuant to Section 53356.1 of the Mello-Roos Act, in the event of any delinquency in the payment of the Special Tax, the District may order the institution of a Superior Court action to foreclose the lien therefor within specified time limits. In such an action, the real property subject to the unpaid amount may be sold at a judicial foreclosure sale. Such judicial foreclosure action is not mandatory. However, the District has covenanted in the Local Obligations Indenture that it will annually on or before September 1 of each year review the public records of the County relating to the collection of the Special Tax in order to determine the amount of the Special Tax collected in the prior Fiscal Year, and if it determines on the basis of such review that (1) the amount so collected is deficient by more than five percent (5%) of the total amount of the Special Tax levied in such Fiscal Year or (2) any individual lot or parcel is then delinquent on four or more installments of the Special Tax, then in each case the District agrees to, within sixty (60) days thereafter, institute foreclosure proceedings as authorized by the Mello-Roos Act in order to enforce the lien of the delinquent installments of the Special Tax against (i) in the case of clause (1) above, each delinquent lot or parcel in the Improvement Area or (ii) in the case of clause (2) above, such delinquent lot or parcel, respectively, which it agrees to diligently prosecute and pursue such foreclosure proceedings to judgment and sale; provided, that the District is not obligated to enforce the lien of any delinquent installment of the Special Tax for any Fiscal Year in which the District has received one hundred percent (100%) of the amount of such installment from the County pursuant to the Teeter Plan (described herein). Any actions taken to enforce delinquent Special Tax liens shall be taken only consistent with Sections 53356.1 through 53356.7, both inclusive, of the Government Code of the State of California.

In the event that sales or foreclosures of property are necessary, there could be a delay in payments to Owners of the Bonds (if the Local Obligations Reserve Account has been depleted) pending such sales or the prosecution of such foreclosure proceedings and receipt by the District of the proceeds of sale. However, within the limits of the Special Tax, the District may adjust the Special Tax levied on Taxable Property in the Improvement Area (subject to the limitation on the Maximum Facilities Special Tax, defined herein), to provide an amount required to pay interest on and principal of the Local Obligations and any additional obligations payable from the Special Tax, and the amount, if any, necessary to replenish each subaccount of the Local Obligations Reserve Fund to an amount equal to the Required Bond Reserve and to pay all current Expenses for the Improvement Area. There is, however, no assurance that the total amount of the Special Tax that could be levied and collected against Taxable Property (as defined in the Rate and Method) in the Improvement Area will be at all times sufficient to pay the amounts required to be paid by the Local Obligations Indenture, even if the Special Tax is levied at the Maximum Facilities Special Tax rates. See "CERTAIN RISKS TO BONDHOLDERS—Maximum Special Tax."

No assurance can be given that the real property subject to sale or foreclosure will be sold, or if sold, that the proceeds of sale will be sufficient to pay any delinquent installments of the Special Tax. The Mello-Roos Act does not require the District to purchase or otherwise acquire any lot or parcel of property to be sold if there is no other purchaser at such sale. The Mello-Roos Act and the Local Obligations Indenture do specify that the Special Tax will have the same lien priority as for *ad valorem* property taxes in the case of delinquency. Section 53356.6 of the Mello-Roos Act requires that property within the Improvement Area that is sold pursuant to foreclosure under the Mello-Roos Act be sold for not less than the amount of judgment in the foreclosure action, plus post judgment interest and authorized costs, unless the consent of the owners of at least 75% of the Local Obligations and any Additional Local Obligations issued under the Local Obligations Indenture is obtained.

No Required Advances from Available Surplus Funds

Neither the City nor the District is obligated to advance available surplus funds available from the City treasury to pay debt service on the Local Obligations or to replenish the Local Obligations Reserve Account; provided, that nothing shall affect the right of the District under the Mello-Roos Act to make advances to cure any deficiencies.

Terms of the Local Obligations

General. The City Council of the City established the District and designated the Improvement Area therein on May 26, 2020. On that same date, the qualified electors of the District in the Improvement Area authorized the issuance of bonds in an amount not to exceed $64,000,000 for the Improvement Area.

The Local Obligations will be the first issuance of bonds for the Improvement Area. The Local Obligations will be issued in the aggregate principal amount of $10,705,000* pursuant to the Mello-Roos Act and the Local Obligations Indenture. The Local Obligations will be dated the date of delivery of the Bonds. The Local Obligations are secured by a pledge of the Special Taxes (net of Priority Administrative Expenses) levied within the Improvement Area. The District may issue Additional Local Obligations on parity with the Local Obligations in accordance with the Local Obligations Indenture. Based on the expected Special Tax revenues at build-out, the District expects that, following the issuance of the Local Obligations, Additional Local Obligations will be issued to finance the Facilities in the Improvement Area in a total amount of approximately $28,000,000.* This amount may vary depending on the timing of the issuance of the Additional Local Obligations, the size of the homes built and resulting Special Tax revenues, and the applicable interest rates at the time of any such issuance.

Local Obligations Reserve Account. The Local Obligations Indenture establishes, for this series of the Local Obligations specifically, a Local Obligations Reserve Account within the Local Obligations Reserve Fund to be held by the Local Obligations Trustee. The Local Obligations Indenture requires that there be maintained in the Local Obligations Reserve Account an amount equal to the Required Bond Reserve. "Required Bond Reserve" is defined to mean, for the Local Obligations specifically, as of any date of calculation, the least of: (a) the Maximum Annual Debt Service, (b) one hundred twenty-five percent (125%) of the Average Annual Debt Service or (c) ten (10%) percent of the original principal amount of the Local Obligations; provided that the Required Bond Reserve shall be calculated on the date of issuance of the Local Obligations issued under the Local Obligations Indenture and shall not increase thereafter; and provided further that such requirement (or any portion thereof) may be satisfied by the provision of one or more policies of municipal bond insurance or surety bonds issued by a municipal bond insurer or by a letter of credit issued by a bank, the obligations insured by which insurer or issued by

* Preliminary, subject to change.

which bank, as the case may be, have ratings at the time of issuance of such policy or surety bond or letter of credit equal to "AA" or higher (without regard to qualifier) assigned by Fitch or "Aa" or higher (without regard to qualifier) assigned by Moody's or "AA" or higher (without regard to qualifier) assigned by S&P.

The Local Obligations Reserve Account is established specifically for the Local Obligations, and amounts in the Local Obligations Reserve Account are not available to make up a deficiency for the payment of principal and interest on any Additional Local Obligations. Pursuant to the Local Obligations Indenture, each reserve account within the Local Obligations Reserve Fund is only available for paying the interest on or principal of the corresponding series of Local Obligations or any Additional Local Obligations for which it was created.

The Required Bond Reserve with respect to the Local Obligations upon their date of issuance will be $_____.

All money in the Local Obligations Reserve Account will be used and withdrawn by the Local Obligations Trustee solely for the purpose of paying the interest on and principal of the Local Obligations in the event there is insufficient money available for the purpose; provided, that if as a result of any of the valuation of a Required Bond Reserve or as a result of any property owner prepayment it is determined that the amount of money in the Local Obligations Reserve Account exceeds the Required Bond Reserve, the Local Obligations Trustee shall withdraw the amount of money representing such excess from such fund and shall deposit such amount of money in the Redemption Account. Amounts on deposit in the Local Obligations Reserve Account are not available to cure a deficiency in Revenues available to pay debt service on the Bonds.

Additional Local Obligations. The District may at any time, by a supplement to the Local Obligations Indenture, issue Additional Local Obligations that are payable from the proceeds of the Special Tax (after payment of Priority Administrative Expenses) on parity with the Local Obligations, subject to the following conditions, which conditions are precedent to the issuance of such Additional Local Obligations:

(i) The District shall be in compliance with all agreements, conditions, covenants and terms contained in the Local Obligations Indenture and in all Supplemental Indentures required to be observed or performed by it, and no Event of Default under the Local Obligations Indenture or under any Supplemental Indenture shall have occurred and shall be then continuing;

(ii) The District shall establish a separate subaccount of the Local Obligations Reserve Fund for the payment of such Additional Local Obligations in an amount equal to the Required Bond Reserve; and

(iii) (a) In each year until the maturity date for the Additional Local Obligations, the Maximum Facilities Special Tax for Taxable Property classified as Developed Property, plus the Effective Tax Rate Evaluation Minimum Facilities Revenue (as defined in the Rate and Method) for Taxable Property not classified as Developed Property less Priority Administrative Expenses is estimated to cover at least one hundred ten percent (110%) of the sum of the Annual Debt Service for each year on the Local Obligations and all Additional Local Obligations, including such Additional Local Obligations to be issued, and (b) the Value of all Taxable Property, in aggregate, is at least three (3) times the aggregate Lien on such Taxable Property.

"Developed Property" means, for purposes of the requirement described above relating to the issuance of Additional Local Obligations, Taxable Property for which a building permit for new construction has been issued as of the date of calculation.

"Effective Tax Rate Evaluation Minimum Facilities Revenue" means the total minimum amount of the 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 occurred, less any Effective Tax Rate Evaluation Maximum Facilities Special Tax amounts prepaid and permanently satisfied pursuant to the provisions of Section K of the Rate and Method.

"Maximum Facilities Special Tax" is the total maximum annual Facilities Special Tax, determined in accordance with the provisions of Section C of the Rate and Method, which may be levied in any Fiscal Year on any Assessor's Parcel of Taxable Property (each as defined in the Rate and Method).

"Value" is defined as the current assessed valuation of the Taxable Property and/or the appraised value of the Taxable Property determined by a MAI appraiser. "Lien" is defined in the Local Obligations Indenture as the aggregate principal amount of all overlapping debt and bonds (including the Local Obligations and any Additional Local Obligations) outstanding that are secured by a special tax levied pursuant to the Mello-Roos Act or a special assessment levied on property within the Improvement Area, including any overlapping debt or bonds for community facilities districts or special assessment districts that is reasonably allocated to property within the Improvement Area.

Notwithstanding the foregoing, the District may issue one or more series of Additional Local Obligations (the "Refunding Local Obligations") without meeting the requirements summarized in paragraph (iii) above if, after the issuance and delivery of such Refunding Local Obligations, either (i) none of the Local Obligations and Additional Local Obligations theretofore issued under the Local Obligations Indenture will be Outstanding or (ii) the Debt Service in each Bond Year that begins after the issuance of such Refunding Local Obligations is not increased by reason of the issuance of such Refunding Local Obligations.

Redemption of the Local Obligations. The Local Obligations are subject to extraordinary redemption by the District from funds derived by the District from prepayments of the Special Tax. The Local Obligations are also subject to optional and mandatory redemption by the District. A description of the redemption prices and terms of the Local Obligations is set forth under APPENDIX C—"SUMMARY OF PRINCIPAL DOCUMENTS—SUMMARY OF THE LOCAL OBLIGATIONS INDENTURE—Redemption of 2024 Bonds."

Selection of Local Obligations for Redemption. If less than all the outstanding Local Obligations and any Additional Local Obligations are to be redeemed as a result of prepayments of the Special Tax at any one time, the Local Obligations and any Additional Local Obligations shall be redeemed pro rata by maturity. If less than all the outstanding Local Obligations and any Additional Local Obligations are to be redeemed at the option of the District at any one time, the Local Obligations and any Additional Local Obligations of the latest maturity date or dates shall be redeemed prior to or simultaneously with the redemption of the Local Obligations and any Additional Local Obligations maturing prior thereto, and if less than all the outstanding Local Obligations and any Additional Local Obligations of any one maturity date are to be redeemed at any one time, the Trustee shall select the Local Obligations and any Additional Local Obligations or the portions thereof of such maturity date to be redeemed in integral multiples of five thousand dollars ($5,000) in a manner that it deems appropriate and fair.

Special Tax Analysis

The following is a synopsis of the provisions of the Rate and Method, which should be read in conjunction with the complete text of the Rate and Method which is attached as APPENDIX A. The definitions of the capitalized terms used under this caption "—Special Tax Analysis" are as set forth in APPENDIX A. This section provides only a summary of the Rate and Method, and is qualified by more complete and detailed information contained in the entire Rate and Method attached as APPENDIX A.

The Special Tax is to be levied and collected against all Taxable Property within the Improvement Area in accordance with the Rate and Method approved by the landowner electors of the Improvement Area. The total annual levy of the Special Tax is calculated to satisfy the annual debt service during the ensuing Fiscal Year, to replenish the reserve fund for the Local Obligations, the allocable portion of administrative expenses, the amount necessary to cure any delinquencies or to fund any deficiency of the amount to be available for the payment of principal or interest on bonds which are expected to occur in the ensuing Fiscal Year, to fund authorized facilities funded on a pay-as-you-go basis, to fund authorized services expenses and to pay amounts required to establish or replenish certain funds related to authorized services, less any available capitalized interest and earnings on the funds that may be used to fund the aforementioned costs.

Assignment to Land Use Categories. Each Fiscal Year, all Assessor's Parcels within the Improvement Area will be classified as either Taxable Property or Exempt Property. Taxable Property will 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.

"*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.

"*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.

"*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.

"*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.

"*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.

"*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.

"*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, which is 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.

"*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, which is 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*" 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, which is 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.

"*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.

"*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.

Maximum Special Tax. The Rate and Method is used to allocate the amount of the Special Tax required among the Taxable Property, based upon land use categories, subject to the Maximum Facilities Special Tax rate that may be levied against each land use category.

The following table shows the Effective Tax Rate Evaluation Maximum Facilities Special Tax rates both with and without applying the Effective Tax Rate Evaluation Minimum Facilities Revenue calculation and the Maximum Services Special Tax rates within the Improvement Area for all allocable land use categories in Fiscal Year 2024-25. If changes are made to development plans for the Improvement Area, the projected Effective Tax Rate Evaluation Maximum Facilities Special Tax revenues may decrease, but in no event will the Effective Tax Rate Evaluation Maximum Facilities Special Tax revenues decrease below the amounts derived from application of the Effective Tax Rate Evaluation Minimum Facilities Revenue.

Table 3
City of Folsom
Communities Facilities District No. 23 (Folsom Ranch)
Improvement Area No. 4
Maximum Special Tax Rate Categories - Fiscal Year 2024-25

Tax Category	Residential Floor Area[1]	Rate Derived from Effective Tax Rate Evaluation Minimum Facilities Revenue[2]	Effective Tax Rate Evaluation Maximum Facilities Special Tax Rate[3]	Maximum Services Special Tax Rate[4]	Maximum Annual Special Tax[5]
Developed Property (per residential unit)					
Detached Residential:					
Single-Family Detached Property - SF/SFHD Zoning	≥ 3,600	$ 2,243	$ 3,278	$ 234	$ 3,512
Single-Family Detached Property - SF/SFHD Zoning	3,200 - 3,599	2,243	3,278	234	3,512
Single-Family Detached Property - SF/SFHD Zoning	2,800 - 3,199	2,243	3,029	234	3,263
Single-Family Detached Property - SF/SFHD Zoning	2,400 - 2,799	2,243	2,712	234	2,946
Single-Family Detached Property - SF/SFHD Zoning	2,000 - 2,399	2,243	2,389	234	2,623
Single-Family Detached Property - SF/SFHD Zoning	< 2,000	2,243	2,243	234	2,476
Single-Family Detached Property - MLD Zoning	All categories >= 2,000	2,186	2,386	160	2,545
Single-Family Detached Property - MLD Zoning	< 2,000	2,186	2,186	160	2,345
Developed Property (per acre)					
MMD Multi-Family Attached Property	N/A	$32,473	$32,473	$ 570	$33,043
MHD Multi-Family Attached Property	N/A	12,664	12,664	1,139	13,804
Non-Residential Property	N/A	12,664	12,664	1,139	13,804
Small Lot Final Map Property (per residential lot)					
Single-Family Detached Property - SF/SFHD Zoning	N/A	N/A	$ 2,243	$ 234	$ 2,476
Single-Family Detached Property - MLD Zoning	N/A	N/A	2,186	160	2,345
Permit Ready Multi-Family/Non-Residential Property (per acre)	N/A	N/A	$12,664	$1,139	$13,804
Large Lot Property (per acre)	N/A	N/A	$21,649	$1,253	$22,902
Undeveloped Property (per acre)	N/A	N/A	$21,649	$1,253	$22,902

(1) Combines certain residential categories with equal rates.
(2) Increases by 2% each Fiscal Year. Reflects the lowest Effective Tax Rate Evaluation Maximum Facilities Special Tax adjustment possible in connection with future subdivisions.
(3) Increases by 2% each Fiscal Year. Reflects the Fiscal Year 2024-25 Effective Tax Rate Evaluation Maximum Facilities Special Tax rates in effect.
(4) Increases by the annual June consumer price index change for the San Francisco-Oakland-San Jose area, not to exceed 4% each Fiscal Year. Available to pay debt service on the Local Obligations and any Additional Local Obligations in the event of a shortfall in the Facilities Special Tax (as defined in the Local Obligations Indenture).
(5) The sum of the Effective Tax Rate Evaluation Maximum Facilities Special Tax and the Maximum Services Special Tax.

Source: NBS and the District.

The total Special Tax generated by the Improvement Area may change from time to time if there are amendments or modifications to the development plan. The District covenants in the Local Obligations Indenture to not approve any amendments, changes or modifications relating to development of the property within the Improvement Area that would reduce the amount of the Maximum Facilities Special Tax less Priority Administrative Expenses to equal less than one hundred ten percent (110%) of the sum of the Annual Debt Service on the Local Obligations and any Additional Local Obligations in any year until the maturity date for the Local Obligations and any Additional Local Obligations.

Table 4 under "—Special Tax Calculation" below shows the estimated Effective Tax Rate Evaluation Maximum Facilities Special Tax revenue and the estimated Effective Tax Rate Evaluation Minimum Facilities Revenue for Fiscal Year 2025-26, based on the development status of the properties as of August 31, 2024 (unless otherwise noted). If changes are made to development plans for the Improvement Area, the projected Effective Tax Rate Evaluation Maximum Facilities Special Tax revenues may decrease from the amounts shown in that table, but in no event will the Effective Tax Rate Evaluation Maximum Facilities Special Tax revenues decrease below the Effective Tax Rate Evaluation Minimum Facilities Revenue. Table 5 under "—Special Tax Calculation" below shows the actual total Special Tax levy for Fiscal Year 2024-25 based on the properties' development status as of June 30, 2024, including both the actual Facilities Special Tax levy and the actual Services Special Tax levy for Fiscal Year 2024-25, and the percentage of the actual Special Tax levy allocable to each of the projected property owners.

Included below are additional relevant defined terms used in the Rate and Method.

"*Effective Tax Rate Evaluation Minimum Facilities Revenue*" means, following the Effective Tax Rate Evaluation, the total minimum amount of CFD No. 23 IA4 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 of the Rate and Method. The Effective Tax Rate Evaluation Minimum Facilities Revenue, based on Planned Development, is set forth in Attachment D of the Rate and Method.

"*Effective Tax Rate Evaluation Maximum Facilities Special Tax*" means the total maximum annual Facilities Special Tax, as determined during 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*" 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.

"*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.

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 amount described in the Rate and Method.

Method of Apportionment – Facilities Special Tax – After an Effective Tax Rate Evaluation. The CFD No. 23 IA4 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:

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.

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Method of Apportionment – Services Special Tax. The CFD No. 23 IA4 Administrator shall determine the Services Special Tax Requirement and levy the Services Special Tax until the amount of Services Special Taxes 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 first 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.

"*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.

"*Facilities Special Tax Requirement*" means that amount of Special Tax revenue required in any Fiscal Year for the Improvement Area 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 Local Obligations 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 IA4 Administrator pursuant to the Local Obligations Indenture.

"*Authorized Services*" means the landscape corridor, enhanced open space and street light maintenance, services, and expenses authorized to be financed by the Improvement Area.

"*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 Requirement*" means the amount of Services Special Tax revenue required in any Fiscal Year for the Improvement Area 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 IA4 Administrator.

In accordance with the flow of Special Tax proceeds under the Local Obligations Indenture, in the event of a shortfall in the Facilities Special Tax to pay the Facilities Special Tax Requirement, the proceeds of the Services Special Tax will be applied to help cover the Facilities Special Tax shortfall before being applied to fund Authorized Services. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS—Local Obligations Flow of Funds."

Term of Special Tax. Pursuant to the Rate and Method, the Facilities Special Tax is authorized to be levied for a period not to exceed 50 years, commencing with Fiscal Year 2023-24. The Services Special Tax is authorized, pursuant to the Rate and Method, to 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.

Residential Property Limitation. Under no circumstances will the Facilities Special Tax levied in any fiscal year against any Assessor's Parcel of Developed Property classified as Residential Property be increased as a consequence of delinquency or default by the owner or owners of any other parcel or parcels within the Improvement Area by more than 10% above the amount that would have been levied against such Assessor's Parcel in that fiscal year had there never been any such delinquencies or defaults. Pursuant to the Rate and Method, property is considered "Residential Property" once a building permit could be issued for the purposes of constructing one or more Residential Units, including either single family detached homes or multi-family attached properties, such as apartments, and property is considered "Developed Property" if a building permit for new construction was issued prior to June 30 of the previous fiscal year. See "CERTAIN RISKS TO BONDHOLDERS—Maximum Special Tax."

Special Tax Calculation

[The following tables reflect the estimated Effective Tax Rate Evaluation Maximum Facilities Special Tax revenue and the estimated Effective Tax Rate Evaluation Minimum Facilities Revenue for Fiscal Year 2025-26 (Table 4), based on the development status of the properties as of August 31, 2024 (unless otherwise noted), and the actual total Special Tax levy for Fiscal Year 2024-25 (Table 5) based on the development status of the properties as of June 30, 2024 (unless otherwise noted).]

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Table 4
City of Folsom
Community Facilities District No. 23 (Folsom Ranch)
Improvement Area No. 4
Estimated 2025-26 Effective Tax Rate Evaluation Maximum Facilities Special Tax Revenue and Effective Tax Rate Evaluation Minimum Facilities Revenue
Development Status as of August 31, 2024 (unless otherwise noted)

operty	Planned Units	Assessed Value	Appraised Value[1]	Total Value	Estimated 2025-26 Effective Tax Rate Evaluation Maximum Facilities Revenue[2][3]	Percentage of Estimated 2025-26 Effective Tax Rate Evaluation Maximum Facilities Revenue	Estimated 2025-26 Effective Tax Rate Evaluation Minimum Facilities Revenue[2][3]	Percentage of Estimated 2025 26 Effective Ta Rate Evaluatio Minimum Facilities Reven
veloped Property:								
ngle-Family Detached Property – SF/SFHD Zoning	155	$54,806,326	$34,649,561	$89,455,887	$417,447	21%	$417,447	27%
ngle-Family Detached Property - MLD Zoning	42	26,034,708	--	26,034,708	97,307	5%	97,307	6%
Developed Property Total:	**197**	**$80,841,034**	**$34,649,561**	**$115,490,595**	**$514,753**	**25%**	**$514,753**	**34%**
nall Lot Final Map Property:								
ngle-Family Detached Property - MLD Zoning	63	--	$15,224,439	$15,224,439	$144,107	7%	$144,107	9%
Small Lot Final Map Property Total:	**63**	**--**	**$15,224,439**	**$15,224,439**	**$144,107**	**7%**	**$144,107**	**9%**
rge Lot Property[4]:								
ngle-Family Detached Property – SF/SFHD Zoning	166	--	$8,300,428	$8,300,428	$848,817	42%	$379,710	25%
ngle-Family Detached Property - MLD Zoning	222	--	11,100,572	11,100,572	525,763	26%	494,953	32%
Individual Homeowners Total:	**388**	**--**	**$19,401,000**	**$19,401,000**	**$1,374,580**	**68%**	**$874,663**	**57%**
tals:	**648**	**$80,841,034**	**$69,275,000**	**$150,116,034**	**$2,033,441**	**100%**	**$1,533,523**	**100%**

(1) Appraised value amounts provided by the Appraiser.
(2) Increases by 2% each Fiscal Year.
(3) The 2025-26 Effective Tax Rate Evaluation Minimum Facilities Revenue amount is $1,473,649. The 2025-26 Effective Tax Rate Evaluation Maximum Facilities Special Tax revenue amount is shown for Developed Property.
(4) The Effective Tax Rate Evaluation Minimum Facilities Revenue based upon the number of units planned.
Source: NBS.

Table 5
City of Folsom Community Facilities District No. 23 (Folsom Ranch)
Improvement Area No. 4
Actual 2024-25 Special Tax Levy
Development Status as of June 30, 2024 (unless otherwise noted)

Property Owner	Development Status	Planned Units	2024-25 Facilities Special Tax Levy	2024-25 Services Special Tax Levy	2024-25 Total Special Tax Levy	Percent of Estimated Total Special Tax Levy[2]
Taylor Morrison	Developed Property	62	$137,853	$ 14,482	$ 152,335	25%
Taylor Morrison	Small Lot Final Map Property	63	--	14,716	14,716	2%
Total for Taylor Morrison:		**125**	**$137,853**	**$29,197**	**$167,050**	**27%**
Folsom Real Estate South	Large Lot Property	388	--	$78,022	$78,022	13%
Total for Folsom Real Estate South[1]:		**388**	**--**	**$78,022**	**$78,022**	**13%**
Individual Homeowners	Developed Property	135	$340,491	$28,422	$368,913	60%
Totals:		**648**	**$478,344**	**$135,641**	**$613,984**	**100%**

(1) Reflects anticipated lots to be sold by Folsom Real Estate South to a homebuilder.
(2) Totals may not sum due to rounding.

Source: NBS.

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The Teeter Plan

In July 1993, the Board of Supervisors of the County approved the implementation of the Alternative Method of Distribution of Tax Levies and Collections and of Tax Sale Proceeds (the "Teeter Plan"), as provided for in Section 4701 et seq. of the California Revenue and Taxation Code. Under the Teeter Plan, the County apportions secured property taxes on an accrual basis (irrespective of actual collections) to local political subdivisions for which the County acts as the tax-levying or tax-collecting agency.

Under the Teeter Plan, the County distributes tax collections on a cash basis to taxing entities during the fiscal year and shortly after year-end, and also distributes 100% of any taxes delinquent as of June 30th to the taxing entities and those special assessment districts and community facilities districts (and individual parcels within each district) that the County determines are eligible to participate in the Teeter Plan by the end of the calendar year. The County may make eligibility determinations on an annual basis and may exclude a district or an individual parcel that had previously been included in the plan. The County has the discretion to determine which delinquent special taxes will be paid through the Teeter Plan on a case-by-case basis.

The County's policy includes the following criteria for delinquent parcels to be excluded from the County's Teeter Plan: (1) tax bills belonging to a governmental/public agency; (2) common area parcels; (3) tax bills on the unitary assessed values or pipeline assessed values; (4) special assessments (subject to judiciary foreclosure) to be stripped from the tax bill; (5) bankruptcy; (6) demolition of the property; (7) vacant buildings (due to a risk of possible demolition); (8) contamination of the property; (9) property that is subjected to the "sealed bid"; (10) the delinquent amount is greater than or equal to assessed value of the property; (11) property that is de-enrolled from the Teeter Plan in previous years under the same owner and (12) the amount of code enforcement liens, other delinquent abatement liens, and delinquent utilities abatement liens, and delinquent utilities levied on the property is equal to or greater than 5% of the assessed value of the property. Such policy may be amended by the County at any time and could impact the inclusion of certain delinquent parcels in the Teeter Plan in future years.

The County's policy is that any new taxing entity or special assessment district that includes its levy on the County tax roll is qualified to be under the County's Teeter Plan. The District is included in the County's Teeter Plan. See, however "CERTAIN RISKS TO BONDHOLDERS—Teeter Plan Termination." The District can provide no assurance that the County will continue to include the District in the Teeter Plan.

THE AUTHORITY

The Authority was created by a Joint Exercise of Powers Agreement, effective April 20, 2015 (the "JPA Agreement"), between the City and the City of Folsom South of 50 Parking Authority. The JPA Agreement was entered into pursuant to the Joint Exercise of Powers Act, Chapter 5 of Division 7 of Title 1 of the Government Code of the State. The Authority was created for the purpose of facilitating financing of public improvement facilities within the City south of US Route 50.

THE CITY

The Improvement Area is located in the City, which is located in the easterly section of the Sacramento metropolitan area approximately 22 miles east of the central business district of the City of Sacramento.

Certain economic and demographic information with respect to the City is contained in APPENDIX B. This information is presented solely as background information. The Local Obligations are not general obligations of the City but, rather, are special tax obligations of the District secured solely by the Special Taxes to be paid by the owners of property in the Improvement Area and funds held pursuant to the Local Obligations Indenture.

THE IMPROVEMENT AREA

General Description and Location

The District is a community facilities district organized by the City Council as the legislative body of the District under the Mello-Roos Act for the purpose of providing for the acquisition and construction of certain public improvements and the financing of certain services to serve property within the District. The City established the District on May 26, 2020, and designated six separate improvement areas therein, including the Improvement Area. On May 26, 2020, elections were held within the District for each improvement area therein at which the eligible voters in each improvement area approved the levy of special taxes in accordance with the respective Rate and Method of Apportionment of Special Tax for such improvement area. In addition, the eligible voters in the Improvement Area authorized the issuance of bonds in an amount not to exceed $64,000,000 for the Improvement Area. Pursuant to the Mello-Roos Act, the qualified electors were the landowners of Taxable Property within each Improvement Area. In connection with the landowner election, all electors delivered customary waivers to certain matters relating to the conduct of the election. In December 2021, a seventh improvement area was designated within the District.

The District expects that such bonds and any bonds issued for the other improvement areas within the District from time to time will be issued to finance the authorized public facilities for the benefit of the District. With respect to the Improvement Area, such bonds will be issued only in accordance with the provisions of the Local Obligations Indenture. The total bonded indebtedness authorized in the Improvement Area will be limited by the requirements of the Local Obligations Indenture, including the following requirements relating to any Additional Local Obligations: a 3:1 overlapping value to lien ratio on all land projected to be subject to the levy of the Special Tax and 110% annual coverage from the Maximum Facilities Special Tax for Taxable Property classified as Developed Property (as defined in the Local Obligations Indenture), plus the Effective Tax Rate Evaluation Minimum Facilities Revenue for Taxable Property not classified as Developed Property (as defined in the Local Obligations Indenture) less Priority Administrative Expenses. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS—Terms of the Local Obligations—*Additional Local Obligations*."

The Improvement Area is located in the southern portion of the City, west of East Bidwell Street, north of Mangini Parkway and south of U.S. Highway 50 and consists of over 150 total gross acres (excluding non-parcel areas, such as roadways), of which approximately 95 acres are subject to the Special Tax. The maps appearing on the inside cover pages show the general location of the District and the Improvement Area.

Presently, the Improvement Area includes properties in varying stages of development, including unimproved land, finished lots, homes under construction, and completed and sold homes. Collectively, these properties are planned to include 648 single family homes. In the portion of the Improvement Area being developed by Taylor Morrison, home construction and sales are well underway. This portion of the Improvement Area will ultimately contain 260 of the 648 single family homes.

The remainder of the Taxable Property within the Improvement Area (referred to herein as the Four Large Lots) is owned by Folsom Real Estate South, which is actively negotiating with a nationally-

recognized homebuilder that it expects to develop that land to include 388 single family homes. Currently, the Four Large Lots are in the very early stages of development and do not yet have an approved small lot tentative map. Construction of these additional 388 homes will also require the builder to complete the necessary infrastructure improvements, including mass grading, utilities and roadway improvements, and subdivision improvements. Construction of the public improvements and backbone infrastructure in the Improvement Area is nearly complete, as more particularly described "PROPOSED PROPERTY DEVELOPMENT—Development Plan of Finance."

Property Values

Parcels of Taxable Property within the Improvement Area with assessed structural improvements values of $300,000 or more as reported by the County of Sacramento Assessor (the "Unappraised Property") had, in aggregate, an assessed land and improvements value of $80,841,034 as of January 1, 2024, as such value was reported by the County Assessor on July 1, 2024. Assessed values are opinions of property value determined by the County Assessor's office for property tax purposes. Such assessed value determinations may be subject to appeal by property owners. The resolution of an appeal may result in a reduction to the County Assessor's original taxable value. Although such a result would not reduce the Special Tax on the property, any reduction in the assessed values of property would have an adverse impact on the value-to-debt ratios discussed herein and could lessen the ability or willingness of the owners of such property to pay their assessments. Moreover, assessed values do not necessarily represent the current market value for any parcel.

An appraisal of the remainder of the Taxable Property within the Improvement Area has been prepared by the Appraiser in connection with the issuance of the Bonds. The purpose of the appraisal was to estimate the market value, subject to the Special Tax and based upon a hypothetical condition, for each parcel of Taxable Property within the Improvement that, as of July 1, 2024, (i) was not reported by the County of Sacramento Assessor to have any assessed structural improvements value or (ii) was reported by the County of Sacramento Assessor to have an assessed structural improvements value of less than $300,000 (such portion, the "Appraised Property"). The appraisal estimates the market value of the Appraised Property as of August 31, 2024 (the "Appraisal"). The Appraisal is attached to this Official Statement as APPENDIX G.

As of the date of inspection, the Appraiser notes that development of portions of the property is underway. The subject property was valued based on the hypothetical conditions that the public improvements to be financed with the proceeds of the Local Obligations have been paid. The Appraisal is based on property values at the time of inspection.

Subject to the assumptions, hypothetical condition and limiting conditions, the Appraiser estimated that the value of the Appraised Property within the Improvement Area had an estimated not-less-than aggregate land value of $69,275,000 as of August 31, 2024. See APPENDIX G—"APPRAISAL."

Collectively, the aggregate value of the Taxable Property within the Improvement Area (including both the Unappraised Property and the Appraised Property) is $150,116,034.

Value-to-Lien Analysis

The following table sets forth the ratios of the property values of the Taxable Property to the total liens on the property in the Improvement Area based on the development status of the property as of August 31, 2024. The following table shows the value-to-lien ratios for the Improvement Area based on the development status of the Taxable Property as of August 31, 2024, for (i) Developed Property, Small Lot Final Map Property, and Large Lot Property and (ii) the owners of the Taxable Property. See

"PROPOSED PROPERTY DEVELOPMENT—Development Entitlements." The following table also shows the estimated Facilities Special Tax levy for Fiscal Year 2025-26 based on the properties' current map status as Developed Property, Small Lot Final Map Property, and Large Lot Property. The value-to-lien ratio for the Improvement Area based solely on the Local Obligations and the appraised value of the land within the Improvement Area is 14.0*:1.0. The overall value to overlapping debt ratio, including certain overlapping general obligation tax and assessment debt, CFD 17 special tax debt, and CFD 18 special tax debt, is 10.5*:1.0 (see "—Overlapping Debt"). Any bonds secured by special assessments or special taxes issued from time to time may have the effect of reducing the value to lien ratio on property within the Improvement Area.

* Preliminary, subject to change.

Table 6
City of Folsom Community Facilities District No. 23 (Folsom Ranch)
Improvement Area No. 4
Value-to-Lien Ratios
Development Status as of August 31, 2024

	Planned Units	Estimated 2025-26 Effective Tax Rate Evaluation Minimum Facilities Revenue[1]	Estimated 2025-26 Facilities Special Tax Levy[2]	Assessed Value[3]	Appraised Value[3]	Total Value	Share of Local Obligations[4]	Overlapping Debt[5]	Local Obligations Value to Lien[6]	Overall Value to Lien[6]
By Development Status:										
Developed Property	197	$514,753	$514,753	$80,841,034	$34,649,561	$115,490,595	$9,189,417	$2,390,473	12.6	10.0
Small Lot Final Map	63	144,107	84,897	--	15,224,439	15,224,439	1,515,583	799,429	10.0	6.6
Large Lot Property	388	874,663	--	--	19,401,000	19,401,000	--	380,756	N/A	51.0
Total	**648**	**$1,533,523**	**$599,650**	**$80,841,034**	**$69,275,000**	**$150,116,034**	**$10,705,000**	**$3,570,658**	**14.0**	**10.5**
By Ownership Group:										
Taylor Morrison	125	$311,559	$252,349	$3,679,129	$33,249,000	$36,928,129	$4,504,960	$1,589,042	8.2	6.1
Folsom Real Estate South[7]	388	874,663	--	--	19,401,000	19,401,000	--	380,756	N/A	51.0
Individual Homeowners	135	347,307	347,301	77,161,905	16,625,000	93,786,905	6,200,040	1,600,860	15.1	12.0
Total	**648**	**$1,533,523**	**$599,650**	**$80,841,034**	**$69,275,000**	**$150,116,034**	**$10,705,000**	**$3,570,658**	**14.0**	**10.5**

(1) Increases by 2% each Fiscal Year. The Estimated 2025-26 Effective Tax Rate Evaluation Minimum Facilities Revenue amount is $1,473,649.
(2) Based on estimated debt service requirements for the Bonds plus Priority Administrative Expenses of $20,400.
(3) Assessed and appraised value amounts provided by the Appraiser. See "—Property Values."
(4) Allocated based on the projected Fiscal Year 2025-26 Facilities Special Tax levy.
(5) Includes the CFD 18 bonds issued in October 2024 in the aggregate principal amount of $26,735,000.
(6) Value to lien ratio is for the Local Obligations. Local Obligations are issued in the same principal amount of the Bonds.
(7) Estimated 2025-26 Effective Tax Rate Evaluation Maximum Facilities Revenue represents the Effective Tax Rate Evaluation Minimum Facilities Revenue based on the number of units planned for all remaining Large Lot Property.
Source: Except as otherwise noted, NBS.

Estimated Tax Burden on Single Family Home

The following table sets forth the estimated total tax burden on single-family/single-family high density (SF/SFHD) and multi-family low density residential property (MLD) within the Improvement Area, presented as an estimate of the majority of proposed homes to be constructed in the Improvement Area, based on estimated tax rates for Fiscal Year 2024-25.

Table 7
City of Folsom
Community Facilities District No. 23 (Folsom Ranch)
Improvement Area No. 4
Single Family Residential Property Sample Property Tax Bill
Estimated Charges for Fiscal Year 2024-25

		SF/SFHD	MLD
Assessed Value[1]		**$ 757,000**	**$ 635,000**
Less: Homeowner Exemption		(7,000)	(7,000)
Net Assessed Value		**$ 750,000**	**$ 628,000**
Ad Valorem[2]	**Tax Rate**		
General Purpose Ad Valorem Tax (Proposition 13)	1.0000%	$ 7,500.00	$ 6,280.00
Los Rios College General Obligation	0.0200%	150.00	125.60
Folsom-Cordova Unified School District Improvement Dist. 2	0.0179%	134.25	112.41
Folsom-Cordova Unified School District Improvement Dist. 3	0.1970%	1,477.50	1,237.16
Total Ad Valorem Taxes	**1.2349%**	**$ 9,261.75**	**$ 7,755.17**
Special/Direct Assessments and Taxes			
Folsom Community Facilities District No. 23 (Folsom Ranch) – Imp. Area No. 4[3]		$ 2,389.14	$ 2,385.52
Folsom Community Facilities District No. 23 (Folsom Ranch) – Imp. Area No. 4[4]		233.58	159.51
Folsom Community Facilities District No. 17 (Willow Hill Pipeline)[5]		80.07	86.30
Folsom Community Facilities District No. 18 (Folsom Plan Area)[6]		1,180.47	865.17
Sacramento Area Flood Control[7]		1.50	1.50
Total Special/Direct Assessments and Taxes		**$ 3,884.76**	**$ 3,498.00**
Total Estimated Annual Property Taxes		**$13,146.51**	**$11,253.17**
Effective Tax Rate[8]		**1.7367%**	**1.7722%**

(1) Approximate average assessed value for property within the category presented.
(2) Based upon Fiscal Year 2024-25 Sacramento County ad valorem property tax rates for TRA 04-035.
(3) Fiscal Year 2024-25 Effective Tax Rate Evaluation Maximum Annual Facilities Special Tax for a residential unit with residential floor area between 2,000 and 2,399 square feet. The Effective Tax Rate Evaluation Maximum Annual Facilities Special Tax escalates annually at 2%.
(4) Fiscal Year 2024-25 Maximum Annual Services Special Tax for a residential floor area between 2,000 and 2,399 square feet. The Maximum Annual Services Special Tax escalates annually based upon the annual June CPI Change, for the San Francisco-Oakland-San Jose are, not to exceed 4%.
(5) Fiscal Year 2024-25 Maximum Annual Special Tax. The Maximum Annual Special Tax escalates annually at 2%.
(6) Fiscal Year 2024-25 Maximum Annual Special Tax. The Maximum Annual Special Tax excludes the Willow Hill Pipeline Special Tax, which is currently reflected under Folsom Community Facilities District No. 17 (Willow Hill Pipeline). The Area-Wide Special Tax escalates annually at 2% and the Maintenance Special Tax and TDM Services Special Tax escalate annually based upon the annual June CPI Change, for the San Francisco-Oakland-San Jose are, not to exceed 4%.
(7) Approximate assessment for residential lots. Based upon lot size.
(8) Estimate of annual property taxes does not include any new special financing district fees, assessments, and/or special taxes imposed by the state, county, or local agencies that are yet to be established or any future annexation into existing special financing districts required by conditions for approval of development or any other imposed requirement. Information contained within is based upon records and official documents provided by various governmental agencies and third-party sources.

Overlapping Debt

Set forth below is an overlapping debt table showing the existing authorized indebtedness payable with respect to property within the Improvement Area. Additional indebtedness could be authorized by other public agencies at any time. Further, a portion of the overlapping debt shown in the table below is based on the assessed value of the underlying property, which can be expected to increase over time as development occurs and the assessed value grows. This table (excluding the footnotes) has been prepared by California Municipal Statistics, Inc. as of September 1, 2024, and is included for general information purposes only. The overlapping debt table below does not reflect the $26,735,000 aggregate principal amount of CFD 18 bonds that were issued in October 2024. Other than with respect to CFD 17, the table below allocates overlapping debt based on the assessed value of property and not on taxes paid. The District and the Authority have not reviewed the data for completeness or accuracy and make no representations in connection therewith.

The City authorized the issuance of up to $8,000,000 of bonds for CFD 17, of which $6,675,000 has been issued. Further, the City authorized the issuance of up to $200,000,000 in bonds for CFD 18. In October 2024, CFD 18 issued bonds in the aggregate principal amount of $26,735,000 to help finance the Phase 2 Water Transmission Facilities (as defined herein). A portion of any bonds issued for CFD 18 constitutes overlapping debt. The Improvement Area constitutes approximately 4.6% by acres of CFD 18, however any overlapping debt issued by CFD 17 or CFD 18 will not be allocated to the properties in the Improvement Area based on their acreage, and the amount of overlapping debt allocated may vary over time. Based on the development status within CFD 18 as of August 31, 2024, the Improvement Area would generate approximately 5.6% of the maximum CFD 18 special tax levy for bonds. This share of the maximum CFD 18 special tax levy for bonds is expected to decrease over time as undeveloped properties within CFD 18 become approved with final maps or developed. Other community facilities districts formed in the Folsom Ranch area will overlap CFD 18 and potentially CFD 17 but are not expected to overlap the Improvement Area. The lien of the Special Taxes for the Improvement Area is on parity with the lien of the special taxes for CFD 17 and CFD 18.

Direct assessments and levies payable with respect to property within the Improvement Area could potentially include up to $750 million of general obligation bonds for the School Facilities Improvement District No. 3 of the Folsom Cordova Unified School District ("SFID 3"), approved by voters on March 27, 2007. SFID 3 encompasses approximately 52.6 square miles of land including the District and additional territory outside of the District, including territory in the City of Rancho Cordova and unincorporated Sacramento County. As of October 2, 2024, general obligation bonds in the aggregate principal amount of approximately $195.6 million had been issued and approximately $178.7 million were outstanding for SFID 3. At the time of the election approving the SFID 3 general obligation bonds, the ballot summary indicated the average tax rate per $100,000 assessed valuation would be $73.61. For 2023-24, the actual SFID 3 tax rate per $100,000 was approximately $206.30. The following table sets forth the ad valorem tax rates for SFID 3 over the past five years. The future tax levy per property owner in SFID 3 may vary depending on future bond issuance and/or changes in assessed value.

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Table 8
City of Folsom
Community Facilities District No. 23 (Folsom Ranch)
Improvement Area No. 4
SFID 3 Ad Valorem Rates

Year	Rate[1]
2024-25	0.1970%
2023-24	0.2063%
2022-23	0.2758%
2021-22	0.3881%
2020-21	0.2065%

[1] TRA 04-035
Source: NBS.

Table 9
City of Folsom
Community Facilities District No. 23 (Folsom Ranch)
Improvement Area No. 4
Overlapping Debt

2023-24 Local Secured Assessed Valuation: $44,095,382 (Land and Improvements)

DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:	% Applicable	Debt 9/1/24
Los Rios Community College District	0.017%	$ 58,076
Folsom-Cordova Unified School District School Facilities Improvement District No. 2	0.232	23,481
Folsom-Cordova Unified School District School Facilities Improvement District No. 3	0.953	1,735,981
City of Folsom Community Facilities District No. 17	4.545	246,093
City of Folsom Community Facilities District No. 23, I.A. 4	**100.**	0[1]
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT		$2,063,631
OVERLAPPING GENERAL FUND DEBT:		
Sacramento County General Fund Obligations	0.020%	$20,832
Sacramento County Pension Obligation Bonds	0.020	61,421
Sacramento County Board of Education Certificates of Participation	0.020	327
City of Folsom General Fund Obligations	0.226	1,405
TOTAL GROSS OVERLAPPING GENERAL FUND DEBT		$83,985
Less: Sacramento County supported obligations		2,201
TOTAL NET OVERLAPPING GENERAL FUND DEBT		$81,784
GROSS COMBINED TOTAL DEBT		$2,147,616[2]
NET COMBINED TOTAL DEBT		$2,145,415

(1) Excludes Mello-Roos Bonds to be sold.
(2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.

Ratios to 2023-24 Local Secured Assessed Valuation:

Direct Debt ($0)	**0.00%**
Total Direct and Overlapping Tax and Assessment Debt	5.88%
GROSS Combined Total Debt	6.12%
Net Combined Total Debt	6.11%

Source: California Municipal Statistics, Inc.

Historical Special Tax Levy

The Special Tax (including both the Facilities Special Tax and the Services Special Tax) was first levied in the Improvement Area for Fiscal Year 2023-24 in the total amount of $366,462.62. This total Special Tax levy for Fiscal Year 2023-24 was comprised of $235,077.63 for the Facilities Special Tax and $131,384.99 for the Services Special Tax. The Fiscal Year 2023-24 Special Tax was levied upon 264 parcels and, as of June 30, 2024, no parcels in the Improvement Area were delinquent.

PROPOSED PROPERTY DEVELOPMENT

Development Entitlements

Specific Plan. On June 28, 2011, the City Council approved the original Specific Plan for the development of the Folsom Plan Area. Various property owners have submitted and received approvals of Specific Plan amendments since the 2011 City Council adoption. Most recently, the City revised its Specific Plan to provide for an increase in housing density in order to provide for more affordable housing options. Such Specific Plan amendments were approved by the City Council on August 27, 2024.

The Specific Plan provides for 13,343 total dwelling units and 2.5 million square feet of commercial, office/industrial and mixed use. The Specific Plan also provides for 275.7 acres of public and quasi-public use (public and private schools, parks and infrastructure); 182 acres of major roads and 1,114.5 acres of open space.

The Specific Plan is designed to guide and regulate the development for the area within the City south of US Route 50.

Tentative and Final Mapping. To date, final maps have been approved and recorded for the 260 lots within the Improvement Area owned by Taylor Morrison or individual homeowners. No tentative or final maps have been approved or recorded for the remainder of the Taxable Property within the Improvement Area. Design review approval, which provides for City review of the home plans, architecture and conformance to certain development standards, has been completed for all 260 homes constructed by, or being constructed by, Taylor Morrison within the Improvement Area.

Site Access. External access to the project site will be provided via East Bidwell Street to the east, Savannah Parkway to the north, and Mangini Parkway to the south. Pedestrian circulation is provided by a combination of street-separated sidewalks, open space trails, park trails and pathway connections. Proposed on-site improvements include: underground utilities, drainage improvements, retaining walls, driveways, on-street parking, curbs/gutters, sidewalks, pathways, trails, fencing, site lighting, site landscaping, and park enhancements.

Design Guidelines. The Folsom Ranch Central District Design Guidelines (of which the Improvement Area is a part) were approved by the City concurrent with certain Tentative Map approvals on June 23, 2015. The design guidelines provide for the orderly development of the proposed single family residential subdivision. The primary purpose of these design guidelines is to articulate the general architectural and design expectations for the proposed residential neighborhood, the landscapes, hardscapes, open spaces, fencing, entry features and site lighting. The goal of the design guidelines is to establish a regulatory framework for the design of individual homes on the residential lots. The final design details of the homes are subject to review and approval by the City's Planning Commission as part of future Design Review applications for each applicable development.

Development Conditions/Building Permit Limitations. Certain provisions of the PFFP for the Folsom Plan Area, as implemented through tentative subdivision map conditions, require certain infrastructure be installed or place other limits on the number of building permits that can be issued before certain facilities and/or backbone infrastructure is in place.

For example, certain tentative maps require a fire station to be operational prior to the occupancy of the 1,500th home in the Folsom Plan Area. The City's first fire station within the Folsom Plan Area opened on September 26, 2024.

Phase 2 Water Infrastructure. The City estimates the Phase 1 Water Facilities (as defined herein) have a sustained maximum day demand of up to 2.0 million gallons. A study prepared by Peterson Brustad, Inc. in April 2019 then estimated that water usage would equal or exceed a sustained maximum day demand of up to 2.0 million gallons when approximately 2,800 to 3,300 dwelling units within the Folsom Plan Area had been occupied.

Certain additional water backbone facilities (collectively, the "Phase 2 Water Facilities") will be constructed to provide expanded water transmission conveyance capabilities to deliver water from the City's water treatment plant to the Folsom Plan Area.

The Phase 2 Water Facilities include (i) a water transmission pipeline (the "Phase 2 Water Transmission Facilities") to be constructed with the proceeds of CFD 18 bonds issued in October 2024, (ii) the Zone 4 Water Facilities (consisting of a zone-specific water tank and booster pump station), and (iii) the remaining Phase 2 Water Facilities (consisting of another zone-specific water tanks and booster pump station) (the "Remaining Phase 2 Water Facilities"), which will be constructed at a later date. The City expects that the Zone 4 Water Facilities and the Remaining Phase 2 Water Facilities would need to be constructed after the completion of the Phase 2 Water Transmission Facilities to maintain the City's standards for delivering water to its customers.

See "PROPOSED PROPERTY DEVELOPMENT – Development Entitlements – *Water Supply Infrastructure*" below for a more detailed discussion of the Phase 2 Water Facilities and their expected timing and cost.

Developers within the Folsom Plan Area have requested that the Phase 2 Water Facilities be funded in whole or in part through bonds issued for CFD 18 and certain pay-go proceeds from CFD 17 and CFD 18 special taxes. See "FOLSOM PLAN AREA—Folsom Plan Area Development" for a discussion of certain development and investment that has already occurred within the Folsom Plan Area and additional future development and investment that is anticipated as the Folsom Plan Area continues to be developed. The timing of issuance of bonds for CFD 18 is dependent upon market conditions and development within the Folsom Plan Area, and additional development within CFD 18 may be required to generate CFD 18 special tax revenues sufficient for funding all of the Phase 2 Water Facilities. There can be no assurance that bond proceeds will be available when needed to construct the Phase 2 Water Facilities or to reimburse the developers for costs expended therefor. See "PROPOSED PROPERTY DEVELOPMENT – Development Entitlements – *Water Supply Infrastructure*" below for a more detailed discussion of the amount and timing of the issuance of CFD 18 bonds to finance the Phase 2 Water Transmission Facilities.

Based on the current stage of planning for the Phase 2 Water Transmission Facilities, the development stage and planned development timeline for the Improvement Area as described in this Official Statement, and the available water facilities servicing the Improvement Area, Taylor Morrison, Folsom Real Estate South, the City, and the District do not believe that these conditions will materially impede development of the Improvement Area as currently planned. However, multiple other

development projects are underway in the Folsom Plan Area, and if there were an unforeseen and significant delay in construction in the Improvement Area it is possible that other development within the Folsom Plan Area will overtake development of the Improvement Area, resulting in the need for completion of the Phase 2 Water Transmission Facilities before all development could be completed within the Improvement Area.

Army Corps of Engineers Wetland Permitting, Biological Opinion, Streambed Alteration Agreements and Section 106 Compliance. On May 22, 2014, the U.S. Army Corps of Engineers (the "USACOE") issued a Record of Decision ("ROD") for the Folsom South of U.S. Highway 50 Specific Plan Project - City of Folsom Backbone Infrastructure. This wetland permit covered the wetland permitting requirements for the entire backbone infrastructure necessary to serve the Folsom Plan Area. To the extent backbone infrastructure was required within a property owner's land, the backbone wetland permit authorized the filling of waters of the U.S. necessary for such construction. Each landowner thereafter is required to obtain their own wetland permit for the fill of jurisdictional wetlands not included in the footprint of the backbone wetland permit. As discussed in greater detail below, the Folsom Plan Area has received all required environmental permits.

Development Agreement. Through City Ordinance No. 1149, the City approved a Tier 1 Development Agreement between the City and the property owners within the Folsom Plan Area on July 12, 2011. The effective date of the ordinance was August 11, 2011. The Tier 1 Development Agreement vests certain rights of the property owners and of the City and commits each party to the agreements to subsequent actions before development may proceed within the Folsom Plan Area. Separate First Amended and Restated Tier 1 Development Agreements (the "ARDAs") were entered into among certain property owners and the City for their applicable properties, as approved by the City through City Ordinance No. 1211. The ARDAs for the property owners comprising the property within the Improvement Area were recorded in the official records of the County of Sacramento in July 2014. The City entered into Amendment No. 1 to the ARDA with Carpenter East, which was recorded in the official records of the County of Sacramento in January 2016. The City also entered into Amendment Nos. 1 and 2 to the ARDA with Folsom Real Estate South, which were each recorded in the official records of the County of Sacramento in January 2016. See "PROPOSED PROPERTY DEVELOPMENT—Property Ownership."

Article 2.5 (commencing with Section 65864), of Chapter 4, Division 1, Title 7 of the State Government Code, pertaining to development agreements, has the general effect of authorizing development to continue in accordance with then existing General Plan, Specific Plan, zoning and subdivision regulations notwithstanding any subsequently enacted conflicting regulations, except for regulations the failure of which to enact would place the residents in a condition which is dangerous to their health or safety or both.

Environmental Permits and Approvals. The California Environmental Quality Act ("CEQA"), constituting Division 13 of the State Public Resources Code (commencing with Section 21000) requires that an Environmental Impact Report (an "EIR"), detailing the significant environmental effects of the project and proposed mitigation measures, be prepared, considered and certified as complete by a public agency prior to its taking discretionary action on any project which may have a significant effect on the environment.

In June 2011, after statutorily required public notice, hearing and comment, the City Council certified as adequate and complete a final EIR/EIS for the Specific Plan for the development of the Folsom Plan Area. The EIR/EIS satisfied both CEQA and the National Environmental Policy Act for the entirety of the Folsom Plan Area. In February 2015, the City Council of the City adopted the South of Highway 50 Backbone Infrastructure Project Initial Study/Mitigated Negative Declaration (Backbone

Infrastructure MND), dated December 9, 2014. In addition, in connection with amendments to the Specific Plan, after statutorily required public notice, hearing and comment, the City Council certified as adequate and complete a final subsequent environmental impact report addressing increased density in light of the impact analysis provided in the EIR/EIS for the Specific Plan.

The Folsom Plan Area has received all required environmental permits, including a Section 404 Permit for the entire Folsom Plan Area pursuant to Section 404 of the federal Clean Water Act. This permit allows for any necessary fill of jurisdictional wetlands and streambed alterations for the construction of backbone infrastructure to serve the entire Folsom Plan Area at build-out. In addition, a Biological Opinion has been obtained from the US Fish and Wildlife Service for the entire Folsom Plan Area, together with a California Department of Fish and Wildlife Master Streambed Alteration Permit with conditions for the whole of the Folsom Plan Area. All of the property in the Improvement Area subject to the Special Tax has received its Section 404 Permit and a subnotification approval from the California Department of Fish and Wildlife.

Water Supply. The City entered into an agreement (the "Water Supply Agreement") with the property owners in the Folsom Plan Area providing for a water supply for new development south of US Route 50. The Water Supply Agreement was supported by an addendum to the EIR. The Water Supply Agreement provides adequate water supply for full build out of the Improvement Area and the rest of the Folsom Plan Area (except the portion of the Folsom Plan Area serviced by the El Dorado Irrigation District). The amount of water provided in the Water Supply Agreement to meet the build-out demands of the Folsom Plan Area project is projected to be 5,600 acre-feet annually.

Water Supply in Folsom Generally. The primary water supply source for the City is Folsom Reservoir, which provides the water supply for all of the City south of the American River. The City has water rights and contracts for up to 34,000 acre-feet annually ("afa") through three different contracts with the United States Bureau of Reclamation ("Reclamation"). The surface water supplies were developed through different circumstances and, as such, are subject to unique conditions and limitations. These attributes and issues affect the volume of water available under certain conditions. Surface water supply for the portions of the City north of the American River is obtained through a contract with the San Juan Water District, and therefore is not a directly owned City supply. The surface water supplies for the City's water service area are listed below.

- A pre-1914 appropriative water right for 22,000 acre-feet per year (Agreement with Reclamation)
- A pre-1914 appropriative water right for 5,000 acre-feet per year (Co-Tenancy agreement with Golden State Water Company)
- A Central Valley Project ("CVP") repayment contract for 7,000 acre-feet per year

The City's 22,000 acre-foot entitlement is based on a pre-1914 appropriative right from the South Fork of the American River established by the Natoma Water Company ("Natoma") in 1851. Natoma's original pre-1914 water right established a maximum diversion rate "to fill a Canal Eight feet wide and Four feet deep with a current running Ten miles per hour." This correlates to a diversion rate of 60 cubic feet per second and a maximum allocation of 32,000 afa. This right is held with Golden State Water Company pursuant to a co-tenancy agreement. The City's 5,000 acre-foot entitlement is also based on Natoma's pre-1914 appropriative right from the South Fork of the American River. In November 1994, the City executed a contract with Southern California Water Company-Folsom Division ("SCWC") under which the City acquired the right to lease 5,000 afa (of SCWC's remaining 10,000 afa under the original Natoma purchase) for an indefinite period. This right is held with Golden State Water Company pursuant

to a co-tenancy agreement. This water right was also formally recognized in the settlement agreement between Reclamation and the City. As authorized by Public Law No. 101-514, the City was a subcontractor under Sacramento County Water Agency's (SCWA) CVP water-service contract for 7,000 afa. In 2016, the United States, the City and SCWA completed an assignment of this portion of SCWA's CVP water-service contract from SCWA to the City. In February 2020, the City and Reclamation executed a contract that converted the CVP water-service contract into a CVP repayment contract as authorized under the Water Infrastructure Improvements for the Nation Act.

Under the agreements with Reclamation for 22,000 afa and 5,000 afa, Reclamation delivers this entire water supply without reduction on a permanent basis. Under the agreement with Reclamation for 7,000 afa of CVP water, this water supply faces possible reductions pursuant to Reclamation's Municipal and Industrial Water Shortage Policy. In 1994, the City entered into an agreement with Golden State Water Company (f/k/a Southern California Water Company, herein "GSWC") to acquire the right to divert up to 5,000 acre feet of pre-1914 water rights annually (the "GSWC Agreement"), subject to the terms and conditions of that agreement. Under the GSWC Agreement, the City is required to pay for the entire 5,000 acre-feet annual water supply regardless of whether the City is able to divert and use that quantity of water. The City uses the supplies provided in the GSWC Agreement to serve the Folsom Plan Area. The cost of water under the GSWC Agreement is paid for by Folsom Plan Area landowners and water customers.

Source of Water for the Folsom Plan Area. The City has determined that its Water Systems Optimization Review Program and implementation of metered rates will provide additional water supplies in an estimated amount of 6,450 acre-feet per year, which is in addition to the present and forecasted demands of the City's existing water users. The City intends to use a portion of this 6,450 acre-feet per year of available water to meet present and future water demand in the East Area in order to make the 5,000 acre-feet per year of GSWC Agreement water supply available for use in the Folsom Plan Area, on the terms and conditions of that Agreement. To meet this intent, the City converted the East Area water supply from the GSWC Agreement to the less expensive CVP repayment contract. The City would meet the additional build-out water demand of the Folsom Plan Area with approximately 600 acre-feet per year of water produced by the Water Systems Optimization Review Program that is in excess of the water demand in the East Area. The water made available under the GSWC Agreement and Water Systems Optimization Review Program will be sufficient to supply the projected water demand in the Folsom Plan Area. Pursuant to the provisions of Sections 860 *et seq.* of the State Code of Civil Procedure and Government Code Sections 53511 and 53589.5, the City filed a complaint in the Superior Court of the State for the County of Sacramento to validate the agreement. The Superior Court determined that the agreement: (a) is lawful, valid, enforceable and in the best interests of the City and all persons in any way interested therein and (b) is consistent with all applicable laws and obligations, including the Measure W water supply requirement.

The City's Community Facilities District No. 2013-1 (Water Facilities and Supply) (the "Water CFD") was formed by the City in 2014. The cost of the GSWC Agreement water will initially be paid for by the Folsom Plan Area through special taxes collected for the Water CFD on certain property in the Folsom Plan Area, including the Improvement Area. When a building permit has been issued and a customer billing account has been established, the developed parcel is no longer subject to the levy of the special tax for the Water CFD and thereafter pays for water through water rates.

Water Conservation. The City maintains a five-stage water conservation program with conservation goals and water use restrictions. The City Manager is authorized to implement and enforce whatever conservation measures are deemed necessary to achieve the water reduction requirements of the declared conservation stage.

Water Supply Infrastructure. For the first phase of development to occur within the Folsom Plan Area, the developers of the Folsom Plan Area constructed improvements to connect water supply from the north of US Route 50 and extend water infrastructure pipelines (the "Phase 1 Water Facilities").

The Phase 1 Water Facilities were completed in August 2018. The City estimates the Phase 1 Water Facilities are adequate for a sustained maximum day demand of up to 2.0 million gallons. A study prepared by Peterson Brustad, Inc. in April 2019 then estimated that water usage would equal or exceed a sustained maximum day demand of up to 2 million gallons when approximately 2,800 to 3,300 dwelling units within the Folsom Plan Area had been occupied. During summer 2021 as a result of high levels of construction activity, the maximum day water demand exceeded 2 million gallons for several days with no service interruption to the water system.

The Phase 2 Water Facilities are required to be constructed to provide expanded water transmission conveyance capabilities to deliver water from the water treatment plant to the Folsom Plan Area. The Phase 2 Water Facilities include (i) the Phase 2 Water Transmission Facilities to be constructed with the proceeds of CFD 18 bonds issued in October 2024, (ii) the Zone 4 Water Facilities (consisting of a zone-specific water tank and booster pump station), and (iii) the Remaining Phase 2 Water Facilities (consisting of another zone-specific water tanks and booster pump station), which will be constructed at a later date.

The City solicited bids for the construction of the Phase 2 Water Transmission Facilities in August 2024 and, in October 2024, approved the award of a construction contract to the contractor submitting the lowest responsive responsible bid based upon a guaranteed maximum price procurement approach. Also in October 2024, CFD 18 issued bonds in the aggregate principal amount of $26,735,000 to help finance the Phase 2 Water Transmission Facilities. The City expects to formally enter into the construction contract for the Phase 2 Water Transmission Facilities by the end of November 2024 and that construction of the Phase 2 Water Transmission Facilities will commence in the first quarter of 2025 and last approximately 18 months.

The Phase 2 Water Transmission Facilities, when complete, are expected to increase capacity to up a 3.0 million gallon sustained maximum day demand in the Folsom Plan Area (which the City expects will occur when approximately 4,100 dwelling units within the Folsom Plan Area have been occupied). Following completion of the Phase 2 Water Transmission Facilities, the City anticipates that the Zone 4 Water Facilities will need to be built to provide water to zones 4, 5 and 6 of the Folsom Plan Area when the water facilities for the Folsom Plan Area approach a sustained maximum day demand of 3.0 million gallons. The City expects that an additional series of CFD 18 bonds will be issued to help finance the Zone 4 Water Facilities, although the City has not yet determined the timing and amount of this expected issuance.

The timing by which the Remaining Phase 2 Water Facilities will be needed will depend on a variety of factors, including water demand amounts within the Folsom Plan Area, the amount of additional water transmission conveyance capability generated by the Phase 2 Water Transmission Facilities and the Zone 4 Water Facilities, any events impacting the capacity of the existing water infrastructure, and any other factors that increase water demand or decrease water transmission capacity. As a result, despite the occupancy and water capacity estimates included herein, which are based on water system modeling and analysis conducted by or prepared for the City, the City cannot yet fully predict by when the Remaining Phase 2 Water Facilities will be needed. The City expects to use the proceeds of one or more additional series of CFD 18 bonds to finance all or a portion of the Remaining Phase 2 Water Facilities. However, the timing of issuance of future obligations is dependent upon market conditions and development within the Folsom Plan Area and there can be no assurance that proceeds will be available when needed to timely construct the Remaining Phase 2 Water Facilities.

As of September 30, 2024, final maps had been approved and recorded for 4,603 dwelling units within the Folsom Plan Area. Also as of September 30, 2024, building permits for 3,871 units and 3,491 certificates of occupancy had been issued in the Folsom Plan Area for projects underway.

The City continues to evaluate water usage and needs within the Folsom Plan Area but there can be no assurance that the construction of the Phase 2 Water Facilities will be completed in time to prevent delays to residential and commercial development in the Folsom Plan Area. If the Phase 2 Water Facilities are not constructed in a timely manner, future development in portions of the Folsom Plan Area may be metered, stopped, or the City may take other remedial actions, such as implementing water conservation measures to the existing residents, halting discretionary approvals, or taking other actions. If the Phase 2 Water Facilities are not constructed in a timely manner, water pressure to portions of the Folsom Plan Area could be impacted for existing water connections, which could have a negative impact on property values, including within the Improvement Area. Additionally, increased residential water usage approaching the maximum capacity of the current water facilities (including if exacerbated by the Phase 2 Water Facilities not being constructed in a timely fashion) or a reduction in the capacity of the current water facilities could cause the City to consider restricting the continued development of the Folsom Plan Area, including within the Improvement Area. See "CERTAIN RISKS TO BONDHOLDERS—Failure to Develop."

Based on the current stage of planning for the Phase 2 Water Transmission Facilities, the development stage and planned development timeline for the Improvement Area as described in this Official Statement, and the available water facilities servicing the Improvement Area, the City does not expect to impose restrictions on continued development of the Improvement Area. However, multiple other development projects are underway in the Folsom Plan Area, and if there were an unforeseen and significant delay in construction in the Improvement Area it is possible that other development within the Folsom Plan Area will overtake development of the Improvement Area, resulting in the need for the City to take some or all of the actions described in the preceding paragraph.

To help alleviate the demand on the current water facilities, certain developers within the Folsom Plan Area have made arrangements to obtain construction water from the El Dorado Irrigation District ("EID"), an alternative water provider that has existing facilities adjacent to the Folsom Plan Area. For instance, Lennar Homes has previously received construction water from EID for portions of its Russell Ranch project. Such arrangements augment, but do not replace, the need for and the use of City water, which is currently provided through the Phase 1 Water Facilities. Due to such alternative arrangements for construction water and the amount of development that has already occurred in the Folsom Plan Area, the City does not expect that the demand for construction water will reach 2021 levels in coming years.

Wastewater Treatment. The Sacramento Area Sewer District has an existing wastewater treatment plant with its ongoing and permitted improvement projects projected to accommodate all wastewater from development in the Folsom Plan Area. Existing sewer transmission mains are capable of conveying wastewater from the Folsom Plan Area and initial development sites (including the Improvement Area) to the existing treatment plant. Developers of property within the Folsom Plan Area will need to extend infrastructure to their sites and pay appropriate connection fees for access to the existing wastewater infrastructure.

Flood Zones. According to the Federal Emergency Management Agency flood map, the Improvement Area is in Zone X, which consists of areas determined to be outside of the 500-year flood plain.

Fire Zones. The Improvement Area is located within an area identified as a moderate fire hazard severity zone. More information regarding Fire Hazard Severity Zones can be found at the California

Department of Forestry and Fire Protection website at https://frap.fire.ca.gov, though such website is not incorporated herein by reference. The development within the Improvement Area is subject to mitigation measures set forth in a fuel modification plan approved by the City Fire Department. The mitigation measures include, among others, limitations on the type of vegetation that may be planted within fuel modification zones established in open space areas along certain portions of the perimeter of the Improvement Area, minimum setback of structures and irrigation requirements of the fuel modification zones. Maintenance of such zones is expected to initially be the responsibility of the property owners but upon build-out of the Improvement Area and dedication of the open space to the City will be maintained by the City from funds provided through CFD 18. Homeowner's insurance is expected to be available to property owners within the Improvement Area, and the coverage provided by such insurance typically insures against fire damage, although there is no assurance that homeowners within the Improvement Area will purchase or maintain such insurance.

Drought Conditions and Construction Water Usage. In response to drought conditions in 2021, the City imposed a state mandated 20% reduction in water use on its water customers. In addition, use of City water for construction purposes required City approval. At the time, the City allowed construction within the Folsom Plan Area to proceed, including the use of City water. The City rescinded this requirement in June 2023. However, if prolonged drought conditions return, this could result in mandatory reductions in water usage that may adversely impact the ability of builders within the Improvement Area to develop the Improvement Area in the timeline described in this Official Statement.

To help alleviate the demand on the current water facilities, certain developers within the Folsom Plan Area have made arrangements to obtain construction water from the El Dorado Irrigation District ("EID"), an alternative water provider that has existing facilities adjacent to the Folsom Plan Area. For instance, Lennar Homes has previously received construction water from EID for portions of its Russell Ranch project. Such arrangements augment, but do not replace, the need for and the use of City water, which is currently provided through the Phase 1 Water Facilities. Due to such alternative arrangements for construction water and the amount of development that has already occurred in the Folsom Plan Area, the City does not expect that the demand for construction water will reach 2021 levels in coming years.

Affordable Housing. All residential projects receiving funding assistance from the City or otherwise with ten or more units within the Folsom Plan Area must comply with the City's inclusionary housing ordinance, which requires that ten percent of the units built consist of inclusionary housing units. Residential project developers may satisfy this requirement by the payment of an in-lieu fee. In addition, the City entered into a memorandum of understanding with landowners within the Folsom Plan Area whereby the landowners committed to deed-restrict certain lots for the development of 890 units affordable to lower-income households.

Taylor Morrison is satisfying the City's inclusionary housing requirement for its properties within the Improvement Area by payment of an in-lieu fee to the City concurrent with their pulling of building permits. The remaining portion of the Taxable Property within the Improvement Area owned by Folsom Real Estate South is also subject to the City's inclusionary housing requirement, which has not yet been satisfied.

Utilities. All typical urban utility services for finished lots will be extended to the lots. These utilities include electric power, natural gas, telephone, cable television, water, refuse, and sanitary sewer and storm water facilities. The City provides water, sewer, refuse and storm water facilities, and police and fire services. Pacific Gas & Electric provides natural gas and the Sacramento Municipal Utility District (SMUD) provides electric service. Comcast provides cable service.

Specific Plan Infrastructure Fee Credits and Improvements. The SPIF is administered by the City for the purposes of collecting impact fees for plan area wide improvements for the construction of roadways, water, sewer, drainage, dry utilities, recycled water and habitat mitigation in the Folsom Plan Area. The purpose of the SPIF is to require each landowner to pay its fair share of Folsom Plan Area area-wide improvements and to be reimbursed for any amount expended in excess of a landowner's fair share requirement. Under the terms of the SPIF Ordinance adopted by the City, property owners in the Folsom Plan Area will be eligible to enter into an agreement with the City and receive future reimbursements (that are convertible to fee credits for use within the owner's property) in exchange for the construction of eligible SPIF improvements. Based on the amount of improvements eligible for SPIF reimbursement, all of the properties within the Improvement Area are anticipated to fully cover their SPIF obligations through the conversion of these SPIF reimbursements to SPIF fee credits. After applying the SPIF reimbursements as SPIF fee credits to all properties in the Improvement Area, all amounts expended in excess of the project's SPIF obligation are expected to be reimbursed from the City as other SPIF fees are collected in the Folsom Plan Area.

Within the Folsom Plan Area, initial development will be required to pay a "SPIF Set-Aside" component to address initial water and sewer facility costs. This is a loan of SPIF collections to help the cash flow for the initial water and sewer costs. It will be repaid or equalized to all properties through the SPIF program as well as through CFD 18. The SPIF Set-Aside will apply to the first 2,500 Folsom Plan Area dwelling units that would be subject to the SPIF. A portion of the SPIF will be required to be paid regardless of whether a developer/property owner has advance-funded eligible SPIF infrastructure and has executed a Fee Reimbursement Agreement through the City. An exception to this rule is that a property owner who constructs certain water or sewer infrastructure for which the SPIF Set-Aside is being collected may take a credit against the SPIF Set-Aside.

In addition, in August 2020, the City approved an ordinance amending certain provisions of the SPIF ordinance to include a new SPIF – Offsite Water Set-Aside. This new SPIF – Offsite Water Set-Aside will be payable at the building permit stage and will not be eligible to be offset by fee credits.

Taylor Morrison Development

The information in this section has been provided by Taylor Morrison or other sources that the District believes to be reliable. The District and the Underwriter believe this information to be reliable, but can give no assurances that it is accurate or complete. There may be material adverse changes in this information after the date of this Official Statement.

Information in this section is included because it may be considered relevant to some investors to an informed evaluation and analysis of the taxable property within the Improvement Area and any existing or future improvements thereon as security for the Bonds. The information contained in this section does not guarantee that property ownership will not change or that the current or any subsequent property owners will pay the Special Tax when due. In fact, as described herein, ownership of much of the Taxable Property in the Improvement Area will change prior to, or in connection with, development thereof. The Special Tax will constitute a lien on parcels subject to taxation within the Improvement Area and not a personal indebtedness of the owners of property within the Improvement Area. There is no assurance that Taylor Morrison or any subsequent owners will have the ability to pay the Special Taxes or that, even if they have the ability, they will choose to pay the Special Taxes. An owner may elect to not pay the Special Taxes when due and cannot be legally compelled to do so. Neither the District nor any Bond Owner will have the ability at any time to seek payment directly from Taylor Morrison or any subsequent owners of property within the Improvement Area of the Special Tax or the principal or interest on the Local Obligations, or the ability to control who becomes a subsequent owner of any property within the Improvement Area.

Property Ownership – Taylor Morrison. As previously defined, "Taylor Morrison" refers to Taylor Morrison of California, LLC, a California limited liability company. As of November 1, 2024, a portion of the Taxable Property within the Improvement Area was owned by Taylor Morrison and individual homeowners. At full buildout, the portion of the Improvement Area that has been, and is being, developed by Taylor Morrison is expected to include 260 single family homes.

Taylor Morrison's sole shareholder is Taylor Morrison Services, Inc., a Delaware corporation qualified in California ("TMSI"). TMSI's ultimate parent is Taylor Morrison Home Corporation, a Delaware corporation ("TMHC"), which is traded on the New York Stock Exchange as "TMHC." TMHC's principal executive offices are located in Scottsdale, Arizona. TMHC was created as a result of the July 2007 merger of two United Kingdom-based, publicly listed homebuilders, Taylor Woodrow plc and George Wimpey plc, the predecessor entities of which commenced homebuilding operations in the United States in 1936. The subsequent integration of Taylor Woodrow, Inc. and Morrison Homes, Inc. in the U.S. formed TMHC and Monarch Corporation in Canada, respectively.

TMHC is a leading national homebuilder and developer and serves a broad range of consumers across 12 states, including first-time, move-up, luxury and resort lifestyle homebuyers and renters. TMHC operates under various brand names including Taylor Morrison, Esplanade, Darling Homes Collection by Taylor Morrison and Yardly. TMHC's financial services segment provides mortgage financing, title insurance and close services, and homeowners' insurance.

TMHC is subject to the informational requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and in accordance therewith files reports, proxy statements and other information, including financial statements, with the Securities and Exchange Commission (the "SEC"). Such filings, particularly TMHC's most recent Annual Report on Form 10-K, and TMHC's most recent Quarterly Report on Form 10-Q, each as filed by TMHC with the SEC, set forth certain data relative to the consolidated results of operations and financial position of TMHC and its subsidiaries, including Taylor Morrison, as of such dates.

The SEC maintains an internet website that contains reports, proxy and information statements and other information regarding registrants that file electronically with the SEC, including TMHC. The address of such website is www.sec.gov. All documents subsequently filed by TMHC pursuant to the requirements of the Exchange Act after the date of this Official Statement will be available for inspection in such manner as the SEC prescribes.

Copies of TMHC's Annual Report and each of its other quarterly and current reports, including any amendments, are available under the investors relations tab at its website at www.taylormorrison.com.

The foregoing website addresses and references to filings with the SEC are included for reference only, and the information on such websites and on file with the SEC is not a part of this Official Statement and is not incorporated by reference into this Official Statement. No representation is made in this Official Statement as to the accuracy or adequacy of the information contained on such websites. Taylor Morrison and TMHC are not obligated to advance funds for construction or development or to pay ad valorem property taxes or the Special Tax, and investors should not rely on the information and financial statements contained on such websites in evaluating whether to buy, hold or sell the Bonds. The information on such websites may be incomplete or inaccurate and has not been reviewed by the District or Underwriter.

Development Plan – Taylor Morrison. To date, final maps have been approved and recorded for all of the Taxable Property being developed by Taylor Morrison within the Improvement Area.

Development within this portion of the Improvement Area is entitled for a total of 260 single family homes at full buildout.

As of November 1, 2024, Taylor Morrison owned 114 lots within the Improvement Area and had sold and closed 146 completed single family homes within the Improvement Area to individual homebuyers. Taylor Morrison's lots in the Improvement Area are being developed and sold across three separate product lines: Debut at Folsom Ranch ("Debut"), Encore at Folsom Ranch ("Encore"), and Legends at Folsom Ranch ("Legends"). Taylor Morrison has completed the construction and sale of its 42 homes within the Debut product line and is actively constructing and selling the remaining units within the Encore and Legends product lines, which are expected to ultimately include 104 and 114 total homes, respectively. The following table is a summary of home types within the Encore and Legends product lines currently being constructed and sold by Taylor Morrison within the Improvement Area.

Table 10
City of Folsom
Communities Facilities District No. 23 (Folsom Ranch)
Improvement Area No. 4
Summary of Product Types – Taylor Morrison

Product Line	Plan	Living Area (square feet)	Stories	Bedrooms	Bathrooms	Garage Size	Estimated Base Price[1]	Expected Units
Encore at Folsom Ranch	Cobalt	1,767	1	3	2	2	$673,990	14
	Indigo	2,351	2	4	3	2	$729,990	26
	Sapphire	2,392	2	3-5	2.5-3	2 (w/ storage)	$734,990	15
	Iris	2,479	2	4-5	3	2	$744,990	3
	Skye	2,768	2	4-5	3	2	$774,990	46
Legends at Folsom Ranch	Canyon	1,891	1	3	2	2 (w/ storage)	$699,990	12
	Forest	1,962	1	4	3	2	$720,990	12
	Highland	2,517	2	4	3	2	$775,990	23
	Aspen	2,678	2	3-4	2.5-4.5	3 (tandem)	$790,990	17
	Ravine	3,056	2	4	3	2	$845,990	50
							TOTAL	**218**

[1] Base sales prices are as of November 1, 2024, and are subject to change at any time by Taylor Morrison. Base sales prices are exclusive of any premiums, options, upgrades, incentives, and any selling concessions or price reductions currently being offered.

Source: Taylor Morrison.

Taylor Morrison is actively constructing and marketing its homes within the Improvement Area to individual homeowners. Below is a summary of Taylor Morrison's anticipated timing for their sale and delivery of finished homes.

Table 11
City of Folsom
Communities Facilities District No. 23 (Folsom Ranch)
Improvement Area No. 4
Expected Delivery of Finished Homes by Sales Year – Taylor Morrison

Developer	Product Line	2024	2025	2026
Taylor Morrison	Encore at Folsom Ranch	63	37	4
Taylor Morrison	Legends at Folsom Ranch	58	50	6
TOTAL		**121**	**87**	**10**

Source: Taylor Morrison.

No assurance can be given that home construction and sales will be carried out on the schedule and according to the plans outlined herein, or that the home construction and sale plans or base prices set forth above will not change after the date of this Official Statement. Additionally, homes sold may not result in closed escrows as sales contracts are subject to cancellation. See "CERTAIN RISKS TO BONDHOLDERS – Failure to Develop," "– Current Challenges to the Homebuilding Industry" and "– Increasing Mortgage Interest Rates."

Development Status – Taylor Morrison. As of November 1, 2024, Taylor Morrison had sold and closed 146 homes within the Improvement Area to individual homeowners. As of that same date, Taylor Morrison owned 114 lots within the Improvement Area, including finished lots, homes under construction, and finished homes. The following table summarizes, as of November 1, 2024, the development status of the residential lots and homes within the Improvement Area owned or constructed by Taylor Morrison.

Table 12
City of Folsom
Community Facilities District No. 23 (Folsom Ranch)
Improvement Area No. 4
[Estimated] Development Status as of November 1, 2024[1]

	Taylor Morrison			
	Debut at Folsom Ranch	Encore at Folsom Ranch	Legends at Folsom Ranch	**Totals**
Completed Homes				
Sales Closed	42	54	50	**146**
Models	0	2	2	**4**
For Sale	0	1	1	**2**
Under Contract[2]	0	3	5	**8**
Subtotals:	**42**	**60**	**58**	**160**
Homes Under Construction				
Models	0	0	0	**0**
For Sale	0	9	10	**19**
Under Contract[2]	0	13	15	**28**
Subtotals:	**0**	**22**	**25**	**47**
Lots Without Vertical Construction				
Additional Building Permits Issued[3]	0	5	5	**10**
Finished Lots[4]	0	17	26	**43**
Partially Improved Lots	0	0	0	**0**
Undeveloped Lots	0	0	0	**0**
Subtotals:	**0**	**22**	**31**	**53**
TOTAL PROPOSED UNITS:	**42**	**104**	**114**	**260**

(1) Reflects the development status within the Improvement Area as of November 1, 2024. The Appraisal and the value to lien information provided elsewhere in this Official Statement reflect an August 31, 2024, date of value for the Taxable Property in the Improvement Area.
(2) Homes under contract may not result in closed escrows as sales contracts are subject to cancellation by the homebuyers.
(3) Reflects lots not reflected in prior categories for which a building permit has been obtained.
(4) Reflects lots for which all conditions to issuance of a building permit have been completed, consisting generally of paved lots with streets installed and paved with all utilities and utilities stubbed to the pad, but no vertical construction.

Source: Taylor Morrison.

Financing Plan - Taylor Morrison. To date, Taylor Morrison has financed its land acquisition and home construction costs related to its property in the Improvement Area through internally generated funds (which may include home sales revenues and funding from its parent company). As of November

1, 2024, Taylor Morrison had expended approximately $[121.1] million on land acquisition, homebuilding, marketing and sales costs within the Improvement Area. As of such date, Taylor Morrison expected to incur approximately $[34.2] million on remaining homebuilding, marketing, and sales costs for its property in the Improvement Area.

Taylor Morrison expects to use internally generated funding (which may include home sales revenues and funding from its parent company) to complete its development in the Improvement Area. Taylor Morrison believes that it will have sufficient funds available to complete its planned development in the Improvement Area in accordance with the development schedule described in this Official Statement.

Notwithstanding the belief of Taylor Morrison that it will have sufficient funds to complete its planned development in the Improvement Area, no assurance can be given that sources of financing available to Taylor Morrison will be sufficient to complete the development and home construction as currently anticipated. While Taylor Morrison has made such internal financing available in the past, there can be no assurance whatsoever of its willingness or ability to do so in the future. Neither Taylor Morrison nor any of its affiliates has any legal obligation of any kind to make any such funds available or to obtain loans. Other than pointing out the willingness of Taylor Morrison to provide internal financing in the past, Taylor Morrison has not represented in any way that it will do so in the future.

If and to the extent that internal financing and home sales revenues are inadequate to pay the costs to complete Taylor Morrison's planned development and home construction in the Improvement Area as currently anticipated and other financing by Taylor Morrison is not put into place, there could be a shortfall in the funds required to complete the proposed land acquisition, development and home construction by Taylor Morrison and portions of the project may not be developed.

Folsom Real Estate South Development

The information in this section has been provided by Folsom Real Estate South or other sources that the District believes to be reliable. The District and the Underwriter believe this information to be reliable, but can give no assurances that it is accurate or complete. There may be material adverse changes in this information after the date of this Official Statement.

Information in this section is included because it may be considered relevant to some investors to an informed evaluation and analysis of the taxable property within the Improvement Area and any existing or future improvements thereon as security for the Bonds. The information contained in this section does not guarantee that property ownership will not change or that the current or any subsequent property owners will pay the Special Tax when due. In fact, as described herein, ownership of much of the Taxable Property in the Improvement Area will change prior to, or in connection with, development thereof. The Special Tax will constitute a lien on parcels subject to taxation within the Improvement Area and not a personal indebtedness of the owners of property within the Improvement Area. There is no assurance that Folsom Real Estate South or any subsequent owners will have the ability to pay the Special Taxes or that, even if they have the ability, they will choose to pay the Special Taxes. An owner may elect to not pay the Special Taxes when due and cannot be legally compelled to do so. Neither the District nor any Bond Owner will have the ability at any time to seek payment directly from Folsom Real Estate South or any subsequent owners of property within the Improvement Area of the Special Tax or the principal or interest on the Local Obligations, or the ability to control who becomes a subsequent owner of any property within the Improvement Area.

Property Ownership – Folsom Real Estate South. Other than the 260 lots owned by Taylor Morrison and individual homeowners, Folsom Real Estate South owns the remainder of the Taxable

Property within the Improvement Area, which is referred to herein as the Four Large Lots. Folsom Real Estate South is in the process of selling the Four Large Lots and has entered into letters of intent with multiple nationally recognized homebuilders to negotiate the sale of the Four Large Lots and other properties within the Folsom Plan Area (but outside of the Improvement Area). Folsom Real Estate South is actively negotiating with one of these homebuilders to acquire and develop its Taxable Property within the Improvement Area. In addition to the Four Large Lots, Folsom Real Estate South also owns an 11-acre elementary school site within the Improvement Area, which it anticipates selling to the Folsom Cordova Unified School District.

As previously defined, "Folsom Real Estate South" refers to Folsom Real Estate South, LLC, a Delaware limited liability company. Folsom Real Estate South is a land investment company that expects to transfer its Taxable Property within the Improvement Area to an affiliate that will then sell the property to a nationally recognized homebuilder that will develop the land and construct and sell homes to individual homebuyers.

HBT Mangini, LLC ("HBT Mangini"), a Delaware limited liability company, is the managing member of Folsom Real Estate South and an affiliate of WestLand. All decisions of HBT Mangini are made by the three officers and directors who are William Bunce, John Hagenbuch and John Telischak, whom are also principals in projects adjacent to the Improvement Area where they (through WestLand and its affiliated entities) control land holdings that are planned for the development of nearly 3,500 dwelling units and 1.2 million square feet of commercial and office uses. Messrs. Bunce, Hagenbuch and Telischak also serve as the President, Chairman and Managing Director of WestLand, respectively. The three officers are supported by other staff of WestLand, including Rick Jordan and Rob Aragon, and Kim Harms, the CFO and a CPA. Mr. Bunce, as President, is responsible for all operating decisions but consults regularly with the Board on most operating decisions and all strategic decisions.

Development Plan – Folsom Real Estate South. Folsom Real Estate South is actively negotiating with a builder to acquire and develop its Taxable Property within the Improvement Area. Folsom Real Estate South expects the Four Large Lots to ultimately include 388 detached single-family homes at full development and is in the process of preparing the small lot tentative maps for these units, which it anticipates being approved by the City during the second quarter of 2025. Folsom Real Estate South intends to sell the Four Large Lots in an "as-is" condition to a nationally recognized homebuilder. If the currently anticipated sale of the Four Large Lots should not close, Folsom Real Estate South expects that it would seek one or more separate additional buyers to develop the Four Large Lots.

Pursuant to the expected purchase and sale agreement, Folsom Real Estate South anticipates the sale of the Four Large Lots to the anticipated homebuilder closing upon the satisfaction of various conditions, including the buyer's prior payment of one or more non-refundable deposits and City approval of a small lot tentative map.

There are several conditions in the purchase and sale agreement that must be met before the Four Large Lots may close escrow to the buyer, and no assurance can be given that the sale of the Four Large Lots to the buyer will close at the time anticipated and described in this Official Statement, or at all. See "CERTAIN RISKS TO BONDHOLDERS – Failure to Develop," "– Current Challenges to the Homebuilding Industry" and "– Increasing Mortgage Interest Rates."

Development Status – Folsom Real Estate South. Folsom Real Estate South's Taxable Property within the Improvement Area, referred to herein as the Four Large Lots, is entitled to include up to 388 residential units at full development but is currently unimproved land that will require significant additional infrastructure and site development work to become fully developed. Additionally, as described more below, there are several remaining discretionary and non-discretionary approvals required

before the Four Large Lots can be fully developed, including the approval of tentative and final small lot maps and satisfaction of City requirements relating to inclusionary housing and habitat mitigation. The actual number of lots ultimately included on the approved tentative and final small lot maps may change from the 388 lots current anticipated by Folsom Real Estate South. A deviation from the expected 388 lots would require City approval of a minor administrative modification and could delay the expected timing of development of the Four Large Lots.

The Four Large Lots have received all required environmental permits and approvals for the development of up to 388 residential units. However, additional habitat mitigation credits will be required for the planned development within the Four Large Lots. Also, the Four Large Lots are subject to the City's inclusionary housing requirement. In conjunction with the process of obtaining tentative small lot map approval, Folsom Real Estate South anticipates confirming with the City the specific manner in which the requirements relating to additional habitat mitigation and inclusionary housing will be satisfied. Additionally, any changes to the development plans for the Four Large Lots by Folsom Real Estate South or any subsequent owner may require additional governmental review and approval. See "PROPOSED PROPERTY DEVELOPMENT – Folsom Real Estate South Development – Backbone and Offsite Infrastructure and Subdivision Improvements" herein for additional information relating to the required infrastructure and site development work for the Four Large Lots.

Backbone and Offsite Infrastructure and Subdivision Improvements. The Original Developer has completed all required backbone infrastructure, offsite improvements, and subdivision improvements serving the portion of the Improvement Area owned by Taylor Morrison and individual owners (totaling 260 lots). As of August 31, 2024, the Original Developer had expended approximately $35 million for the various infrastructure and site development costs within that portion of the Improvement Area.

The remaining portion of the Taxable Property within the Improvement Area (totaling an expected 388 lots) will require significant additional infrastructure and site development work to become fully developed. This work includes, but is not limited to, mass grading (including implementation of an asbestos dust control plan), utilities and roadway improvements, and subdivision improvements. Pursuant to the expected purchase and sale agreement, Folsom Real Estate South anticipates selling the Four Large Lots in an "as-is" condition, and the buyer of that property would be required to complete the necessary infrastructure and site development. As of September 2024, Folsom Real Estate South estimated the required infrastructure and site development costs of the Four Large Lots to be approximately $60 million.

[The Original Developer undertook an asbestos dust control plan with respect to the grading of the 260 lots owned by Taylor Morrison and individual homeowners. Folsom Real Estate South expects that the buyer and developer of the Four Large Lots will need to implement a similar asbestos dust control plan for the grading of that property.]

The Original Developer, an affiliate of Westland, completed the infrastructure and subdivision improvements relating to the 260 lots owned by Taylor Morrison and individual owners. The Original Developer anticipates seeking reimbursement from the proceeds of the sale of the Local Obligations for these completed Facilities, which generally include improvements relating to the undergrounding of utilities designed to meet the needs of development within the District. Specifically, to the extent there are available proceeds, the Original Developer anticipates these Facilities including: (i) various internal subdivision streets and related underground utilities, and (ii) roadway improvements relating to East Bidwell Street, Savannah Parkway, and Mangini Parkway. The Facilities for which the Original Developer anticipates seeking reimbursement from the proceeds of the sale of the Local Obligations have all been completed and accepted by the City.

CERTAIN RISKS TO BONDHOLDERS

This section provides a general overview of certain risk factors which should be considered, in addition to the other matters set forth in this Official Statement, in evaluating an investment in the Bonds. This section is not meant to be a comprehensive or definitive discussion of the risks associated with an investment in the Bonds, and the order in which this information is presented does not necessarily reflect the relative importance of various risks. Potential investors in the Bonds are advised to consider the following factors, among others, and to review this entire Official Statement to obtain information essential to the making of an informed investment decision. Any one or more of the risk factors discussed below, among others, could lead to a decrease in the market value and/or in the marketability of the Bonds. There can be no assurance that other risk factors not discussed herein will not become material in the future.

Levy of the Special Tax

The principal source of payment of debt service on the Local Obligations, from which funds for the payment of the Bonds are derived, is the proceeds of the annual levy and collection of the Special Tax against property in the Improvement Area. The annual levy of the Special Tax is subject to the Maximum Facilities Special Tax rates authorized within the Improvement Area. The levies cannot be made at higher rates even if the failure to do so means that the estimated proceeds of the levy and collection of the Special Tax, together with other available moneys, will not be sufficient to pay debt service on the Local Obligations. Other funds which might be available include funds derived from the payment of delinquent Special Tax and funds derived from the tax sale or foreclosure and sale of related Taxable Property on which levies of the Special Tax are delinquent.

The levy of the Special Tax will rarely, if ever, result in a uniform relationship between the value of particular Taxable Property and the amount of the levy of the Special Tax against such parcels. Thus, there will rarely, if ever, be a uniform relationship between the value of such parcels and the proportionate share of debt service on the Local Obligations, and certainly not a direct relationship.

The Special Tax levied in any particular tax year on a Taxable Property is based upon the revenue needs and application of the Rate and Method. Application of the Rate and Method will, in turn, be dependent upon certain development factors with respect to each parcel of Taxable Property by comparison with similar development factors with respect to the other Taxable Property in the Improvement Area. Thus, in addition to annual variations of the revenue needs from the Special Tax, the following are some of the factors which might cause the levy of the Special Tax on any particular Taxable Property to vary from the Special Tax that might otherwise be expected:

- Reduction in the amount of Taxable Property for such reasons as acquisition of Taxable Property by the federal government or an agency thereof, asserting immunity (however, see "Exempt Properties" below) from taxation, thereby resulting in an increased tax burden on the remaining Taxable Property.

- Failure of the related owners of Taxable Property to pay the Special Tax and delays in the collection of or inability to collect the Special Tax by tax sale or foreclosure and sale of the delinquent parcels, thereby resulting in an increased tax burden on the remaining parcels, subject to the related Maximum Facilities Special Tax.

Collection of Special Tax

In order for the District to pay debt service on the Local Obligations, from which funds for the payment of the Bonds are derived, it is necessary that the Special Tax levied against land in the Improvement Area be paid in a timely manner. The District has established the Local Obligations Reserve Account under the Local Obligations Indenture in the amount of the Required Bond Reserve to pay debt service on the Local Obligations, in the event that a portion of the Special Taxes for the Local Obligations are not paid on time.

The Local Obligations Indenture provides that the Special Tax is to be collected in the same manner as ordinary *ad valorem* property taxes are collected and, except as provided in the special covenant for foreclosure described below and in the Mello-Roos Act, is to be subject to the same penalties and the same procedure, sale and lien priority in case of delinquency as is provided for *ad valorem* property taxes. Pursuant to these procedures, if taxes are unpaid for a period of five years or more, the property is deeded to the State and then is subject to sale by the County.

Pursuant to the Mello-Roos Act, in the event of any delinquency in the payment of the Special Tax, the District may order the institution of a Superior Court action to foreclose the lien therefor within specified time limits. In such an action, the real property subject to the unpaid amount may be sold at judicial foreclosure sale. Such judicial foreclosure action is not mandatory. However, the District has covenanted that it will conduct foreclosure proceedings against delinquent installment payments when there is a greater than 5% deficiency in the amount of the Special Tax levied or any single property owner is then delinquent on four or more installments of the Special Tax, except where the District has received 100% of such installment from the County pursuant to the Teeter Plan. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS—Covenant for Foreclosure."

In the event that sales or foreclosures of property are necessary, there could be a delay in payments to Owners of the Bonds pending such sales or the prosecution of foreclosure proceedings and receipt by the District of the proceeds of sale if the Local Obligations Reserve Account with respect to the Local Obligations is depleted.

The District may be unable to make full or timely payment of debt service on the Local Obligations if property owners in the Improvement Area fail to pay installments of the Special Tax when due, if the Local Obligations Reserve Account is depleted, or if the District is unable to sell related foreclosed parcels for amounts sufficient to cover the delinquent installments of the Special Tax.

Concentration of Ownership

Currently, a large portion of the Taxable Property in the Improvement Area is owned by Taylor Morrison and Folsom Real Estate South, and consequently, a large portion of the Special Tax within the Improvement Area will be paid by Taylor Morrison (and Folsom Real Estate South to the extent that the Special Tax is levied on Undeveloped Property or Folsom Real Estate South retains ownership of its Taxable Property as it becomes developed) until the homes are completed and sold. See "PROPOSED PROPERTY DEVELOPMENT—Property Ownership."

Taylor Morrison is in the process of building and selling completed homes to individual homeowners, and Folsom Real Estate South is actively negotiating with a buyer for its Taxable Property within the Improvement Area. No assurance can be given that the property sales will close when anticipated. See "PROPOSED PROPERTY DEVELOPMENT—Property Ownership." Generally, the risk of delinquency or nonpayment of Special Taxes at levels which do not permit the timely payment of principal of and interest on the Bonds is inversely correlated to the diversity of ownership of Taxable

Property within the Improvement Area. The fact that a substantial portion of the property providing the ultimate security for the payment of Local Obligations is controlled by only a few owners means that timely payment of the respective Special Tax and, therefore, the Bonds, will depend initially upon the willingness and ability of these few owners to pay the Special Tax when due. The only assets of Taylor Morrison and Folsom Real Estate South that constitute security for the Local Obligations are their real property holdings located within the Improvement Area.

There can be no assurance that the remaining partially developed property within the Improvement Area will be fully developed and that property ownership will be further diversified as a result. See "CERTAIN RISKS TO BONDHOLDERS—Failure to Develop."

Payment of the Special Tax is Not a Personal Obligation of a Property Owner

A PROPERTY OWNER IS NOT PERSONALLY OBLIGATED TO PAY THE SPECIAL TAX. RATHER, THE SPECIAL TAXES ARE OBLIGATIONS ONLY AGAINST THE PROPERTY. IF THE VALUE OF THE PARCELS OF PROPERTY IS NOT SUFFICIENT, TAKING INTO ACCOUNT OTHER OBLIGATIONS ALSO PAYABLE THEREBY, TO FULLY DISCHARGE THE SPECIAL TAX, THE DISTRICT WILL HAVE NO RECOURSE AGAINST THE PROPERTY OWNER.

Potential Early Redemption of Bonds from Prepaid Special Taxes

Property owners within the Improvement Area are permitted to prepay their Special Taxes at any time. Such prepayments could also be made from the proceeds of bonds issued by or on behalf of an overlapping special assessment district or community facilities district. Such payments will result in a redemption of the Bonds on the Interest Payment Date for which timely notice may be given under the Trust Agreement following the receipt of the prepayment. The resulting redemption of Bonds purchased at a price greater than par could reduce the otherwise expected yield on such Bonds. See "THE BONDS—Redemption Provisions—*Extraordinary Redemption from Prepayment of Special Taxes*."

Special Tax Delinquencies

The Special Taxes are billed to the properties within the Improvement Area on the *ad valorem* property tax bills sent to owners of such properties. Such Special Tax installments are due and payable, and bear the same penalties and interest for non-payment, as do *ad valorem* property tax installments. In each year the County includes the Improvement Area in the Teeter Plan, the County will be obligated to pay the District 100% of the amount of the Special Taxes actually levied in the Improvement Area, regardless of any delinquencies. However, the County is required to terminate the Teeter Plan if two-thirds of the participants so petition the Board of Supervisors and may discontinue the Teeter Plan as to the Improvement Area if the delinquency rate in the Improvement Area exceeds 3%. Moreover, the County determines annually whether to include a particular district in the Teeter Plan. See "—Teeter Plan Termination" and "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS—The Teeter Plan." Significant delinquencies in the payment of annual Special Tax installments, or delays in the prosecution of foreclosure proceedings to collect such Special Taxes, could result in a default in the payment of the debt service on the Bonds. See "—Bankruptcy" and "—FDIC/Federal Government Interests in Properties" below, for a discussion of the limitations on the District's ability to foreclose on the lien of the Special Taxes in certain circumstances and the policy of the Federal Deposit Insurance Corporation regarding the payment of special taxes.

Teeter Plan Termination

The County has implemented its Teeter Plan as an alternate procedure for the distribution of certain property tax and assessment levies on the secured roll. The County determines annually which special taxes and assessment levies to include in the Teeter Plan. Pursuant to its Teeter Plan, once the County determines to include special taxes and assessment levies in the Teeter Plan, the County provides the local agency and taxing area with full tax and assessment levies instead of actual tax and assessment collections. In return, the County is entitled to retain all delinquent tax and assessment payments, penalties and interest. Thus, the County's Teeter Plan may help protect Owners from the risk of delinquencies in the payment of Special Taxes. However, the County is entitled, and under certain circumstances could be required, to terminate its Teeter Plan with respect to all or part of the local agencies and taxing areas covered thereby. In addition, the County may decide not to include certain special taxes and assessment levies, including the Improvement Area, in the Teeter Plan in any fiscal year. Any termination of the Teeter Plan with respect to the Improvement Area would eliminate such protection from delinquent Special Taxes. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS—The Teeter Plan."

Land Values

If a property owner defaults in the payment of the Special Tax, from which funds for the payment of the Bonds are derived, the District's only remedy is to foreclose on the delinquent property in an attempt to obtain funds with which to pay the delinquent Special Tax. The value of taxable property in the Improvement Area is therefore an important consideration in evaluating the security for the Bonds. Land values could be adversely affected by economic factors beyond the District's control, such as relocation of employers out of the area, stricter land use regulations, the absence of water, or destruction of property caused by, among other eventualities, earthquake, flood or other natural disaster, or by environmental pollution or contamination.

Appraisal Risks

The Appraiser has estimated the market value of the property in the Improvement Area on the basis of certain assumptions which the Appraiser believes to be reasonable under the circumstances. See the Appraisal included in APPENDIX G hereto. However, certain of the assumptions made by the Appraiser may prove to be untrue.

Although the District believes that the Appraiser's methodology and assumptions are reasonable under the circumstances, the Appraiser's aggregate value conclusions are expressions of professional opinion only. No assurance can be given that the aggregate values of property in the Improvement Area are equal to or greater than the Appraiser's estimated values, nor can any assurance be given that such aggregate values will not decline during the period of time the Bonds are Outstanding. The values of the property in the Improvement Area can be adversely affected by a variety of factors, including, but not limited to, the occurrence of one or more of the special risk events discussed herein. A decline in the value of a parcel in the Improvement Area could lower the ability or willingness of the owner of such parcel to pay Special Taxes when due and would decrease the amount recoverable at a foreclosure sale of such parcel.

See "THE IMPROVEMENT AREA—Property Values" for a further discussion of estimated property values in the Improvement Area.

Exempt Properties

Certain properties within the Improvement Area are or may become exempt from the Special Tax in accordance with the Rate and Method. In addition, the Mello-Roos Act provides that properties or entities of the state, federal or local government are exempt from Special Tax; provided, however, that property acquired by a public entity through a negotiated transaction or by gift or devise, which is not otherwise exempt from the Special Tax, will continue to be subject to the Special Tax. In addition, the Mello-Roos Act provides that if property subject to Special Tax is acquired by a public entity through eminent domain proceedings, the obligation to pay Special Tax with respect to that property is to be treated as if it were a special assessment. Further, properties receiving a welfare exemption under subsection (g) of Section 214 of the California Revenue and Taxation Code are exempt from the Special Tax unless debt is outstanding and the property was subject to the Special Tax prior to receiving the exemption. Currently, the Improvement Area includes approximately 5.8 acres that are expected to be developed into a 152-unit affordable housing site that will receive a welfare exemption and be exempt from the Special Tax. The constitutionality and operation of these provisions of the Mello-Roos Act have not been tested.

In particular, insofar as the Mello-Roos Act requires payment of a special tax by a federal entity acquiring property within the community facilities district, it may be unconstitutional. If for any reason property within the Improvement Area becomes exempt from taxation, then, subject to the Rate and Method, including the limitation on the maximum special tax rates set out in the Rate and Method, the special tax will be reallocated to the remaining taxable properties within the Improvement Area. This would result in the owners of such property paying a greater amount of the Special Tax and could have an adverse impact upon the timely payment of the Special Tax. Moreover, if a substantial portion of land within the Improvement Area becomes exempt from the Special Tax because of public ownership, or otherwise, the maximum rate that could be levied upon the remaining property might not be sufficient to pay principal of and interest on the related Local Obligations and could adversely affect the ability of the District to pay principal of and interest on the Bonds when due.

Maximum Special Tax

Within the limits of the Special Tax, the District may adjust the Special Tax on all property in the Improvement Area to provide an amount required to pay interest on, principal of, Minimum Sinking Fund Payments for and redemption premiums, if any, on the Local Obligations, and the amount, if any, necessary to cure delinquencies and replenish the Local Obligations Reserve Account to an amount equal to the Required Bond Reserve, and to pay all current Expenses.

Although the Maximum Facilities Special Tax is designed to provide Special Tax revenues on an annual basis, there is no assurance that the Maximum Facilities Special Tax on the property in the Improvement Area will be sufficient to pay the amounts required to be paid by the Local Obligations Indenture at all times, from which funds for the payment of the Bonds are derived. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS—Special Tax Authorization" and APPENDIX A—"RATE AND METHOD."

Under the Rate and Method, the Facilities Special Tax levied in any fiscal year against any Assessor's Parcel (as defined in the Rate and Method) of Developed Property classified as Residential Property may not be increased as a consequence of delinquency or default by the owner or owners of any other parcel or parcels within the Improvement Area by more than 10% above the amount that would have been levied against such Assessor's Parcel in that fiscal year had there never been any such delinquencies or defaults. Pursuant to the Rate and Method, property is considered "Residential Property" once a building permit could be issued for the purposes of constructing one or more Residential

Units, including either single family detached homes or multi-family attached properties, such as apartments, and property is considered "Developed Property" if a building permit for new construction was issued prior to June 30 of the previous fiscal year.

No Acceleration Provision

The Local Obligations Indenture does not contain a provision allowing for the acceleration of the Bonds in the event of a payment default or other default under the terms thereof.

Loss of Tax Exemption

As discussed under "TAX MATTERS," interest on the Bonds could become includable in gross income for purposes of federal income taxation retroactive to the date of issuance, as a result of acts or omissions of the District subsequent to the issuance of the Bonds in violation of the District's covenants with respect to the Bonds. Should interest become includable in gross income, the Bonds are not subject to redemption by reason thereof and will remain outstanding until maturity or unless earlier redeemed pursuant to optional or mandatory redemption.

Parity Taxes and Special Assessments

The ability or willingness of a property owner in the Improvement Area to pay the Special Tax, from which funds for the payment of the Bonds are derived, could be affected by the existence of other taxes and assessments imposed upon the property either currently existing or imposed in the future. The assessments and any penalties thereon constitute a lien against the lots and parcels of land on which they have been levied until they are paid. Such lien is on parity with all special taxes and special assessments levied by other agencies and is co-equal to and independent of the lien for general property taxes and other special assessments regardless of when they are imposed upon the same property. The Special Tax has priority over all existing and future private liens imposed on the property. In addition, other public agencies whose boundaries overlap those of the Improvement Area could, with or in some circumstances without the consent of the owners of the land in the Improvement Area, impose additional taxes or assessment liens on the property in the Improvement Area in order to finance public improvements to be located inside or outside of the Improvement Area.

Although the District has covenanted not to impose additional special taxes or assessments on property within the Improvement Area except in accordance with the Local Obligations Indenture, the Authority and the District have no control over the ability of other entities and districts to issue indebtedness secured by special taxes or assessments payable from all or a portion of the property in the Improvement Area. The imposition of additional liens on parity with the assessments could reduce the ability or willingness of the owners of parcels in the Improvement Area to pay the Special Tax and increases the possibility that foreclosure proceeds will not be adequate to pay delinquent Special Taxes or the principal of and interest on the Local Obligations when due. As described under "FOLSOM PLAN AREA—Public Facilities Financing Plan," and "THE IMPROVEMENT AREA—Overlapping Debt" the City plans to issue additional obligations secured by special taxes from time to time to finance backbone infrastructure and public improvements within the Folsom Plan Area and the boundaries of the Improvement Area. For example, CFD 18 authorized the issuance of up to $200,000,000 in obligations. The special taxes securing such additional obligations would be payable on parity with the Special Taxes. In addition, property owners may choose to participate in a residential PACE program (a mechanism for financing energy efficiency and renewable energy improvements on private property), consenting to assessments on their parcels that would be on a parity with the Special Taxes.

Future Private Indebtedness

At the present time, the Improvement Area includes properties that are undergoing development or are developed. In order to develop any improvements on that undeveloped land, the property owners will need to construct private improvements, the cost of which may increase the private debt for which the land in the Improvement Area or other land or collateral owned by the property owners is security over that contemplated by the Local Obligations, and such increased debt could reduce the ability or desire of the property owners to pay the Special Tax secured by the land in the Improvement Area. It should be noted however, that the lien of any private financing secured by the land within the Improvement Area would be subordinate to the lien of the Special Tax.

Disclosures to Future Purchasers

The District has recorded notice of the Special Tax Lien in the Office of the County Recorder of the County of Sacramento. While title companies normally refer to such notices in title reports, there can be no guarantee that such reference will be made or, if made, that a prospective purchaser or lender will consider such Special Tax obligation in the purchase of a parcel of land, a home or a commercial or industrial facility in the Improvement Area or the lending of money thereon. The Mello-Roos Act requires the subdivider (or its agent or representative) of a subdivision to notify a prospective purchaser or long-term lessor of any lot, parcel, or unit subject to a Mello-Roos special tax of the existence and maximum amount of such special tax using a statutorily prescribed form. State Civil Code Section 1102.6b requires that in the case of transfers other than those covered by the above requirement, the seller must at least make a good faith effort to notify the prospective purchaser of the special tax lien in a format prescribed by statute. Failure by an owner of the property to comply with the above requirements, or failure by a purchaser or lessor to consider or understand the nature and existence of the Special Tax, could adversely affect the willingness and ability of the purchaser or lessor to pay the Special Tax, from which funds for the payment of the Bonds are derived, when due.

Bankruptcy

The payment of the Special Tax and the ability of the District to foreclose the lien of a delinquent unpaid tax, as discussed in "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS," may be limited by bankruptcy, insolvency or other laws generally affecting creditors' rights or by the laws of the State relating to judicial foreclosure. In addition, the prosecution of a foreclosure action could be delayed

due to crowded local court calendars or delays in the legal process. The various legal opinions to be delivered concurrently with the delivery of the Bonds (including Bond Counsel's approving legal opinion) will be qualified as to the enforceability of the various legal instruments by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights, by the application of equitable principles and by the exercise of judicial discretion in appropriate cases.

Although bankruptcy proceedings would not cause the lien of the Special Tax to become extinguished, bankruptcy of a property owner could result in a delay in prosecuting superior court foreclosure proceedings. The federal bankruptcy laws provide for an automatic stay of foreclosure and sale of tax sale proceedings, thereby delaying such proceedings perhaps for an extended period. Any such delays would increase the likelihood of a delay or default in payment of the principal of and interest on the Bonds and the possibility of delinquent tax installments not being paid in full. To the extent that property in the Improvement Area continues to be owned by a limited number of property owners, the chances are increased that the Local Obligations Reserve Fund could be fully depleted during any such delay in obtaining payment of delinquent Special Taxes. As a result, sufficient moneys would not be available in the Local Obligations Reserve Account to make up shortfalls resulting from delinquent payments of the Special Tax and thereby to pay principal of and interest on the Local Obligations on a timely basis. The payment of the Special Tax and the ability of the District to foreclose the lien of a delinquent unpaid tax could be delayed by bankruptcy, reorganization, insolvency, moratorium or other similar laws affecting rights of creditors generally or by the laws of the State relating to judicial foreclosure. Further, should remedies be exercised under the federal bankruptcy laws against parcels in the Improvement Area, payment of the Special Tax may be subordinated to bankruptcy law priorities. Thus, certain claims may have priority over the Special Tax in a bankruptcy proceeding even though they would not outside of a bankruptcy proceeding.

FDIC/Federal Government Interests in Properties

The ability of the District to foreclose the lien of delinquent unpaid Special Tax installments may be limited with regard to properties in which the Federal Deposit Insurance Corporation (the "FDIC"), the Drug Enforcement Agency, the Internal Revenue Service, or other federal agency has or obtains an interest.

Under the Supremacy Clause of the United States Constitution, unless Congress has otherwise provided, if a federal governmental entity owns a parcel that is subject to Special Taxes within the Improvement Area but does not pay taxes and assessments levied on the parcel (including Special Taxes), the applicable state and local governments cannot foreclose on the parcel to collect the delinquent taxes and assessments. Moreover, unless Congress has otherwise provided, if the federal government has a mortgage interest in the parcel and the District wishes to foreclose on the parcel as a result of delinquent Special Taxes, the property cannot be sold at a foreclosure sale unless it can be sold for an amount sufficient to pay delinquent taxes and assessments on parity with the Special Taxes and preserve the federal government's mortgage interest. In *Rust v. Johnson*, 597 F.2d 174 (1979), the United States Court of Appeal, Ninth Circuit held that the Federal National Mortgage Association ("FNMA") is a federal instrumentality for purposes of this doctrine, and not a private entity, and that, as a result, an exercise of state power over a mortgage interest held by FNMA constitutes an exercise of state power over property of the United States.

Neither the Authority nor the District have undertaken to determine whether any federal governmental entity currently has, or is likely to acquire, any interest (including a mortgage interest) in any of the parcels subject to the Special Taxes within the Improvement Area, and therefore expresses no view concerning the likelihood that the risks described above will materialize while the Bonds are outstanding.

In the event that any financial institution making any loan which is secured by real property within the Improvement Area is taken over by the FDIC, and prior thereto or thereafter the loan or loans go into default, then the ability of the Authority to collect interest and penalties specified by State law and to foreclose the lien of delinquent unpaid Special Taxes may be limited.

The FDIC's policy statement regarding the payment of state and local real property taxes (the "Policy Statement") provides that property owned by the FDIC is subject to state and local real property taxes only if those taxes are assessed according to the property's value, and that the FDIC is immune from real property taxes assessed on any basis other than property value. According to the Policy Statement, the FDIC will pay its property tax obligations when they become due and payable and will pay claims for delinquent property taxes as promptly as is consistent with sound business practice and the orderly administration of the institution's affairs, unless abandonment of the FDIC's interest in the property is appropriate. The FDIC will pay claims for interest on delinquent property taxes owed at the rate provided under state law, to the extent the interest payment obligation is secured by a valid lien. The FDIC will not pay any amounts in the nature of fines or penalties and will not pay nor recognize liens for such amounts. If any property taxes (including interest) on FDIC-owned property are secured by a valid lien (in effect before the property became owned by the FDIC), the FDIC will pay those claims. The Policy Statement further provides that no property of the FDIC is subject to levy, attachment, garnishment, foreclosure or sale without the FDIC's consent. In addition, the FDIC will not permit a lien or security interest held by the FDIC to be eliminated by foreclosure without the FDIC's consent.

The Policy Statement states that the FDIC generally will not pay non-ad *valorem* taxes, including special assessments, on property in which it has a fee interest unless the amount of tax is fixed at the time that the FDIC acquires its fee interest in the property, nor will it recognize the validity of any lien to the extent it purports to secure the payment of any such amounts. Special taxes imposed under the Mello-Roos Act and a special tax formula which determines the special tax due each year are specifically identified in the Policy Statement as being imposed each year and therefore covered by the FDIC's federal immunity. The Ninth Circuit has issued a ruling on August 28, 2001, in which it determined that the FDIC, as a federal agency, is exempt from Mello-Roos special taxes. According to information available from the Sacramento County assessment roll, the FDIC does not currently own any of the property in the Improvement Area.

The Authority and the District are unable to predict what effect the application of the Policy Statement would have in the event of a delinquency in the payment of Special Taxes on a parcel within the Improvement Area in which the FDIC has or obtains an interest, although prohibiting the lien of the FDIC to be foreclosed out at a judicial foreclosure sale could reduce or eliminate the number of persons willing to purchase a parcel at foreclosure sale. Such an outcome could cause a draw on the reserve account for the Local Obligations and perhaps, ultimately, if enough property were to become owned by the FDIC, a default in payment on the Local Obligations and the Bonds.

Zoning and Land Use Decisions

The Special Taxes, from which funds for the payment of the Bonds are derived, are to be levied annually based upon the land use categories in effect for the property. Decisions made by the City Council, which has control over zoning and land use decisions for property in the City, will affect the prospective use of the property and, therefore, the tax base for the Special Tax. The Rate and Method does not permit land use changes to reduce the tax base to below the Special Tax Requirement.

Ballot Initiatives and Measures

From time to time constitutional initiatives or other initiative measures may be adopted by State voters or voters of the City, such as Measure W adopted by City residents in November 2004 described herein. The adoption of any such initiative in the future might place limitations on the ability of the State or any political subdivisions thereof, including the Authority or the City, to increase revenues or to increase appropriations, the ability of the landowners to complete their developments, or the ability of the District to collect the Special Tax.

Shapiro v. San Diego

On August 1, 2014, the California Court of Appeal, Fourth Appellate District, Division One, issued its opinion in *Shapiro v. San Diego City Council*, 117 Cal. Rptr. 2d 631, 96 Cal. App. 4th 904 (2002). The case involved a Convention Center Facilities District (the "CCFD") established by the City of San Diego, much like a community facilities district established under the provisions of the Mello-Roos Act. The CCFD is comprised of all of the real property in all of the City of San Diego. However, the special tax to be levied within the CCFD was to be levied only on hotel properties.

At the election to authorize such special tax, the electorate was limited to owners of hotel properties and lessees of certain of such hotel properties. Thus, the election was a landowner election limited to owners and lessees of properties on which the special tax would be levied, and not a registered voter election. Such approach to determining who would constitute the qualified electors of the CCFD was based on Section 53326(c) of the Mello-Roos Act, which generally provides that, if a special tax will not be apportioned in any tax year on residential property, the legislative body may provide that the vote shall be by the landowners of the proposed district whose property would be subject to the special tax. The Court held that the CCFD special tax election was invalid under the California Constitution because Article XIII A, Section 4 thereof and Article XIII C, Section 2 thereof require that the electors in such an election be the registered voters within the district.

In the case of the CCFD, at the time of the election there were many, many registered voters within the CCFD (viz., all of the registered voters in the City of San Diego). There were no registered voters within the Improvement Area at the time of the election to authorize the Special Tax. In City of San Diego, the Court expressly stated that it was not addressing the validity of landowner voting to impose special taxes pursuant to the Mello-Roos Act in situations where there are fewer than 12 registered voters. Thus, by its terms, the Court's holding does not apply to the Special Tax election in the Improvement Area. Moreover, Section 53341 of the Mello-Roos Act provides that any "action or proceeding to attack, review, set aside, void or annul the levy of a special tax shall be commenced within 30 days after the special tax is approved by the voters." The Special Tax with respect to the Improvement Area was approved by the voters on March 28, 2023. Based on Section 53341 of the Mello-Roos Act and its analysis of existing laws, regulations, rulings and court decisions, the District does not believe that a challenge to the Special Tax may now be brought.

Risks of Real Estate Secured Investments Generally

The owners of the Bonds will be subject to the risks generally incident to an investment secured by real estate, including, without limitation, (i) adverse changes in national and local market conditions, such as changes in the market value of real property in the vicinity of the Improvement Area, the supply of or demand for competitive properties in such area, and the market value of residential property or buildings and/or sites in the event of sale or foreclosure; (ii) changes in real estate tax rates and other operating expenses, governmental rules (including, without limitation, zoning laws and laws relating to endangered species, and hazardous materials and seismic safety) and fiscal policies; (iii) increased

construction costs, workforce shortages, supply chain disruptions or other similar factors affecting the development, financing or marketing capabilities of Taylor Morrison or any other additional homebuilder within the Improvement Area; (iv) natural disasters (including but not limited to severe weather, earthquakes, wildfires, and floods) or other calamities, which may result in uninsured losses; (v) costs of remediation and liabilities associated with unknown environmental conditions affecting properties; and (vi) increased delinquency or reduced demand due to high rate of inflation, rising interest rates, increased cost of insurance, and other economic trends that adversely affects consumers, whether cyclical or resulting from geopolitical events.

No assurance can be given that Taylor Morrison, Folsom Real Estate South, or any other current or future homeowners within the Improvement Area will pay the Special Tax in the future or that they will be able to pay such Special Tax on a timely basis. See "—Bankruptcy" above, for a discussion of certain limitations on the District's ability to pursue judicial proceedings with respect to delinquent parcels. Further, many homes within the Improvement Area will have a higher-than-average price point as compared to other homes in the region, which may impact the absorption of the residential units within the Improvement Area.

Current Challenges to the Homebuilding Industry

The pace of homebuilding in the Improvement Area may be adversely affected by a variety of factors, including changes in economic conditions, interest rates, water shortages, and other similar factors, and recently including workforce shortages and supply chain disruptions. For example, obtaining garage doors and windows have recently been challenging for home builders generally. Additionally, some California municipalities have experienced supply chain disruptions for the electrical transformers and water meters needed for new development, having been advised in some cases of up to a 2-year delay for new electrical transformer orders. The lots in the Improvement Area being developed by Taylor Morrison are fully energized. Neither Taylor Morrison or Folsom Real Estate South are currently aware of any anticipated supply chain disruptions for the development within the Improvement Area. Additionally, the City has taken steps to prevent a water meter supply chain disruption. The City has made arrangements with a supplier to have approximately 500 new water meters set aside for its future use. Also, City staff have obtained authorization from the City Council to purchase additional new water meters as needed for new development in the City so that such purchases can be made expeditiously and without the need for further City Council action. However, no assurance can be given that supply chain disruptions for the materials needed to complete development within the Improvement Area will not occur.

Increasing Mortgage Interest Rates and Banking Uncertainty

Most of the expected purchasers of homes within the Improvement Area will finance their acquisitions with mortgage financing. As such, rising interest rates, decreased availability of mortgage financing or of certain mortgage programs, higher down payment requirements, or increased monthly mortgage costs could have a negative impact on the estimated absorption rates of planned for-sale homes in the Improvement Area. Further, a combination of higher mortgage rates, delays in construction stemming from delays in the supply chain, homebuyers' inability to sell their existing homes and adverse changes in local, regional or national economic conditions, among other factors, could contribute to an increase in the rate of home order cancellations, which could similarly have a negative impact on the estimated absorption rates of for-sale homes in the Improvement Area.

Failure to Develop

Land development operations are subject to comprehensive federal, State and local regulations. Approval is required from various agencies in connection with the layout and design of developments, the nature and extent of improvements, construction activity, land use, zoning, school and health requirements, as well as numerous other matters. It is possible that the approvals necessary to complete development of all taxable property within the Improvement Area are not obtained on a timely basis or that litigation could be filed regarding approvals. Failure to obtain any such agency approval or satisfy any such government requirement or any litigation concerning such agency approval or government requirement could adversely affect land development operations. In addition, current and future governmental restrictions, including, but not limited to, governmental policies restricting or controlling development within the Improvement Area, could be enacted, and future land use initiatives approved by the voters in the City could add more restrictions and requirements on development within the Improvement Area, which restrictions may increase the cost to develop the Improvement Area. One such governmental restriction is the requirement to install rooftop photovoltaic solar systems for residential buildings under three stories constructed starting in 2020. Costs associated with the installation of solar to the homebuilders may reduce the willingness of homebuilders to construct homes and increased costs of those homes may decrease the willingness of homeowners to buy such homes.

Moreover, there can be no assurance that the means and incentive to conduct land development operations within the Improvement Area will not be adversely affected by a deterioration of the real estate market or economic conditions generally, future local, State and federal governmental policies relating to real estate development, the income tax treatment of real property ownership, acts of war or terrorism, or other factors.

A portion of the Taxable Property in the Improvement Area is presently being developed. Undeveloped property is less valuable per acre than developed property, especially if there are no plans to develop such property or if there are severe restrictions on the development of such property, and therefore provides less security to the owners of the Bonds should it be necessary for the District to foreclose due to the nonpayment of the Special Taxes. Delays in any property owner's ability to obtain discretionary approvals (including any delays caused by litigation) would in turn delay the construction of improvements and development of the Taxable Property within the Improvement Area. Furthermore, an inability to develop the land within the Improvement Area as currently proposed would result in slower rates of diversification of property ownership within the Improvement Area. Concentration of ownership increases the risk of a failure to collect sufficient Special Taxes to pay debt service on the Bonds, all other things being equal. The timely payment of Special Taxes levied on undeveloped property depends primarily upon the ability and willingness of owners of such property to pay such taxes when due. Certain infrastructure improvements are required before development in the Improvement Area is complete. Also, the Phase 2 Water Facilities described under the heading "PROPOSED PROPERTY DEVELOPMENT—Development Entitlements—*Water Supply*" are expected to be needed before the full development of the Folsom Plan Area. A slowdown in or cessation of the development of land within the Improvement Area could reduce the ability and willingness of such owners to make Special Tax payments, and could greatly reduce the value of such property in the event it has to be foreclosed upon to collect delinquent special taxes. See "—Bankruptcy" above for a discussion of certain limitations on the ability of the District to pursue judicial foreclosure proceedings with respect to taxpayers with delinquent Special Taxes.

No Independent Review of Valuation or Viability of Completed Projects

Property within the Improvement Area is comprised of separate and distinct projects as described above. Payment of Special Taxes are inherently dependent upon the development within the

Improvement Area, and, with respect to residential properties, the ability of the buyers of completed homes to pay. The Authority, the District, and the Underwriter have not reviewed any business plan for continued ownership, development and/or operation of the property within the Improvement Area. Similarly, the Authority, the District and the Underwriter have not conducted any independent evaluation of the existing or projected economic viability or profitability of any of the plans for development, including review and/or evaluation of financial statements of any owner or developer of any parcel subject to the Special Tax. The information contained herein regarding the proposed development and the owners of the parcels within the Improvement Area has been supplied by such owners and the Underwriter has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of such information.

In the event an owner or developer experiences financial difficulties, including difficulties resulting from construction or operation of the development within the Improvement Area, the value of the affected parcel within the Improvement Area may decline and/or such owner or developer may elect to refrain from payment of future Special Taxes for such parcel. See also "—Failure to Develop."

Potential Impact of Global Health Crises or Concerns

The COVID-19 global pandemic had a severe and continuing effect on the nation and the State, with ongoing concerns relating to health and safety, preventive protocols, fiscal and economic issues, business operations, and global trade. Although at present there are no restrictions on operations within the State relating to the COVID-19 pandemic, the response to COVID-19 had a profound effect on housing construction and the housing market. Pandemic-related shutdowns severely disrupted global supply chains, resulting in difficulty for homebuilders to access necessary materials for home completion, including wood, windows, electrical transformers, water meters, and appliances. Supply chains have substantially recovered, but many goods still experience a backlog, which has resulted in, or may in the future result in, development delays within the District, and which has further resulted in increased construction costs. Lingering supply chain issues, labor shortages, increased interest rates, and an uncertain economy can increase costs to individual homeowners and therefore slow demand. Further, the pandemic saw changing trends in where people choose to live and the types of homes people choose to live in, which may impact demand for the types of homes being constructed by Taylor Morrison and any other homebuilder within the Improvement Area. The impacts of the COVID-19 pandemic continue to have a lasting effect, and the Authority, the City and the District cannot predict the effect of any potential future outbreak of COVID-19 or any other infectious disease.

Cybersecurity

The City, like other public and private entities, relies on a large and complex technology environment to conduct its operations, and consequently faces the threat of cybersecurity incidents. The City and its departments could face cybersecurity threats including, but not limited to, hacking, viruses, malware and other attacks on computers and other sensitive digital networks and systems. Such cybersecurity incidents could result from unintentional events, or from deliberate attacks by unauthorized entities or individuals attempting to gain access to the City's information technology systems to misappropriate assets and/or information or to cause operational disruption and damage. The City maintains insurance to cover cybersecurity incidents, has cybersecurity risk management policies and procedures and periodically trains its employees on cybersecurity risks. The City, in addition to conducting regular internal reviews, also hires external auditors to perform quarterly and annual reviews of its cybersecurity program.

While the City conducts periodic tests and reviews of its networks, no assurances can be given that such security and operational control measures will be successful in guarding against all cyber threats

and attacks. New technical cyber vulnerabilities are frequently discovered in the United States. In addition, cyber attacks have become more sophisticated and increasingly are capable of impacting municipal control systems and components. The techniques used to obtain unauthorized access to, or to disable or degrade, electronic networks, computers, systems and solutions are rapidly evolving and have become increasingly complex and sophisticated. The results of any attack on the computer and information technology systems could have a material adverse impact on the operations of the City and damage the digital networks and systems. The City cannot predict the outcome of any such attack, nor the effect on the operations and finances of the City.

Geologic, Topographic and Climatic Conditions

The value of the property in the Improvement Area in the future can be adversely affected by a variety of additional factors, particularly those which may affect infrastructure and other public improvements and private improvements on property and the continued habitability and enjoyment of such private improvements. Such additional factors include, without limitation, geologic conditions such as earthquakes, topographic conditions such as earth movements, landslides and floods and climatic conditions such as droughts and wildfire.

The occurrence of seismic activity in the Improvement Area could result in substantial damage to properties in the Improvement Area which, in turn, could substantially reduce the value of such properties and could affect the ability or willingness of the property owners to pay the Special Tax on their property. The Improvement Area is not located in any existing special study zone delineated by the Chief of the Division of Mines and Geology of the State of California as an area of known active faults and is not otherwise known to be located within an area of any significant seismic activity. However, it may be expected that one or more of such conditions may occur and may result in damage to improvements of varying seriousness, that the damage may entail significant repair or replacement costs and that repair or replacement may never occur either because of the cost or because repair or replacement will not facilitate habitability or other use, or because other considerations preclude such repair or replacement. Under any of these circumstances, the value of the property may decline.

In recent years, wildfires have caused extensive damage throughout the State. In some instances, entire neighborhoods have been destroyed. Several of the fires that occurred in recent years damaged or destroyed property in areas that were not previously considered to be at risk from such events. Some commentators believe that climate change will lead to even more frequent and more damaging wildfires in the future. In general, property damage due to wildfire could result in a significant decrease in the market value of property in the Improvement Area and in the ability or willingness of property owners to pay Special Taxes.

The Improvement Area is located within an area identified as a moderate fire hazard severity zone. More information regarding Fire Hazard Severity Zones can be found at the California Department of Forestry and Fire Protection website at https://frap.fire.ca.gov, though such website is not incorporated herein by reference. The development within the Improvement Area is subject to mitigation measures set forth in a fuel modification plan approved by the City Fire Department. The mitigation measures include, among others, limitations on the type of vegetation that may be planted within fuel modification zones established in open space areas along certain portions of the perimeter of the Improvement Area, minimum setback of structures and irrigation requirements of the fuel modification zones. Maintenance of such zones is expected to initially be the responsibility of the property owners but upon build-out of the Improvement Area and dedication of the open space to the City will be maintained by the City from funds provided through CFD 18. Homeowner's insurance is expected to be available to property owners within the Improvement Area, and the coverage provided by such insurance typically insures against fire

damage, although there is no assurance that homeowners within the Improvement Area will purchase or maintain such insurance.

In the event of a wildfire, flood or other natural disaster, there may be significant damage to both property and infrastructure in the Improvement Area. As a result, a substantial portion of the property owners may be unable or unwilling to pay the Special Taxes when due. In addition, the value of land in the Improvement Area could be diminished in the aftermath of such a natural disaster, reducing the resulting proceeds of foreclosure sales in the event of delinquencies in the payment of the Special Taxes.

Folsom Dam, located on the American River within the jurisdictional boundaries of the City, was built in 1955 by the United States Army Corps of Engineers and is owned by the United States Bureau of Reclamation. An auxiliary spillway to enable the dam to more easily release water as it nears capacity was completed by the Army Corps of Engineers in October 2017. The City, together with the County and other local agencies, have established a hazard mitigation plan in the event of a dam failure. Geologic, topographic and climatic conditions, if severe, could result in damage to the dam which could further cause damage to the surrounding region and may limit water supply for the City and the Improvement Area.

Endangered Species

During recent years, there has been an increase in activity at the State of California and federal level related to the possible listing of certain plant and animal species found in California as endangered species. An increase in the number of endangered species is expected to curtail development in a number of areas. The property within the Improvement Area contains protected habitat and species, including but not limited to Swainson's hawk and tri-colored blackbird foraging habitats and wetlands regulated by state and federal agencies. [Foraging habitat mitigation credits have been satisfied by the Original Developer for the portion of the Improvement Area owned by Taylor Morrison and individual homeowners. Additional habitat mitigation credits will be required for the planned development within the Four Large Lots.] At present, the property within the Improvement Area is not known to be inhabited by any other plant or animal species listed as threatened or endangered under either the State or federal endangered species acts or which either the California Fish and Game Commission or the United States Fish and Wildlife Service has proposed for addition to the respective endangered species list. Notwithstanding this fact, new species are proposed to be added to the State and federal protected lists on a regular basis. Any action by the State or federal governments to protect species located on or adjacent to undeveloped property could negatively affect the developer's ability to complete development as planned. This, in turn, could reduce the likelihood of timely payment of the Special Tax, from which funds for the payment of the Bonds is derived, and would likely reduce the value of the land and the potential revenues available at a foreclosure sale for delinquent Special Taxes. See "CERTAIN RISKS TO BONDHOLDERS—Land Values."

Hazardous Substances

While governmental taxes, assessments, and charges are a common claim against the value of a parcel, other less common claims may be relevant. One of the most serious in terms of the potential reduction in the value of a parcel in the Improvement Area is a claim with regard to a hazardous substance. In general, the owners and operators of a parcel may be required by law to remedy conditions of the parcel relating to releases or threatened releases of hazardous substances. The federal Comprehensive Environmental Response, Compensation and Liability Act of 1980, sometimes referred to as "CERCLA" or the "Superfund Act," is the most well-known and widely applicable of these laws, but laws with regard to hazardous substances are also stringent and similar. Under many of these laws, the owner (or operator) is obligated to remedy a hazardous substance condition of property whether or not the

owner (or operator) has anything to do with creating or handling the hazardous substance. The effect, therefore, should any of the parcels in the Improvement Area be affected by a hazardous substance is to reduce the marketability and value of the parcel by the costs of remedying the condition, because the purchaser, upon becoming owner, will become obligated to remedy the condition just as is the seller. Further, such liabilities may arise not simply from the existence of a hazardous substance but from the method of handling it. All of these possibilities could significantly affect the financial and legal liability of a property owner to develop the affected parcel or other parcels, as well as the value of the property that is realizable upon a delinquency and foreclosure.

The appraised value of property in the Improvement Area does not take into account the possible reduction in marketability and value of any of the parcels by reason of the possible liability of the owner (or operator) for the remedy of a hazardous substance condition of the parcel. While the District is not aware that the owner (or operator) of any of parcels has such a current liability with respect to any of the parcels, it is possible that such liabilities do currently exist and that the District is not aware of them.

Further, it is possible that liabilities may arise in the future with respect to any of the parcels resulting from the existence, currently, on the parcel of a substance presently classified as hazardous but which has not been released or the release of which is not presently threatened, or may arise in the future resulting from the existence, currently, on the parcel of a substance not presently classified as hazardous but which may in the future be so classified. Further, such liabilities may arise not simply from the existence of a hazardous substance but from the method of handling it. All of these possibilities could significantly affect the value of a parcel within the Improvement Area that is realizable upon a delinquency.

Naturally Occurring Asbestos

California Air Resource Board ("CARB") adopted the Airborne Toxic Control Measure ("ATCM") for Construction, Grading, Quarrying and Surface Mining Operations. This statewide regulation is applicable to grading or any other projects disturbing soil in areas of the State where asbestos may exist, as determined by the California Geological Survey ("CGS"). The ATCM applies to any size construction project although there are additional notification requirements for projects that exceed one acre. Areas and parcels moderately likely to contain naturally occurring asbestos are located in the eastern parts of the County, including in the City.

Natural weathering or human disturbance can break the asbestiform minerals down to microscopic fibers, which are easily suspended in air. There is no health threat if asbestos fibers in soil remain undisturbed and do not become airborne. When inhaled, these thin fibers irritate tissues and resist the body's natural defenses. Asbestos causes cancers of the lung (such as mesothelioma) and the lining of internal organs, asbestosis, and other diseases that inhibit lung function. Scientists consider certain types of asbestos fibers (i.e., tremolite fibers and similarly structured amphibole asbestos particles) that are frequently identified in the City to be more potent than other types in causing mesothelioma.

The EIR for the Folsom Plan Area required all new development to undertake a site investigation to determine the presence of naturally occurring asbestos and, if necessary, prepare and implement an asbestos dust control plan. [The Original Developer undertook an asbestos dust control plan with respect to the grading of the 260 lots owned by Taylor Morrison and individual homeowners. Folsom Real Estate South expects that the developer of the Four Large Lots will need to implement a similar asbestos dust control plan for the grading of that property.]

The health concerns associated with the presence of naturally occurring asbestos in the Improvement Area may adversely affect the marketability of property in the area.

LEGAL MATTERS

The validity of the Bonds, the Local Obligations and certain other legal matters are subject to the approving legal opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel to the Authority ("Bond Counsel"). Bond Counsel has not undertaken any responsibility for the accuracy, completeness or fairness of this Official Statement and expresses no opinion as to the matters set forth herein. Certain legal matters will be passed upon for the District and the Authority by the City Attorney. Certain legal matters relating to the Local Obligations will be passed upon by Orrick, Herrington & Sutcliffe LLP, as bond counsel to the District. Certain legal matters will be passed upon for the Underwriter by its counsel, Stradling, Yocca, Carlson & Rauth LLP. The fees of Bond Counsel, Disclosure Counsel, and counsel to the Underwriter are contingent upon the issuance of the Bonds.

TAX MATTERS

In the opinion of Bond Counsel, based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the "Code") and is exempt from State of California personal income taxes. Bond Counsel is of the further opinion that interest on the Bonds is not a specific preference item for purposes of the federal individual alternative minimum tax. Bond Counsel observes that interest on the Bonds included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the amount, accrual, or receipt of interest on, the Bonds. A complete copy of the proposed form of opinion of Bond Counsel is set forth as APPENDIX E hereto.

To the extent the issue price of any maturity of the Bonds is less than the amount to be paid at maturity of such Bonds (excluding amounts stated to be interest and payable at least annually over the term of such Bonds), the difference constitutes "original issue discount," the accrual of which, to the extent properly allocable to each Beneficial Owner thereof, is treated as interest on the Bonds which is excluded from gross income for federal income tax purposes and exempt from State of California personal income taxes. For this purpose, the issue price of a particular maturity of the Bonds is the first price at which a substantial amount of such maturity of the Bonds is sold to the public (excluding bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers). The original issue discount with respect to any maturity of the Bonds accrues daily over the term to maturity of such Bonds on the basis of a constant interest rate compounded semiannually (with straight-line interpolations between compounding dates). The accruing original issue discount is added to the adjusted basis of such Bonds to determine taxable gain or loss upon disposition (including sale, redemption, or payment on maturity) of such Bonds. Beneficial Owners of the Bonds should consult their own tax advisors with respect to the tax consequences of ownership of Bonds with original issue discount, including the treatment of Beneficial Owners who do not purchase such Bonds in the original offering to the public at the first price at which a substantial amount of such Bonds is sold to the public.

Bonds purchased, whether at original issuance or otherwise, for an amount higher than their principal amount payable at maturity (or, in some cases, at their earlier call date) ("Premium Bonds") will be treated as having amortizable bond premium. No deduction is allowable for the amortizable bond premium in the case of bonds, like the Premium Bonds, the interest on which is excluded from gross income for federal income tax purposes. However, the amount of tax-exempt interest received, and a Beneficial Owner's basis in a Premium Bond, will be reduced by the amount of amortizable bond premium properly allocable to such Beneficial Owner. Beneficial Owners of Premium Bonds should

consult their own tax advisors with respect to the proper treatment of amortizable bond premium in their particular circumstances.

The Code imposes various restrictions, conditions and requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Bonds. The Authority, the City and the District have made certain representations and covenanted to comply with certain restrictions, conditions and requirements designed to ensure that interest on the Bonds will not be included in federal gross income. Inaccuracy of these representations or failure to comply with these covenants may result in interest on the Bonds being included in gross income for federal income tax purposes, possibly from the date of original issuance of the Bonds. The opinion of Bond Counsel assumes the accuracy of these representations and compliance with these covenants. Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken), or events occurring (or not occurring), or any other matters coming to Bond Counsel's attention after the date of issuance of the Bonds may adversely affect the value of, or the tax status of interest on, the Bonds. Accordingly, the opinion of Bond Counsel is not intended to, and may not, be relied upon in connection with any such actions, events or matters.

Although Bond Counsel is of the opinion that interest on the Bonds is excluded from gross income for federal income tax purposes and is exempt from State of California personal income taxes, the ownership or disposition of, or the accrual or receipt of amounts treated as interest on, the Bonds may otherwise affect a Beneficial Owner's federal, state or local tax liability. The nature and extent of these other tax consequences depends upon the particular tax status of the Beneficial Owner or the Beneficial Owner's other items of income or deduction. Bond Counsel expresses no opinion regarding any such other tax consequences.

Current and future legislative proposals, if enacted into law, clarification of the Code or court decisions may cause interest on the Bonds to be subject, directly or indirectly, in whole or in part, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent Beneficial Owners from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such legislative proposals or clarification of the Code or court decisions may also affect, perhaps significantly, the market price for, or marketability of, the Bonds. Prospective purchasers of the Bonds should consult their own tax advisors regarding the potential impact of any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

The opinion of Bond Counsel is based on current legal authority, covers certain matters not directly addressed by such authorities, and represents Bond Counsel's judgment as to the proper treatment of the Bonds for federal income tax purposes. It is not binding on the Internal Revenue Service ("IRS") or the courts. Furthermore, Bond Counsel cannot give and has not given any opinion or assurance about the future activities of the Authority, the City or the District, or about the effect of future changes in the Code, the applicable regulations, the interpretation thereof or the enforcement thereof by the IRS. The Authority, the City and the District have covenanted, however, to comply with the requirements of the Code.

Bond Counsel's engagement with respect to the Bonds ends with the issuance of the Bonds, and, unless separately engaged, Bond Counsel is not obligated to defend the Authority, the City, the District or the Beneficial Owners regarding the tax-exempt status of the Bonds in the event of an audit examination by the IRS. Under current procedures, Beneficial Owners would have little, if any, right to participate in the audit examination process. Moreover, because achieving judicial review in connection with an audit examination of tax-exempt bonds is difficult, obtaining an independent review of IRS positions with which the Authority, the City or the District legitimately disagrees, may not be practicable. Any action of

the IRS, including but not limited to selection of the Bonds for audit, or the course or result of such audit, or an audit of bonds presenting similar tax issues may affect the market price for, or the marketability of, the Bonds, and may cause the Authority, the City, the District or the Beneficial Owners to incur significant expense.

Payments on the Bonds generally will be subject to U.S. information reporting and possibly to "backup withholding." Under Section 3406 of the Code and applicable U.S. Treasury Regulations issued thereunder, a non-corporate Beneficial Owner of Bonds may be subject to backup withholding with respect to "reportable payments," which include interest paid on the Bonds and the gross proceeds of a sale, exchange, redemption, retirement or other disposition of the Bonds. The payor will be required to deduct and withhold the prescribed amounts if (i) the payee fails to furnish a U.S. taxpayer identification number ("TIN") to the payor in the manner required, (ii) the IRS notifies the payor that the TIN furnished by the payee is incorrect, (iii) there has been a "notified payee underreporting" described in Section 3406(c) of the Code or (iv) the payee fails to certify under penalty of perjury that the payee is not subject to withholding under Section 3406(a)(1)(C) of the Code. Amounts withheld under the backup withholding rules may be refunded or credited against a Beneficial Owner's federal income tax liability, if any, provided that the required information is timely furnished to the IRS. Certain Beneficial Owners (including among others, corporations and certain tax-exempt organizations) are not subject to backup withholding. The failure to comply with the backup withholding rules may result in the imposition of penalties by the IRS.

NO LITIGATION

At the time of delivery of and payment for the Bonds and the Local Obligations, the Authority and/or the District, as applicable, will certify that there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court or regulatory agency, public board or body pending or threatened against the Authority or the District affecting their existence, or the titles of their respective officers, or seeking to restrain or to enjoin the issuance, sale or delivery of the Bonds or the Local Obligations, the application of the proceeds thereof in accordance with the Trust Agreement, or the collection or levy of the Special Taxes to pay the principal of and interest on the Local Obligations, or in any way contesting or affecting the validity or enforceability of the Local Obligations and the Bonds, the Trust Agreement, the Local Obligations Indenture, the Bond Purchase Contract entered into among the Authority, the District and the Underwriter or any other applicable agreements or any action of the Authority or the District contemplated by any of said documents, or in any way contesting the completeness or accuracy of this Official Statement or any amendment or supplement thereto, or contesting the powers of the Authority or the District or their authority with respect to the Bonds or the Local Obligations or any action of the Authority or the District contemplated by any of said documents, nor, to the knowledge of the Authority, is there any basis therefor.

NO RATING

The Authority has not made, and does not contemplate making, application to any rating agency for the assignment of a rating to the Bonds. The absence of a rating may significantly adversely affect the ability of the owner of Bonds to sell such Bonds.

MUNICIPAL ADVISOR

Fieldman, Rolapp & Associates, Inc. has acted as Municipal Advisor (the "Municipal Advisor") to the District in conjunction with the issuance of the Bonds. The Municipal Advisor has assisted in matters related to the planning, structuring, execution, and delivery of the Bonds. The Municipal Advisor will receive compensation contingent upon the sale and delivery of the Bonds. The Municipal Advisor

has not audited, authenticated, or otherwise independently verified the information set forth in this Official Statement, or any other related information available, with respect to accuracy and completeness of disclosure of such information. Because of this limited participation, the Municipal Advisor makes no guaranty, warranty, or other representation with respect to the accuracy or completeness of this Official Statement, or any other matter related to this Official Statement.

UNDERWRITING

The Bonds are being purchased by Piper Sandler & Co. (the "Underwriter") pursuant to a Bond Purchase Contract (the "Purchase Contract"), by and among the Authority, the District and the Underwriter. Pursuant to the Purchase Contract, the Underwriter has agreed to purchase all of the Bonds from the Authority at a purchase price of $_____, being the aggregate principal amount of the Bonds of $_____, [plus/less] a [net] original issue [premium/discount] of $_____ and less an Underwriter's discount of $_____. The Underwriter may offer and sell the Bonds to certain dealers and others at prices lower than the public offering prices set forth on the inside front cover page hereof.

CONTINUING DISCLOSURE

The District

The District has covenanted for the benefit of the Owners to provide certain financial information and operating data relating to the Bonds by not later than nine months following the end of the District's fiscal year (which fiscal year currently ends June 30) commencing with the report for the 2023-24 Fiscal Year (the "Annual Report"), which is due April 1, 2025, and to provide notices of the occurrence of certain enumerated events. The Annual Report and the notices of enumerated events will be filed with EMMA, and the first Annual Report may include the filing of or reference to this Official Statement. The specific nature of the information to be contained in the Annual Report or the notices of enumerated events is contained within APPENDIX D—"FORMS OF CONTINUING DISCLOSURE UNDERTAKINGS." These covenants have been made in order to assist the Underwriter in complying with S.E.C. Rule 15c2-12(b)(5).

The District is committed to complete and accurate continuing disclosure in accordance with its continuing disclosure obligations under the federal securities laws, including rules and regulations promulgated by the SEC and the MSRB, as those rules may be amended from time to time. Further, the City has policies and procedures in place in order to achieve compliance with its continuing disclosure undertakings and those of its related entities.

Taylor Morrison and Folsom Real Estate South

Pursuant to Continuing Disclosure Certificates to be executed by each of Taylor Morrison and Folsom Real Estate South in connection with the issuance of the Bonds, Taylor Morrison and Folsom Real Estate South will each covenant for the benefit of the Bondholders to provide certain information relating to it and its development within the Improvement Area no later than June 1 and December 1 in each year, commencing June 1, 2025 (the "Disclosure Reports"), and to provide notices of the occurrence of certain enumerated events until the obligation to so provide such information, data and notices is otherwise terminated in accordance with the provisions of such Continuing Disclosure Certificate. A form of the Continuing Disclosure Certificate for Taylor Morrison and Folsom Real Estate South is included in APPENDIX D—"FORMS OF CONTINUING DISCLOSURE UNDERTAKINGS." The Disclosure Reports are to be filed with EMMA.

The Authority and the District have not considered, or reached any conclusion as to, whether or not either Taylor Morrison or Folsom Real Estate South is an obligated person under the Rule. The Authority takes no responsibility for the form or content or for the adequacy of the applicable Continuing Disclosure Certificate for each of Taylor Morrison and Folsom Real Estate South for its intended purpose.

The obligations of Taylor Morrison and Folsom Real Estate South will terminate upon the occurrence of certain events as set forth in the applicable Continuing Disclosure Certificate, including at such time as Taylor Morrison and Folsom Real Estate South, as applicable, and each of their Affiliates (as defined in the Continuing Disclosure Agreement), in the aggregate, own or have the option to purchase property that is (i) entitled to include less than 137 of the residential lots within the Improvement Area subject to the Special Taxes and (ii) obligated to pay less than 20% of the Special Taxes levied on all of the Taxable Property within the Improvement Area for the then current Fiscal Year. Additionally, the Continuing Disclosure Certificates provide that the obligations thereunder shall be assumed by any purchaser that acquires a sufficient amount of Taxable Property within the Improvement Area to be considered a Major Developer (as defined therein).

Prior Continuing Disclosure Compliance – Taylor Morrison. To the actual knowledge of Taylor Morrison, other than as disclosed in this paragraph, in the last five years, Taylor Morrison has not failed to comply in any material respect with any previous undertaking by it to provide periodic continuing disclosure reports or notices of material events with respect to community facilities districts or assessment districts in California. However, in connection with a continuing disclosure obligation dated December 1, 2021, executed in connection with Improvement Area No. 1 of the City of Dixon Community Facilities District No. 2019-1 (Homestead), Special Tax Bonds, Series 2021, Taylor Morrison was late in filing its annual report that was due by June 15, 2022. Taylor Morrison filed the annual report on June 30, 2022.

Prior Continuing Disclosure Compliance – Folsom Real Estate South. Folsom Real Estate South represents that, to its actual knowledge, Folsom Real Estate South has not failed in any material respect to comply with any previous undertaking by it to provide periodic continuing disclosure reports or notices of material events with respect to community facilities districts or assessment districts within the past five years.

MISCELLANEOUS

This Official Statement is not to be construed as a contract or agreement among the Authority, the District and the purchasers of the Bonds. Any statements made in this Official Statement involving matters of opinion or of estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates will be realized. The information and expressions of opinion herein are subject to change without notice and neither the delivery of the Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Authority, the City or the District since the date hereof.

References are made herein to certain documents and reports which are brief summaries thereof which do not purport to be complete or definitive and reference is made to such documents and reports for full and complete statements of the contents thereof. Copies of such documents and reports are available for inspection at the office of the Finance Director, City of Folsom, City Hall, 50 Natoma Street, Folsom, California 95630.

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The execution and delivery of the Official Statement by the Authority and the District has been duly authorized by the Board of Directors of the Authority and the City Council, respectively.

FOLSOM RANCH FINANCING AUTHORITY

By:_____
Treasurer

CITY OF FOLSOM COMMUNITY FACILITIES DISTRICT NO. 23 (FOLSOM RANCH)

By:_____
City of Folsom Finance Director

APPENDIX A

RATE AND METHOD

APPENDIX B

ECONOMIC AND DEMOGRAPHIC INFORMATION RELATING TO THE CITY OF FOLSOM

This Appendix contains certain economic and demographic information relating to the City. Neither the faith and credit nor the taxing power of the City, the Authority, the State of California or any political subdivision thereof is pledged to the payment of the Bonds. Except for the Trust Estate, no other revenues or taxes are pledged to the payment of the Bonds. The Bonds are not general obligations of the Authority, the District or the City but are limited obligations of the Authority payable solely from the Trust Estate, derived primarily from payments on the Local Obligations from the payment of the Special Taxes levied within the District, as more fully described in the Official Statement to which this Appendix is appended. The information set forth herein that has been obtained from sources other than the City is believed to be reliable, but such information is not guaranteed as to accuracy or completeness. Statements contained herein that involve estimates, forecasts, or matters of opinion, whether or not expressly so described herein, are intended solely as such and are not to be construed as representations of facts. Information contained in this Appendix B is presented as general background data. The taxing power of the City, the State of California, or any political subdivision thereof is not pledged to the payment of the Bonds.

General

The City is located in the eastern portion of the County, approximately 110 miles northeast of San Francisco and 20 miles east of Sacramento. The City is located along the eastern end of the Highway 50 corridor in an area of the Sacramento Valley that has experienced considerable growth over the past 30 years.

City Government

The City was incorporated in 1946 and chartered in 1990. The City's primary governing body is the City Council, composed of five members who are elected at large and who serve four-year terms. The council members choose a mayor and vice mayor from among their members. Current City Council members are:

Member	Term Expires
Mike Kozlowski (Mayor)	11/2026
Sarah Aquino (Vice Mayor)	11/2026
YK Chalamcherla	11/2024
Rosario Rodriguez	11/2024
Anna Rohrbough	11/2026

The City operates under a Council-Manager form of government. The City Manager is responsible for daily administration of City affairs. Elaine Andersen has served as City Manager since 2018. The City Manager is appointed by and serves at the will of the City Council. The City Manager is responsible for implementation of City Council policy, enforcement of City laws and ordinances, appointment and discipline of City officers and employees, oversight of City departments, preparation and submission of the City budget to the City Council, and other related functions. In August 2024, the City announced Ms. Andersen's plan to retire from her role as the City Manager in late December 2024. By the time of her expected retirement, Ms. Andersen would have served in the City Manager role for approximately six and a half years and served the City for approximately 20 years. Ms. Andersen has

indicated that she will facilitate the recruitment process for the next City Manager to ensure a smooth transition.

City Budget Process

The City's annual budget is adopted by the City Council on or before the last working day of June. If the City Council fails to adopt a budget by such date, the budget proposed by the City Manager shall be deemed adopted. The City Manager may transfer moneys between departments and divisions, and programs and accounts within departments and divisions, but only the City Council may by resolution transfer moneys between funds and from un-appropriated balances or fund balances to any fund or appropriation account. The City Council adopted the Fiscal Year 2024-25 budget on June 25, 2024.

Budget information is adopted on an annual basis for the General Fund, special revenue funds and debt service funds. The budget is adopted on a project length basis for capital projects funds. The following procedures are followed in establishing the budgetary data reflected in the financial statements:

A. Department heads prepare a budget request based upon the previous year's expenditures.

B. Meetings are held between the department heads, the Chief Financial Officer and City Manager for the purpose of reviewing and prioritizing budget requests.

C. The City Manager submits the proposed city budget to the City Council, who makes decisions regarding department budgets.

D. Transfers between funds and changes in the total budget must be approved by the City Council.

Budget information is presented for the General Fund, Successor to the Redevelopment Agency, Special Revenue Funds, Capital Projects Funds, Proprietary Funds and Internal Service Fund as required supplementary information. The budget information is presented on a basis consistent with generally accepted accounting principles. Appropriations, except open project appropriations and unexpended grant appropriations, lapse at the end of each fiscal year.

Revenues and expenditures relating to the City's general governmental operations are budgeted and accounted for in the City's General Fund, including public safety, highways and streets, and culture and recreation. General taxes and fees support most of these activities. The City's Fiscal Year 2024-25 adopted budget includes over $247.2 million in expenditures across all funds. Of this amount, approximately $117.1 million was allocated to the General Fund of the City.

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Population

The historic population of the City, the County and the State is shown in the following table.

City of Folsom, Sacramento County and State of California
Population Estimates
(As of January 1)

Year	*City of Folsom*	*Sacramento County*	*State of California*
1990 (1)	29,798	1,066,789	29,811,427
2000 (1)	51,884	1,223,499	33,871,648
2010 (1)	72,203	1,418,788	37,253,956
2017	77,050	1,511,390	39,352,398
2018	77,598	1,525,099	39,519,535
2019	78,666	1,538,054	39,605,361
2020	82,943	1,585,055	39,538,223
2021	83,076	1,580,120	39,327,868
2022	84,365	1,572,254	39,114,785
2023	85,698	1,576,639	39,061,058
2024	88,023	1,578,938	39,128,162

(1) Based on United States Census Bureau data as of April 1 in such year.
Source: State of California, Department of Finance, *E-4 Population Estimates for Cities, Counties and the State,* Sacramento, California, May 2024.

Building Activity

Residential building activity for calendar years 2020 through the second quarter of 2024 for the City is shown in the following table.

BUILDING PERMITS AND VALUATIONS
City of Folsom
2020-2024

	2020	*2021*	*2022*	*2023*	*2024(2)*
Permit Valuation					
New Single-Family	$181,531,127	$351,482,252	$322,220,400	$390,097,685	$210,938,921
New Multi-Family	11,039,625	6,621,585	57,741,491	151,128,135	13,401,342
Res. Alterations/Additions	11,214,031	13,200,936	38,529,947	26,225,478	13,401,342
Res. Other	34,630,673	43,832,114	56,766,582	133,897,573	36,681,781
Total Residential (1)	$238,415,456	$415,136,887	$475,258,421	$701,348,871	$289,687,568
New Commercial	$230,698	$570,954	$9,113,559	$5,586,481	$12,452,497
New Industrial	--	--	--	--	218,721
Comm./Ind. Alterations/Additions	10,117,261	11,622,910	33,258,978	21,778,927	20,835,880
Other Comm./Ind.	2,011,887	9,611,894	16,602,300	20,807,067	20,711,514
Total Non-Residential (1)	$12,359,846	$21,805,758	$58,974,836	$48,172,475	$54,218,611

(1) Totals may not add to sum because of rounding.
(2) Data through June 30, 2024.
Source: City of Folsom.

Employment

The table below reflects recent employment information for the City's largest employers for the fiscal year ended June 30, 2024.

PRINCIPAL EMPLOYERS
City of Folsom
Fiscal Year 2023-24

Business Name	Number of Employees	Percent of Total Employment
Intel Corporation	4,300	10.75%
California State Prison	1,657	4.14
Folsom Cordova Unified School District [1]	1,191	2.98
Folsom State Prison	974	2.44
Mercy Hospital of Folsom	853	2.13
California Independent System Operator	716	1.79
City of Folsom	463	1.16
SAFE Credit Union [2]	371	0.93
Costco Wholesale	368	0.92
Folsom Lake College	310	0.78
Total Top Employers	**11,203**	**28.01%**
Total Labor Force [3]	**40,000**	**100.00%**

[1] Includes both certified and classified employees in Folsom only.
[2] Includes both the corporate and Folsom branch.
[3] Total Folsom labor force provided by EDD Labor Force Data.
Source: MuniServices, LLC/ Avenu Insights & Analytics

The unemployment rate in the Sacramento—Roseville—Arden-Arcade, CA Metropolitan Statistical Area ("Sacramento MSA"), which includes Sacramento, Placer, El Dorado, and Yolo Counties, was approximately 4.3% in 2023, up from the 2022 estimate of approximately 3.8%. This compares with an unadjusted unemployment rate of 4.8% for California and 3.6% for the nation during the same period. The unemployment rate was 4.0% in El Dorado County, 3.7% in Placer County, 4.4% in Sacramento County, and 4.7% in Yolo County for 2023.

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The table below provides information about employment rates and employment by industry type for the Sacramento MSA for calendar years 2019 through 2023 and for September 1, 2024.

Sacramento—Roseville—Arden-Arcade, CA Metropolitan Statistical Area
Labor Force, Employment and Unemployment Yearly Average[1]

	2019	*2020*	*2021*	*2022*	*2023*	*2024[2]*
Civilian Labor Force [3]	1,099,300	1,093,500	1,105,400	1,112,100	1,129,200	1,142,700
Employment	1,059,200	996,600	1,034,400	1,069,700	1,080,500	1,088,900
Unemployment	40,100	96,900	71,000	42,400	48,600	53,700
Unemployment Rate	3.7%	8.9%	6.4%	3.8%	4.3%	4.7%
Wage and Salary Employment [4]						
Total Farm	8,700	8,300	9,000	8,600	9,100	10,100
Mining and Logging	500	500	500	500	500	600
Construction	69,400	70,200	74,900	77,100	74,700	76,000
Manufacturing	36,800	36,100	37,700	40,600	40,500	40,300
Wholesale Trade	28,600	26,600	26,900	28,300	28,500	28,700
Retail Trade	100,500	95,100	100,600	100,300	99,000	100,000
Transportation, Warehousing and Utilities	32,200	34,300	37,500	40,800	41,600	39,500
Information	11,900	10,200	10,100	10,500	9,900	8,700
Finance and Insurance	35,200	34,800	34,100	33,000	30,500	29,500
Real Estate and Rental and Leasing	17,300	16,900	17,700	18,800	18,400	18,700
Professional and Business Services	137,200	132,600	137,200	139,700	134,400	136,300
Private Education and Health Services	166,600	164,000	168,800	175,600	188,700	207,300
Leisure and Hospitality	109,600	83,900	93,600	108,700	112,500	111,000
Other Services	35,400	31,000	33,300	36,100	38,300	38,100
Federal Government	14,200	14,800	14,500	14,400	14,500	14,500
State Government	121,900	121,700	127,300	129,800	134,400	137,100
Local Government	105,300	98,900	98,400	102,700	107,400	110,400
Total, All Industries [5]	1,031,200	979,800	1,021,900	1,065,400	1,083,000	1,106,800

(1) Data not adjusted for seasonality.
(2) Estimates as of September 1, 2024.
(3) Labor force data is by place of residence; includes self-employed individuals, unpaid family workers, household domestic workers, and workers on strike.
(4) Industry employment is by place of work; excludes self-employed individuals, unpaid family workers, household domestic workers, and workers on strike.
(5) Data may not add due to rounding.
Source: State of California Employment Development Department.

Retirement Programs

General. The City contributes to two plans in the California Public Employees' Retirement System ("CalPERS"). The safety plan covers all of the City's full-time sworn uniformed fire employees, sworn uniformed police employees, and all chiefs in both departments. The miscellaneous plan covers all remaining eligible employees.

As of June 30, 2022, the date of the most recent actuarial study report, the safety plan and the miscellaneous plan were 61.3% funded and 63.6% funded, respectively. For the safety plan, the actuarial accrued liability was approximately $258 million and the market value of assets was approximately $158 million, resulting in an unfunded actuarial accrued liability ("UAAL") of $100 million. For the miscellaneous plan, the actuarial accrued liability was approximately $286 million and the market value of assets was approximately $182 million, resulting in a UAAL of approximately $104 million.

For the year ended June 30, 2024, the City's unaudited annual pension cost of $10,754,191 for the safety plan and $10,828,318 for the miscellaneous plan were equal to the City's required contributions. The three-year trend information for the safety and miscellaneous plans combined is as follows:

Fiscal Year Ended	Annual Pension Cost ("APC")	Percentage of APC Contributed	Net Pension Obligation
6/30/2022	$18,902,039	100%	–
6/30/2023	20,675,705	100%	–
6/30/2024	21,582,509	100%	–

Other Post-Employment Benefits. In 2004, the Government Accounting Standards Board ("GASB") issued Statement No. 45, Accounting and Financial Reporting by Employers for Post-Employment Benefits Other Than Pensions ("GASB 45"). GASB 45 requires governmental agencies to change their accounting for Other Post-Employment Benefits ("OPEB") from a pay-as-you-go to an accrual basis. The City has implemented the requirements of GASB 45, including financial statement reporting and disclosure requirements. Among other things, employers that participate in single-employer or agent multiple-employer defined benefit OPEB plans are required to measure and disclose an amount for annual OPEB cost on the accrual basis of accounting. Annual OPEB cost is equal to the employer's annual required contribution to the plan, with certain adjustments. The annual required contribution represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years. An employer's net OPEB obligation is defined as the cumulative difference between annual OPEB cost and the employer's contributions to a plan.

The City sponsors and administers a single-employer defined benefit post-employment healthcare plan (the "Healthcare Plan") to provide healthcare insurance benefits to eligible retired employees and their dependents. The City pre-funds the Healthcare Plan though a Futuris Public Entity Investment Trust and a Retirement Board of Authority made up of the Mayor, one at large City Council member, the City Manager, the Finance Director, and the Human Resources Director. The Retirement Board of Authority delegated authority of the trust to the Benefit Trust Company. The required contribution is based on projected pay-as-you-go financing requirements, with an additional amount to prefund benefits as determined annually by the City Council. For Fiscal Year 2024-25, the City contributed $500,000 to the plan for current premiums.

For more information regarding the City's OPEB liabilities, see note 13 to the City's Annual Comprehensive Financial Report for the fiscal year ended June 30, 2023.

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Capital Improvement Program

The City's Capital Improvement Program ("CIP") is a multi-year plan that forecasts spending for all anticipated capital projects and is considered to be the link between the City's development and financing planning process. CIP funding comes mainly from impact fees and a number of other special revenue funds, as well as grants and loans. Within each program category, the City identifies resources that it will commit to priority capital projects. CIP costs include both one-time expenses and recurring expenses related to capital rehabilitation. The City's CIP for Fiscal Year 2025 is approved at $47.8 million.

Investment Policy

The City's Investment Policy is codified in Section 3.30.030 of the City of Folsom Municipal Code and is set forth below:

It is the primary duty of the city officers having responsibility for investing city moneys to protect, preserve and maintain cash and investments placed in their trust on behalf of the citizens of the city. To that end, those investment officers shall comply with the following guidelines and procedures:

A. Interest yield on investments shall be secondary to the basic requirements of safety and liquidity of moneys.

B. The city investment portfolio shall be designed to equal or exceed the rate of return of the state's local agency investment fund (LAIF) throughout budgetary and economic cycles, taking into account the city's risk constraints, cash flow characteristics of the investment portfolio, this chapter, this code and state law.

C. The city investment portfolio shall be diversified to minimize risks regarding specific security types or individual financial institutions.

D. All city investment officers shall adhere to the guidance provided by the "prudent investor standard" as set out in the California Government Code Section 53600.3.

E. All participants in the investment process shall act as custodians of the public trust. Investment officers shall recognize that the investment portfolio is subject to public review and evaluation.

F. The city's chief investment officer shall quarterly submit an investment report to the city council, which report shall include all required elements as prescribed by California Government Code Section 53646. The city's chief investment officer shall monthly submit a report of transactions to the city council as prescribed in California Government Code Section 53607. In both instances the city chief investment officer may include such other information as deemed appropriate.

G. The finance director shall develop a system of internal controls over investments, which control system shall be documented in writing according to California Debt and Investment Advisory Commission guidelines. The system shall be designed to prevent losses of public moneys arising from fraud, employee error, misrepresentation by third parties, unanticipated changes in financial markets, or imprudent actions by city employees or officers.

H. Financial institutions in which the city has investments shall be monitored as to financial condition throughout the period in which the city has moneys deposited or invested, to assure that the condition of the institution does not materially deteriorate so as to risk the city's investments.

I. A statement of investment policy shall be developed, and changes to the policy submitted to the city council as needed.

J. Security purchases and holdings shall be maintained within the limits permitted by the City Charter, this chapter and the California Government Code, whichever is the most restrictive both as to percentages of the total investment portfolio which might be invested in the various types of securities and as to the maximum length of maturity.

The following table shows the type of investments and other information on the portfolio as of June 30, 2023.

CITY OF FOLSOM
PORTFOLIO SUMMARY
As of June 30, 2023

Investments by Fair Value Level	Balance
City Pooled Investments	
Certificate of Deposit	$ 16,132,816
Commercial Paper	31,965,025
Corporate Notes	23,371,457
Municipal Obligations (City)	63,781,608
Municipal Obligations (FRFA)	127,379,928
Municipal Obligations (FPFA)	31,409,025
Federal Farm Credit Bank (FFCB)	18,603,010
Federal Home Loan Bank (FHLB)	35,952,856
Federal Home Loan Mortgage (FHLMC)	14,822,650
Federal National Mortgage (FNMA)	5,802,620
US Treasury Note	3,907,740
Investments Not Measured at Fair Value or Subject to Fair Value Hierarchy	
Local Agency Investment Funds	19,728,039
California Class	28,217,642
Money Market Mutual Funds	7,966,324
Total Investments Not Measured at Fair Value or Subject to Fair Value Hierarchy	55,912,005
Total City's Pooled Investments	429,040,741
Investments Held with Fiscal Agent Not Measured at Fair Value	
JPA (CAMP)	211,975
Money Market Mutual Funds	35,424,087
Investments Held with Fiscal Agent by Fair Value Level	
OPEB Plan Investments – Mutual Funds	8,998,498
Total Investments Held with Fiscal Agents	44,634,560
Total Investments	**$473,675,301**

Source: City of Folsom.

Insurance, Risk Pooling and Joint Powers Arrangements

The City participates in pooled insurance programs offered by the Northern California Cities Self Insurance Fund ("NCCSIF"), a joint powers agency that provides the City with a shared risk layer of coverage above its self-insured $100,000 retention for liability and workers' compensation. NCCSIF also provides claims servicing to the City for its banking layer, which represents the City's self-insurance. NCCSIF consists of 18 member cities, all located within California, and is governed by a board of directors appointed by the member cities. It provides pooled claims processing administrative services, risk management services, and actuarial studies. The City's deposit for the fiscal year ended June 30, 2023, was $3,177,001, and for the fiscal year ended June 30, 2022, was $2,942,482. For the Fiscal Year ended June 30, 2023, NCCSIF had net assets of $25,877,102 and a net income of $1,475,442.

Sales Taxes

The following table shows taxable transactions in the City during calendar years 2016 through the second quarter of 2024.

TAXABLE SALES
City of Folsom
2016-2024
(in Thousands)

Year	*Retail Permits*	*Retail and Food Taxable Transactions*	*Total Permits*	*Total Outlets Taxable Transactions*
2016	1,588	$1,595,641	2,404	$1,828,059
2017	1,614	1,663,432	2,459	1,944,041
2018	1,593	1,721,452	2,501	1,983,797
2019	1,616	1,741,755	2,602	2,093,411
2020	1,652	1,579,786	2,741	1,795,390
2021	1,457	1,917,045	2,418	2,134,222
2022	1,523	2,009,992	2,546	2,253,326
2023	1,492	1,986,848	2,537	2,229,309
2024[1]	1,466	961,244	2,526	1,078,848

[1] Data through June 30, 2024.
Source: City of Folsom.

Community Facilities

The four-county Sacramento Metropolitan Area offers multiple parks, playgrounds, theaters and golf courses. Recreational activities offered along the American and Sacramento Rivers include fishing, swimming, boating, biking, horseback riding and hiking. Varied cultural opportunities include art galleries and museums, two major symphonies, three ballet companies, scores of movie theaters showing first run films and many theater groups offering live stage plays. In February 2011, the $50 million performing arts complex Harris Center – Three Stages at Folsom Lake College opened. The state of the art facility is one of the largest college performing arts centers in the state and hosts theatre, symphonies, and ballets.

Media outlets in the four-county area consist of more than 30 newspapers, nine television stations (four network, four independent, one public) and 30 radio stations.

Education

The Folsom-Cordova Unified School District operates schools both in the City and in the Sacramento suburb of Rancho Cordova, which borders the City to the west. In the City, the school district now has three high schools, two middle schools, and ten elementary schools.

Institutions of higher learning situated in the Sacramento area include California State University, Sacramento, and the University of California at Davis, which includes a medical school and law school. Private universities, such as William Jessup University, the University of Sacramento, and National University also have campuses in the Sacramento region. Other institutions include the McGeorge School of Law (University of the Pacific), and extensions and satellites of schools such as the University of Southern California, University of San Francisco, Golden Gate University, and Drexel University among others. There are a number of Community Colleges in the region, including Folsom Lake College. In addition to the main campus located within the City, the Folsom Lake College operates the El Dorado and Rancho Cordova centers and enrolls more than 8,000 students.

Utilities

The City's water treatment plant produces and delivers high-quality drinking water, supplying water to the portion of the City south of the American River. The Water Division of the City's Environmental and Water Resources Department inspects and maintains, as of June 30, 2024, the 418 miles of water mains, 25,071 service connections and 3,921 fire hydrants. The City also provides sewage collection services for the entire City. The Sewer Division of the City's Environmental and Water Resources Department inspects and maintains, as of June 30, 2024, the 304 miles of sanitary sewers, 18 pump stations, and 26,228 service connections. Sewage treatment is provided by the Sacramento Regional County Sanitation District.

The City also provides solid waste collection services. The Solid Waste Division of the City's Public Works Department operates a fleet of solid waste vehicles for collection, as well as providing recycling, household hazardous waste pickup and disposal, and neighborhood clean-up services for the entire City.

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APPENDIX C

SUMMARY OF PRINCIPAL DOCUMENTS

APPENDIX D

FORMS OF CONTINUING DISCLOSURE UNDERTAKINGS

DISTRICT CONTINUING DISCLOSURE CERTIFICATE

THIS DISTRICT CONTINUING DISCLOSURE CERTIFICATE (this "Disclosure Certificate"), dated as of _____, 2024, is executed and delivered by the City of Folsom Community Facilities District No. 23 (Folsom Ranch) (the "District") relative to the Folsom Ranch Financing Authority (the "Authority") in connection with the issuance by the Authority of the Folsom Ranch Financing Authority City of Folsom Community Facilities District No. 23 (Folsom Ranch) Improvement Area No. 4 Special Tax Revenue Bonds, Series 2024 (the "Bonds"). The Bonds are being issued pursuant to a Trust Agreement (the "Trust Agreement"), among the District, the Authority and U.S. Bank Trust Company, National Association (the "Trustee"). The District covenants and agrees as follows.

SECTION 1. Purpose of the Disclosure Certificate. The Disclosure Certificate is being executed and delivered by the District for the benefit of the Holders and Beneficial Owners of the Bonds and in order to assist the Participating Underwriter in complying with S.E.C. Rule 15c2-12(b)(5).

SECTION 2. Definitions. In addition to the definitions set forth in the Trust Agreement, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Annual Report" means any Annual Report provided by the District pursuant to, and as described in, Sections 3 and 4 hereof.

"Annual Report Date" means the date in each year that is nine months after the end of the District's fiscal year, which date, as of the date of this Disclosure Certificate, is April 1.

"Dissemination Agent" shall mean NBS, or any successor Dissemination Agent designated in writing by the District and which has filed with the District a written acceptance of such designation.

"EMMA System" means the MSRB's Electronic Municipal Market Access system, or such other electronic system designated by the MSRB.

"Financial Obligation" means, for purposes of the Listed Events set out in Section 5(a)(10) and Section 5(b)(7), a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term "Financial Obligation" shall not include Municipal Securities (as defined in the Securities Exchange Act of 1934, as amended) as to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule.

"Listed Events" means any of the events listed in subsection (a) of Section 5 hereof.

"MSRB" means the Municipal Securities Rulemaking Board, or any successor thereto.

"Official Statement" means the Official Statement, dated _____, 2024, relating to the Bonds.

"Participating Underwriter" means the original underwriter of the Bonds required to comply with the Rule in connection with the offering of the Bonds.

"Rule" means Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

SECTION 3. Provision of Annual Reports.

(a) The District shall, or shall cause the Dissemination Agent to, provide to the MSRB through the EMMA System, in an electronic format and accompanied by identifying information all as prescribed by the MSRB, an Annual Report which is consistent with the requirements of Section 4 hereof, not later than the Annual Report Date, commencing with the report for the 2023-24 Fiscal Year. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may include by reference other information as provided in Section 4 hereof; provided, however, that the audited financial statements of the District may be submitted separately from the balance of the Annual Report, and later than the date required above for the filing of the Annual Report if not available by that date. If the District's fiscal year changes, it shall, or shall instruct the Dissemination Agent to, give notice of such change in the same manner as for a Listed Event under subsection (e) of Section 5 hereof. The first Annual Report may include the filing of or reference to the Official Statement.

(b) Not later than 15 business days prior to the date specified in subsection (a) of this Section for the providing of the Annual Report to the MSRB, the District shall provide the Annual Report to the Dissemination Agent.

(c) If the Dissemination Agent is other than the District, then not later than fifteen (15) Business Days prior to said date, the District shall provide the Annual Report to the Dissemination Agent. If the District is unable to provide the Annual Report to the MSRB by the Annual Report Date, the District shall send a notice to the MSRB in substantially the form attached as Exhibit A to the Disclosure Certificate.

(d) The Dissemination Agent shall:

(i) provide any Annual Report received by it to the MSRB, as provided herein; and

(ii) file a report with the District certifying that the Annual Report has been provided pursuant to this Disclosure Certificate and stating the date it was so provided.

SECTION 4. Content of Annual Reports. The District's Annual Report shall contain or incorporate by reference the following:

(a) The District's audited financial statements, if any, prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board. If the District's audited financial statements, if any, are not available by the time the Annual Report is required to be filed pursuant to subsection (a) of Section 3 hereof, the Annual Report shall contain unaudited financial statements, and the audited financial statements, if any, shall be filed in the same manner as the Annual Report when they become available. If the District's financial statement is included or consolidated with the financial statement for the City of Folsom (the "City"), then the District shall file the City's audited financial statements as its own.

(b) The following information:

(i) The principal amount of Bonds and any bonds secured by Additional Local Obligations (as defined in the Official Statement) Outstanding as of the December 31 next preceding the Annual Report Date along with debt service schedules for the Bonds and any bonds

secured by Additional Local Obligations (as defined in the Official Statement) Outstanding as of such date;

(ii) The balance in each reserve account for the Local Obligations, and a statement of the required bond reserve amount, as of the December 31 next preceding the Annual Report Date;

(iii) The total assessed value of all parcels within the Improvement Area on which the Special Taxes are levied, as shown on the assessment roll of the Sacramento County Assessor last equalized prior to the December 31 next preceding the Annual Report Date, and a statement of assessed value-to-lien ratios therefor based on special tax and assessment debt, either by individual parcel or by categories (e.g., "below 3:1," "3:1 to 4:1" etc.);

(iv) The Special Tax delinquency rate for the Improvement Area as of the December 31 next preceding the Annual Report Date; the number of parcels within the Improvement Area delinquent in payment of special taxes as of the December 31 next preceding the Annual Report Date; the amount of each delinquency; the length of time delinquent and the date on which foreclosure was commenced, or similar information pertaining to delinquencies deemed appropriate by the District; provided, however, that parcels with aggregate delinquencies of $1,000 or less (excluding penalties and interest) may be grouped together and such information may be provided by category;

(v) The status of foreclosure proceedings and a summary of the results of any foreclosure sales in the Improvement Area as of the December 31 next preceding the Annual Report Date;

(vi) The identity of any property owner, representing more than 5% of the Special Tax levy, delinquent in payment of special taxes as of the December 31 next preceding the Annual Report Date;

(vii) All tentative and final maps approved and/or recorded within the Improvement Area, describing the gross acres, the planned commercial acres and the number and type of planned residential dwelling units;

(viii) The number of new building permits issued and a description of the purpose of such permits (e.g., new single-family, new multi-family, new commercial, new industrial);

(ix) A land ownership summary listing the top ten Special Taxpayers for the Improvement Area (excluding any individual homeowner responsible for 5% or less of the Special Tax for the current Fiscal Year), as shown on the assessment roll of the Sacramento County Assessor last equalized prior to the December 31 next preceding the Annual Report Date; and

(x) For the current Fiscal Year, the amount of the Effective Tax Rate Evaluation Maximum Facilities Special Tax, the Maximum Facilities Special Tax, the actual Facilities Special Tax levied within the Improvement Area and the actual Special Tax levied within the Improvement Area, with such amounts reported separately for Developed Property, Small Lot Final Map Property and Large Lot Property; provided, however, that once all Taxable Property within the Improvement Area is Developed Property, the Maximum Facilities Special Tax and the actual Facilities Special Tax and the actual Special Tax levied may each be shown on an aggregate basis in the Annual Report. For the purposes of this subparagraph (x), all capitalized

terms used but not otherwise defined herein shall have the meanings ascribed thereto in the Rate and Method for the Improvement Area.

In addition to any of the information expressly required to be provided under this Section, as set forth above, the District shall provide such further information, if any, as may be necessary to make the specifically required statements, in the light of the circumstances under which they are made, not misleading.

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the District or related public entities, which have been submitted to the MSRB through the EMMA System. The District shall clearly identify each such other document so included by reference.

SECTION 5. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section, the District shall give notice, or cause notice to be given, not less than ten Business Days after the occurrence of any of the following events with respect to the Bonds:

(i) Principal and interest payment delinquencies.

(ii) Unscheduled draws on debt service reserves reflecting financial difficulties.

(iii) Unscheduled draws on credit enhancements reflecting financial difficulties.

(iv) Substitution of credit or liquidity providers, or their failure to perform.

(v) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue IRS Form 5701 TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax-exempt status of the security.

(vi) Defeasances.

(vii) Tender offers.

(viii) Bankruptcy, insolvency, receivership or similar event of the obligated person.

Note: For the purposes of the event identified in subparagraph (ix), the event is considered to occur when any of the following occur: the appointment of a receiver, trustee or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governmental body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

(ix) Rating changes.

(x) Default, event of acceleration, termination event, modification of terms or other similar events under the terms of a financial Obligation of the District, any of which reflect financial difficulties.

(b) The District shall give notice, or cause notice to be given, not less than ten Business Days after the occurrence of any of the following events with respect to the Bonds, if material:

(i) Modifications to rights of Bond holders.

(ii) Bond calls.

(iii) Release, substitution or sale of property securing repayment of the Bonds.

(iv) Non-payment related defaults.

(v) The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms.

(vi) Appointment of a successor or additional trustee or the change of name of a trustee.

(vii) Incurrence of a Financial Obligation of the District, or agreement to covenants, events of default, remedies, priority rights, or similar terms of a Financial Obligation of the District, any of which affect Bondholders.

(c) Whenever the District obtains knowledge of the occurrence of a Listed Event described in subsection (b) above, the District shall determine if such event would be material under applicable federal securities laws.

(d) If the District learns of the occurrence of a Listed Event described in subsection (a) of this Section, or determines that knowledge of a Listed Event described in subsection (b) of this Section would be material under applicable federal securities laws, the District shall notify the Dissemination Agent thereof in writing and instruct the Dissemination Agent to report the occurrence pursuant to subsection (e) of this Section. If in response to a request under subsection (b) of this Section, the District determines that the Listed Event would not be material under applicable Federal securities law, the District shall so notify the Dissemination Agent in writing and instruct the Dissemination Agent not to report the occurrence pursuant to subsection (e) of this Section.

(e) If the Dissemination Agent has been instructed by the District to report the occurrence of a Listed Event, the Dissemination Agent shall file a notice of such occurrence with the MSRB through the EMMA System. Notwithstanding the foregoing, notice of Listed Events described in paragraph (vii) of subsection (a) of this Section and paragraph (ii) of subsection (b) of this Section need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to holders of affected Bonds pursuant to the Trust Agreement.

SECTION 6. Termination of Reporting Obligation. The District's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the District shall give notice of such termination in the same manner as for a Listed Event under subsection (e) of Section 5 hereof.

SECTION 7. Dissemination Agent. The District may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the District pursuant to the Disclosure Certificate.

SECTION 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the District may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

(a) if the amendment or waiver relates to the provisions of subsection (a) of Section 3 hereof, Section 4 hereof or subsections (a) and (b) of Section 5 hereof, it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Bonds, or type of business conducted;

(b) the undertakings herein, as proposed to be amended or waived, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the primary offering of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) the proposed amendment or waiver (i) is approved by Owners of the Bonds in the manner provided in the Trust Agreement for amendments to the Trust Agreement with the consent of Owners, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of Owners or Beneficial Owners of the Bonds.

If the annual financial information or operating data to be provided in the Annual Report is amended pursuant to the provisions hereof, the annual financial information containing the amended operating data or financial information shall explain, in narrative form, the reasons for the amendment and the impact of the change in the type of operating data or financial information being provided.

If an amendment is made to the undertaking specifying the accounting principles to be followed in preparing financial statements, the annual financial information for the year in which the change is made shall present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. The comparison shall include a qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial statements or information, in order to provide information to investors to enable them to evaluate the ability of the District to meet its obligations. To the extent reasonably feasible, the comparison shall be quantitative. A notice of the change in the accounting principles shall be given in the same manner as for a Listed Event under subsection (e) of Section 5 hereof.

SECTION 9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the District from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this

Disclosure Certificate. If the District chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the District shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 10. Default. In the event of a failure of the District or the Dissemination Agent to comply with any provision of this Disclosure Certificate, any Holder or Beneficial Owner of outstanding Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the District to comply with its obligations under the Disclosure Certificate. A default under the Disclosure Certificate shall not be deemed an Event of Default under the Trust Agreement, and the sole remedy under the Disclosure Certificate in the event of any failure of the District to comply with the Disclosure Certificate shall be an action to compel performance.

SECTION 11. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall be entitled to the protections and limitations from liability afforded to the Trustee under the Trust Agreement. The Dissemination Agent shall not be responsible for the form or content of any Annual Report or notice of Listed Event. The Dissemination Agent shall receive reasonable compensation for its services provided under this Disclosure Certificate. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and the District agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The obligations of the District under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

SECTION 12. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the District, the Dissemination Agent, the Participating Underwriter and Owners and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

SECTION 13. Counterparts. This Disclosure Certificate may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the District has executed this Disclosure Certificate as of the date first above written.

CITY OF FOLSOM COMMUNITY FACILITIES DISTRICT NO. 23 (FOLSOM RANCH)

By: _____

EXHIBIT A

NOTICE OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: Folsom Ranch Financing Authority

Name of Issue: Folsom Ranch Financing Authority City of Folsom Community Facilities District No. 23 (Folsom Ranch) Improvement Area No. 4 Special Tax Revenue Bonds, Series 2024

Date of Issuance: _____, 2024

NOTICE IS HEREBY GIVEN that the City of Folsom Community Facilities District No. 23 (Folsom Ranch) (the "District") has not provided an Annual Report with respect to the above-named Bonds as required by Section 3 of the Continuing Disclosure Certificate, dated _____, 2024, executed by the District for the benefit of the Holders and Beneficial Owners of the above-referenced bonds. [The District anticipates that the Annual Report will be filed by _____.]

Dated: _____

CITY OF FOLSOM COMMUNITY FACILITIES DISTRICT NO. 23 (FOLSOM RANCH)

By:_____
Finance Director of the City of Folsom

CONTINUING DISCLOSURE CERTIFICATE – HOME BUILDER

This Continuing Disclosure Certificate – Home Builder (the "Disclosure Certificate") dated as of _____, 2024, is executed and delivered by [Taylor Morrison of California, LLC, a California limited liability company][Folsom Real Estate South, LLC, a Delaware limited liability company] (the "Developer") in connection with the issuance of $_____ aggregate principal amount of Folsom Ranch Financing Authority City of Folsom Community Facilities District No. 23 (Folsom Ranch) Improvement Area No. 4 Special Tax Revenue Bonds, Series 2024 (the "Bonds"). The Bonds are being issued pursuant to a Trust Agreement, dated as of December 1, 2024 (the "Trust Agreement"), among the Folsom Ranch Financing Authority (the "Issuer"), the City of Folsom Community Facilities District No. 23 (Folsom Ranch) (the "District") and U.S. Bank Trust Company, National Association, as trustee (the "Trustee").

SECTION 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the Developer for the benefit of the holders and beneficial owners of the Bonds. The Developer acknowledges that the Issuer and the District have undertaken no responsibility with respect to any reports, notices or disclosures provided or required under this Disclosure Certificate, and has no liability to any person, including any holder or beneficial owner of the Bonds, with respect to this Disclosure Certificate.

SECTION 2. Definitions. In addition to the definitions set forth in the Trust Agreement, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined herein, the following capitalized terms shall have the following meanings:

"Affiliate" shall mean, with respect to the Developer, any person directly (or indirectly through one or more intermediaries) that exercises managerial control over the Developer or that is under managerial control of the Developer, and about whom information could be material to potential investors in their investment decision regarding the Bonds (including without limitation information relevant to the proposed development of the Property, or to the Developer's ability to pay the applicable Special Tax obligation levied on the Property owned by it when due).

"Assumption Agreement" means an agreement containing terms substantially similar to this Disclosure Certificate, whereby a Major Developer agrees to provide Semi-Annual Reports and notices of significant events with respect to the portion of the Property owned by such Major Developer and its Affiliates, and with respect to the improvements or payments necessary to cause the Planned Development Stage to be reached that such Major Developer, or an Affiliate thereof, intends or is obligated (contractually or otherwise) to make or cause to be made.

"Bonds" means the $_____ Folsom Ranch Financing Authority City of Folsom Community Facilities District No. 23 (Folsom Ranch) Improvement Area No. 4 Special Tax Revenue Bonds, Series 2024.

"Developer" means [Taylor Morrison of California, LLC, a California limited liability company][Folsom Real Estate South, LLC, a Delaware limited liability company].

"Development Plan" means with respect to a Major Developer, the specific improvements such Major Developer intends to make, or cause to be made, in order for the Planned Development Stage to be reached, and the time frame in which such improvements are intended to be made; the Developer's Development Plan, as of the date hereof, is described in the Official Statement under the caption [*For Taylor Morrison*: "PROPOSED PROPERTY DEVELOPMENT—Taylor Morrison Development—Development Plan – Taylor Morrison"][*For Folsom Real Estate South*: "PROPOSED PROPERTY

DEVELOPMENT—Folsom Real Estate South Development—Development Plan – Folsom Real Estate South"].

"Disclosure Certificate" means this Disclosure Certificate as the same may be amended from time to time.

"Dissemination Agent" means initially, the Developer, and any successor Dissemination Agent designated in writing by the Developer and which has filed with the District a written acceptance of such designation.

"District" means the City of Folsom Community Facilities District No. 23 (Folsom Ranch), as the same may be modified by the City Council of the City from time to time.

"Event of Bankruptcy" means, with respect to a Person, that such Person files a petition or institutes a proceeding under any act or acts, state or federal, dealing with or relating to the subject or subjects of bankruptcy or insolvency, or under any amendment of such act or acts, either as a bankrupt or as an insolvent, or as a debtor, or in any similar capacity, wherein or whereby such Person asks or seeks or prays to be adjudicated a bankrupt, or is to be discharged from any or all of such Person's debts or obligations, or offers to such Person's creditors to effect a composition or extension of time to pay such Person's debts or asks, seeks or prays for reorganization or to effect a plan of reorganization, or for a readjustment of such Person's debts, or for any other similar relief, or if any such petition or any such proceedings of the same or similar kind or character is filed or instituted or taken against such Person, or if a receiver of the business or of the property or assets of such Person is appointed by any court, or if such Person makes a general assignment for the benefit of such Person's creditors.

"Financing Plan" means, with respect to a Major Developer, the method by which such Major Developer intends to finance its Development Plan, including specific sources of funding for such Development Plan; Taylor Morrison's Financing Plan, as of the date hereof, is described in the Official Statement under the caption "PROPOSED PROPERTY DEVELOPMENT—Taylor Morrison Development—Financing Plan – Taylor Morrison."

"Improvement Area" means Improvement Area No. 4 of the District.

"Listed Event" means any of the events listed in Section 5 hereof.

"Major Developer" means, as of any date of determination, any owner of land (which owns itself or through any Affiliates), who owns Property that is (i) entitled to include 137 or more of the residential lots in the Improvement Area subject to the Special Taxes or (ii) obligated to pay 20% or more of the Special Taxes levied on all of the Taxable Property for the then current Fiscal Year.

"MSRB" shall mean the Municipal Securities Rulemaking Board or any other entity designated or authorized by the Securities and Exchange Commission as a repository of disclosure information. Until otherwise designated by the MSRB or the Securities and Exchange Commission, filings with the MSRB are to be made through the Electronic Municipal Market Access (EMMA) website of the MSRB, currently located at http://emma.msrb.org.

"Official Statement" means the final, executed Official Statement relating to the Bonds.

"Participating Underwriter" shall mean Piper Sandler & Co., the original underwriter of the Bonds.

"Person" means an individual, a corporation, a partnership, an association, a joint stock company, a trust, any unincorporated organization or a government or political subdivision thereof.

"Planned Development Stage" means the stage of development to which the Developer intends to develop the Property, as described in the Official Statement, which is the construction of finished homes.

"Property" means, as of the date of determination, collectively, the Taxable Property within the boundaries of the Improvement Area that (i) is owned by the Developer or any Affiliate thereof (including Taxable Property for which the Developer or any Affiliate thereof has the option to purchase) and (ii) the Developer or any Affiliate thereof has sold to a Major Developer who has not assumed the obligations under this Disclosure Certificate pursuant to an Assumption Agreement. Property as of any date of determination does not include real property within the boundaries of the Improvement Area that has been conveyed to individual homeowners or any real property that is the subject of an Assumption Agreement.

"Semiannual Report" shall mean any Semiannual Report provided by the Developer on or prior to June 1 and December 1 of each year, commencing with the Semiannual Report due June 1, 2025, pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

"Special Taxes" means the special taxes levied on the Taxable Property within the Improvement Area.

"State" shall mean the State of California.

"Taxable Property" means the real property within the boundaries of the Improvement Area that is not exempt from the Special Taxes authorized to be levied in the Improvement Area.

"Trust Agreement" means the Trust Agreement, dated as of December 1, 2024, among the Issuer, the District and the Trustee, and as further amended and supplemented from time to time.

"Trustee" means U.S. Bank Trust Company, National Association, as trustee under the Trust Agreement, or any successor as trustee.

SECTION 3. Provision of Semiannual Reports. So long as the Developer's obligations hereunder have not been terminated pursuant to Section 7, the Developer shall, or shall cause the Dissemination Agent (if the Dissemination Agent is other than the Developer) to, provide to the MSRB a Semiannual Report which is consistent with the requirements of Section 4, not later than June 1 and December 1 of each year, commencing June 1, 2025. If, in any year, June 1 or December 1 falls on a Saturday, Sunday or holiday, such deadline shall be extended to the next following business day. The Semiannual Report must be submitted in electronic format, accompanied by such identifying information as is prescribed by the MSRB, and may be submitted as a single document or as separate documents comprising a package, and may include by reference other information as provided in Sections 4 or 5 hereof.

SECTION 4. Content of Semiannual Reports. The Developer's Semiannual Report shall contain or incorporate by reference the following information:

(a) If information regarding such Major Developer has not previously been included in the Official Statement or a more recently filed Semiannual Report, the Development Plan and Financing Plan of such Major Developer or, if information regarding such Major Developer has previously been included in the Official Statement or a more recently filed Semiannual Report, a description of the progress made in the Development Plan of such Major Developer since the date of such information and a description of

any significant changes in such Development Plan and the Financing Plan and the causes or rationale for such changes.

(b) Identification of the conveyance by the Developer of any portion of the Property to an entity that is not an Affiliate of the Developer, the result of which conveyance is to cause such transferee to become a Major Developer.

(c) The number of building permits issued with respect to the Property.

(d) The number of residential lots within the Property that have not reached the Planned Development Stage and sold (closed escrow) by the Developer since the date of the Official Statement or a more recent Semiannual Report, and, if any such lots were sold to a Major Developer, the identity of the Major Developer.

(e) The number of finished homes within the Property sold and conveyed to individual homeowners by the Developer.

(f) Any material amendments to land use entitlements for the Property, if such amendments would prevent or significantly delay the implementation of the Developer's Development Plan as described in the Official Statement or a more recently filed Semiannual Report.

The Developer's Semiannual Reports required to be provided under Section 4 hereof must be filed in accordance with Section 3.

SECTION 5. Reporting of Significant Events. Pursuant to the provisions of this Section 5, the Developer shall promptly give, or cause to be given, notice of the occurrence of any of the following events with respect to the Developer:

(a) Any failure of the Developer, or any Affiliate of the Developer owning any Property, to pay prior to delinquency any property taxes or assessments due with respect to the Property (to the extent the responsibility of the Developer or any such Affiliate), to the extent such failure is not promptly cured upon discovery thereof.

(b) Any denial or termination of credit, any denial or termination of, or default under, any line of credit or loan or any other loss of a source of funds that could have a material adverse effect on the Developer's most recently disclosed Financing Plan or Development Plan or on the ability of the Developer, or any Affiliate of the Developer owning any Property, to pay the Special Taxes with respect to the Property prior to delinquency (to the extent the responsibility of the Developer or any such Affiliate).

(c) The occurrence of an Event of Bankruptcy with respect to the Developer, or any Affiliate owning any Property, that could reasonably be expected to have a material adverse effect on the Developer's most recently disclosed Financing Plan or Development Plan or on the ability of the Developer, or any Affiliate of the Developer owning Property, to pay Special Taxes with respect to the Property prior to delinquency (to the extent the responsibility of the Developer or any such Affiliate).

(d) Any previously undisclosed governmentally-imposed preconditions to commencement or continuation of development on the Property, if such preconditions would prevent or significantly delay the Developer's Development Plan as described in the Official Statement or a more recently filed Semiannual Report.

(e) Any previously undisclosed legislative, administrative or judicial challenges to development on the Property, if such challenges would prevent or significantly delay the Developer's Development Plan as described in the Official Statement or a more recently filed Semiannual Report.

Whenever the Developer obtains knowledge of the occurrence of a Listed Event, the Developer shall as soon as possible determine if such event would be material under applicable federal securities laws. If the Developer determines that knowledge of the occurrence of a Listed Event would be material under applicable federal securities laws, the Developer shall promptly file a notice of the occurrence of such Listed Event with the MSRB in electronic format, accompanied by such identifying information as is prescribed by the MSRB.

SECTION 6. Assumption of Obligations. If any portion of the Property owned by the Developer, or any Affiliate of the Developer, is conveyed such that, upon such conveyance, such new owner will be a Major Developer, the obligations of the Developer under this Disclosure Certificate with respect to the Property transferred by the Developer shall be assumed by such Major Developer pursuant to an Assumption Agreement.

SECTION 7. Termination of Reporting Obligation. All of the Developer's obligations under this Disclosure Certificate shall terminate upon the earliest to occur of (a) the legal defeasance, prior redemption or payment in full of all the Bonds, (b) the date on which (i) the Developer is no longer a Major Developer, or (i) all of the Developer's obligations are assumed under one or more Assumption Agreements entered into pursuant to Section 6 hereof, or (iii) the date on which all Special Taxes levied on the Property owned by the Developer and its Affiliates are paid or prepaid in full. Upon the occurrence of any such termination prior to the final maturity of the Bonds, the Developer shall give notice of such termination in the same manner as for a Listed Event under Section 5 hereof.

SECTION 8. Amendment; Waiver. Notwithstanding any other provision hereof, the Developer may amend provisions of this Disclosure Certificate and any provision hereof may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3, 4 or 5 hereof, it may be made in connection with a change in circumstances that arises from a change in legal requirements, change in law; and

(b) The proposed amendment or waiver either (i) is approved by holders of the Bonds in the manner provided in the Trust Agreement for amendments to the Trust Agreement with the consent of holders, or (ii) does not, in the opinion of bond counsel approved by the District, materially impair the interests of the holders or beneficial owners of the Bonds.

SECTION 9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the Developer from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Semiannual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the Developer chooses to include any information in any Semiannual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the Developer shall have no obligation under this Disclosure Certificate to update such information or include it in any future Semiannual Report or notice of occurrence of a Listed Event.

SECTION 10. Dissemination Agent. The Developer may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and

may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent may resign by providing 30 days' written notice to the Developer. The Developer shall be responsible for paying the fees and expenses of the Dissemination Agent.

SECTION 11. Default. In the event of a failure of the Developer to comply with any provision of this Disclosure Certificate, any holder or beneficial owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Developer to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an Event of Default under the Trust Agreement, and the sole remedy under this Disclosure Certificate in the event of any failure of the Developer to comply with this Disclosure Certificate shall be an action to compel performance.

SECTION 12. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Developer, the Participating Underwriter, the District and holders and beneficial owners from time to time of the Bonds, and shall create no rights in any other Person.

SECTION 13. Notices. Any notices or communications to the Developer and the other parties described herein may be given as set forth in Exhibit A hereto or such other address that shall be specified by the Developer or the other parties described herein from time to time.

SECTION 14. Governing Law. This Disclosure Certificate and any dispute arising hereunder shall be governed by and interpreted in accordance with the laws of the State of California.

IN WITNESS WHEREOF, the undersigned has executed this Disclosure Certificate as of the day and year written above.

[Taylor Morrison of California, LLC, a California limited liability company][Folsom Real Estate South, LLC, a Delaware limited liability company]

By: _____
[_____]
[_____]

EXHIBIT A TO CONTINUING DISCLOSURE CERTIFICATE – HOME BUILDER

Any notices or communications to the Developer or the other parties described in the Continuing Disclosure Certificate – Home Builder may be given as follows:

To the Developer: [Taylor Morrison of California, LLC]
[Folsom Real Estate South, LLC]
[_____]
[_____]
[_____]

To the Issuer: _____
_____
_____
Attention: _____
Email: _____
Phone: _____

To the Dissemination Agent: _____
_____
_____
Attention: _____
Email: _____
Phone: _____

To the Participating Underwriter: _____
_____
_____
Attention: _____
Email: _____
Phone: _____

APPENDIX E

PROPOSED FORM OF OPINION OF BOND COUNSEL

Folsom Ranch Financing Authority
Folsom, California

Folsom Ranch Financing Authority
City of Folsom Community Facilities District No. 23 (Folsom Ranch)
Improvement Area No. 4
Special Tax Revenue Bonds, Series 2024
(Final Opinion)

Greetings:

We have acted as bond counsel to the Folsom Ranch Financing Authority (the "Issuer") in connection with the issuance of $_____ aggregate principal amount of its Folsom Ranch Financing Authority City of Folsom Community Facilities District No. 23 (Folsom Ranch) Improvement Area No. 4 Special Tax Revenue Bonds, Series 2024 (the "Bonds") pursuant to a trust agreement, dated as of December 1, 2024 (the "Trust Agreement"), among the Issuer, the City of Folsom Community Facilities District No. 23 (Folsom Ranch) (the "Community Facilities District") and U.S. Bank Trust Company, National Association, as trustee (the "Trustee"). The Trust Agreement provides that the Bonds are issued for the stated purpose of enabling the Issuer to acquire certain special tax bonds to be issued by the Community Facilities District. Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Trust Agreement.

In such connection, we have reviewed the Trust Agreement; the tax certificate related to the Bonds dated the date hereof, executed by the Issuer, the Community Facilities District and the City (the "Tax Certificate"); opinions of counsel to the Issuer, the Community Facilities District and the Trustee; certificates of the Issuer, the Community Facilities District, the Trustee and others; and such other documents, opinions and matters to the extent we deemed necessary to render the opinions set forth herein.

The opinions expressed herein are based on an analysis of existing laws, regulations, rulings and court decisions and cover certain matters not directly addressed by such authorities. Such opinions may be affected by actions taken or omitted or events occurring after original delivery of the Bonds on the date hereof. We have not undertaken to determine, or to inform any person, whether any such actions are taken or omitted or events do occur or any other matters come to our attention after original delivery of the Bonds on the date hereof. Accordingly, this letter speaks only as of its date and is not intended to, and may not, be relied upon or otherwise used in connection with any such actions, events or matters. We disclaim any obligation to update this letter. We have assumed the genuineness of all documents and signatures provided to us and the due and legal execution and delivery thereof by, and validity against, any parties other than the Issuer. We have assumed, without undertaking to verify, the accuracy of the factual matters represented, warranted or certified in the documents, and of the legal conclusions contained in the opinions, referred to in the second paragraph hereof. Furthermore, we have assumed compliance with all covenants and agreements contained in the Trust Agreement and the Tax Certificate, including (without limitation) covenants and agreements compliance with which is necessary to assure that future actions, omissions or events will not cause interest on the Bonds to be included in gross income for federal income tax purposes. We call attention to the fact that the rights and obligations under the Bonds, the Trust Agreement and the Tax Certificate and their enforceability may be subject to bankruptcy, insolvency, receivership, reorganization, arrangement, fraudulent conveyance, moratorium

and other laws relating to or affecting creditors' rights, to the application of equitable principles, to the exercise of judicial discretion in appropriate cases and to the limitations on legal remedies against governmental entities such as the Issuer and the Community Facilities District in the State of California. We express no opinion with respect to any indemnification, contribution, liquidated damages, penalty (including any remedy deemed to constitute a penalty), right of set-off, arbitration, judicial reference, choice of law, choice of forum, choice of venue, non-exclusivity of remedies, waiver or severability provisions contained in the foregoing documents, nor do we express any opinion with respect to the state or quality of title to or interest in any of the property described in or as subject to the lien of the Trust Agreement or the accuracy or sufficiency of the description contained therein of, or the remedies available to enforce liens on, any such property. We also express no opinion regarding the plans, specifications, maps, financial report or other engineering or financial details of the proceedings, or upon the Rate and Method of Apportionment for Improvement Area No. 4 of the Community Facilities District or the validity of the Special Tax levied upon any individual parcel. Our services did not include financial or other non-legal advice. Finally, we undertake no responsibility for the accuracy, completeness or fairness of the Official Statement or other offering material relating to the Bonds and express no view with respect thereto.

Based on and subject to the foregoing, and in reliance thereon, as of the date hereof, we are of the following opinions:

1. The Bonds constitute the valid and binding special, limited obligations of the Issuer.

2. The Trust Agreement has been duly executed and delivered by, and constitutes the valid and binding agreement of, the Issuer. The Trust Agreement creates a valid pledge, to secure the payment of the principal of and interest on the Bonds, of the Trust Estate, including the Revenues and any other amounts (including proceeds of the sale of the Bonds) held by the Trustee in the Funds established pursuant to the Trust Agreement (except the Rebate Fund), subject to the provisions of the Trust Agreement permitting the application thereof for the purposes and on the terms and conditions set forth in the Trust Agreement.

3. Interest on the Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 and is exempt from State of California personal income taxes. Interest on the Bonds is not a specific preference item for purposes of the federal individual alternative minimum tax. We observe that interest on the Bonds included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax. We express no opinion regarding other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Bonds.

Faithfully yours,

ORRICK, HERRINGTON & SUTCLIFFE LLP

per

APPENDIX F

DTC AND THE BOOK-ENTRY ONLY SYSTEM

The description that follows of the procedures and recordkeeping with respect to beneficial ownership interests in the Bonds, payment of principal of, premium, if any, and interest on the Bonds to Participants or Beneficial Owners, confirmation and transfer of beneficial ownership interests in the Bonds, and other related transactions by and between DTC, Participants and Beneficial Owners, is based on information furnished by DTC which the Authority believes to be reliable, but the Authority does not take responsibility for the completeness or accuracy thereof. The Authority cannot and does not give any assurances that DTC, DTC Participants or Indirect Participants will distribute to the Beneficial Owners either (a) payments of principal, premium, if any, and interest with respect to the Bonds or (b) certificates representing ownership interests in or other confirmation of ownership interests in the Bonds, or that they will so do on a timely basis or that DTC, DTC Participants or DTC Indirect Participants will act in the manner described in this Official Statement. The current "Rules" applicable to DTC are on file with the Securities and Exchange Commission and the current "Procedures" of DTC to be followed in dealing with DTC Participants are on file with DTC.

The Depository Company ("DTC"), New York, New York, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered bond certificate will be issued for each maturity of the Bonds in the aggregate principal amount of such maturity, and will be deposited with DTC. If, however, the aggregate principal amount of any maturity exceeds $500 million, one certificate will be issued with respect to each $500 million of principal amount, and an additional certificate will be issued with respect to any remaining principal amount of such maturity.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of the Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond (the "Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of the Bonds with DTC and their registration in the name of Cede & Co. (or such other DTC nominee) do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Authority as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal, redemption price, and interest payments with respect to the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Authority on a payable date in accordance with their respective holdings shown on DTC records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC or its nominee, the Trustee, or the Authority, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, redemption price and interest to Cede & Co. (or such

other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Authority or the Trustee, disbursement of such payments to Direct Participants shall be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners shall be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the Authority or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, bond certificates are required to be printed and delivered.

The Authority may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, bond certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Authority deems reliable, but the Authority takes no responsibility for the accuracy thereof.

THE TRUSTEE, AS LONG AS A BOOK-ENTRY ONLY SYSTEM IS USED FOR THE BONDS, WILL SEND ANY NOTICE OF REDEMPTION OR OTHER NOTICES ONLY TO CEDE & CO., OR ITS SUCCESSOR AS DTC'S PARTNERSHIP NOMINEE. ANY FAILURE OF CEDE & CO., OR ITS SUCCESSOR AS DTC'S PARTNERSHIP NOMINEE TO ADVISE ANY PARTICIPANT, OR OF ANY PARTICIPANT TO NOTIFY ANY BENEFICIAL OWNER OF ANY NOTICE AND ITS CONTENT OR EFFECT WILL NOT AFFECT THE VALIDITY OR SUFFICIENCY OF THE PROCEEDINGS RELATING TO THE REDEMPTION OF THE BONDS CALLED FOR REDEMPTION OR OF ANY OTHER ACTION PREMISED ON SUCH NOTICE.

APPENDIX G

APPRAISAL

ATTACHMENT 6

OH&S DRAFT
10/30/24

CITY OF FOLSOM COMMUNITY FACILITIES DISTRICT NO. 23 (FOLSOM RANCH) IMPROVEMENT AREA NO. 4 SPECIAL TAX BONDS, SERIES 2024

LOCAL OBLIGATION PURCHASE CONTRACT

NOVEMBER [__], 2024

City of Folsom
Community Facilities District No. 23
(Folsom Ranch)
City of Folsom, City Hall
50 Natoma Street
Folsom, California 95630

Ladies and Gentlemen:

The undersigned Folsom Ranch Financing Authority (the "Authority") offers to enter into this Local Obligation Purchase Contract (the "Local Obligation Purchase Contract") with you, the City of Folsom Community Facilities District No. 23 (Folsom Ranch) (the "Community Facilities District"), which, upon acceptance, will be binding upon the Community Facilities District and the Authority; and except as otherwise provided herein, all capitalized terms used herein shall have the meanings attributed to them in the Indenture, dated as of December 1, 2024 (the "Indenture"), between the Community Facilities District and U.S. Bank Trust Company, National Association, as trustee (the "Trustee").

1. Purchase, Sale and Delivery of the Obligations.

(a) Subject to the terms and conditions and in reliance upon the representations and agreements set forth herein, the Authority hereby agrees to purchase from the Community Facilities District, and the Community Facilities District hereby agrees to sell to the Authority, all (but not less than all) of the $[_____] aggregate principal amount of the City of Folsom Community Facilities District No. 23 (Folsom Ranch) Improvement Area No. 4 Special Tax Bonds, Series 2024 (the "Local Obligations") issued under the Indenture, dated the date of their initial delivery, bearing interest payable on the dates and at the interest rates, and maturing on the dates and in the amounts and subject to the optional, extraordinary and mandatory redemption provisions, as set forth in Exhibit A attached hereto and incorporated herein.

The purchase price for the Local Obligations shall be $[_____], which purchase price shall be paid from the proceeds of sale of the Folsom Ranch Financing Authority City of Folsom Community Facilities District No. 23 (Folsom Ranch) Improvement Area No. 4 Special Tax Revenue Bonds, Series 2024, issued under the Trust Agreement, dated as of December 1, 2024, by and among the Authority, the Community Facilities District and U.S.

Bank Trust Company, National Association, as trustee (the "Trust Agreement"), which bonds issued under the Trust Agreement are referred to herein as the "Authority Bonds."

The Local Obligations shall be substantially in the form described in, shall be issued and secured under the provisions of, and shall be payable as provided in the Indenture.

(b) At 8:30 a.m., California time, on December [__], 2024, or at such earlier or later time or date as shall be agreed by the Community Facilities District and the Authority (such time and date being herein referred to as the "Closing Date"), the Community Facilities District will deliver to the Authority at the offices of Orrick, Herrington & Sutcliffe LLP, Sacramento, California (or such other location as may be designated by the Authority and approved by the Community Facilities District) the Local Obligations in definitive forms, duly executed by the Community Facilities District and authenticated by the Trustee, and will deliver to the Authority the other documents herein mentioned; and the Authority will accept such delivery and pay the total purchase price of the Local Obligations as set forth in paragraph (a) of this section as provided in the Indenture (such delivery and payment being herein referred to as the "Closing").

2. Representations and Agreements of the Community Facilities District. The Community Facilities District represents to and agrees with the Authority that:

(a) The Community Facilities District is and will be at the Closing Date duly organized and existing as a community facilities district under and by virtue of the laws of the State of California, with full power and authority to issue the Local Obligations and to carry out and consummate the transactions contemplated by the Local Obligations, this Local Obligation Purchase Contract, the Indenture and the Trust Agreement (collectively, the "Financing Documents"), and the Financing Documents are and will be at the Closing Date valid and binding obligations of the Community Facilities District;

(b) When delivered to and paid for by the Authority at the Closing in accordance with the provisions of this Local Obligation Purchase Contract, the Local Obligations will have been duly authorized, executed, issued and delivered and will constitute valid and binding obligations of the Community Facilities District in conformity with, and entitled to the benefit and security of, the Indenture;

(c) By official action of the Community Facilities District, prior to or concurrently with the acceptance hereof, the Community Facilities District has authorized and approved the execution and delivery of the Financing Documents, and authorized and approved the performance by the Community Facilities District of the obligations on its part contained in the Financing Documents and has authorized and approved the consummation by the Community Facilities District of all other transactions contemplated by this Local Obligation Purchase Contract;

(d) There is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, governmental agency, public board or body, pending or, to the knowledge of the Community Facilities District, threatened against the Community Facilities District or its properties or operations (i) seeking to restrain or enjoin the issuance, sale,

execution or delivery of the Local Obligations, (ii) in any way contesting or affecting the validity or enforceability of any of the Financing Documents, any proceedings of the Community Facilities District taken concerning the issuance or sale of the Local Obligations, the collection of the special tax securing the Local Obligations (the "Special Tax") or the existence or powers of the Community Facilities District relating to the issuance of the Local Obligations or (iii) which, if determined adversely to the Community Facilities District or its interests, would have a material and adverse effect on the consummation of the transactions contemplated by or the validity of the Financing Documents or on the operations of the Community Facilities District with respect to the Local Obligations;

(e) The execution and delivery of the Financing Documents, and the consummation of the transactions therein and herein contemplated, and the fulfillment of or compliance with the terms and conditions thereof and hereof, will not conflict with or constitute a violation or breach of or default (with due notice or the passage of time or both) under any applicable law or administrative rule or regulation, or any applicable court or administrative decree or order, or any indenture, mortgage, deed of trust, loan agreement, lease, contract or other agreement or instrument to which the Community Facilities District is a party or by which it or its properties are otherwise subject or bound, or result in the creation or imposition of any prohibited lien, charge or encumbrance of any nature whatsoever upon any of the property or assets of the Community Facilities District, which conflict, violation, breach, default, lien, charge or encumbrance might have consequences that would materially and adversely affect the consummation of the transactions contemplated by the Financing Documents or the operations of the Community Facilities District with respect to the Local Obligations;

(f) The Community Facilities District is not in breach of or default under any applicable law or administrative regulation of the State of California or the United States or any applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the Community Facilities District is a party or is otherwise subject, which breach or default may have consequences that would materially and adversely affect the consummation of the transactions contemplated by the Financing Documents, and no event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute such a breach or default under any such instrument;

(g) All approvals, consents, authorizations, certifications and other orders of any governmental authority, board, agency or commission having jurisdiction, and all filings with any such entities, which would constitute conditions precedent to or the failure to obtain which would materially adversely affect the performance by the Community Facilities District of its obligations under the Financing Documents have been duly obtained, and no further consent, approval, authorization or other action or filing with or by any governmental or regulatory authority having jurisdiction over the Community Facilities District is or will be required for the issue and sale of the Local Obligations or the consummation by the Community Facilities District of the other transactions described in the Financing Documents;

(h) The Special Tax constituting the security for the Local Obligations has been duly and lawfully authorized under and pursuant to the Mello-Roos Community Facilities District Act of 1982 (the "Act") within Improvement Area No. 4 of the Community Facilities District (the "Improvement Area") and such Special Tax is secured by a valid and legally

binding continuing lien on the land subject to the Special Tax as provided in the Act;

(i) The City Council, as legislative body of the Community Facilities District, has authorized and will annually levy and collect the Special Tax, in addition to amounts necessary to pay debt service on the Local Obligations, in an amount sufficient (subject to any maximum special tax permitted by law) to pay the Expenses arising directly from the administration or enforcement of the Local Obligations.

The execution and delivery of this Local Obligation Purchase Contract by the Community Facilities District shall constitute a representation by the Community Facilities District to the Authority that the representations and agreements contained in this Section 2 are true as of the date hereof; provided, that as to all matters of law the Community Facilities District is relying on the advice of counsel to the Community Facilities District; and provided further, that no member of the City Council, as legislative body of the Community Facilities District, shall be individually liable for the breach of any representation, warranty or agreement contained herein.

3. Conditions to the Purchase of the Local Obligations by the Authority. The obligation of the Authority to accept delivery of and pay for the Local Obligations on the Closing Date shall be subject, at the option of the Authority, to (i) the accuracy in all material respects of the representations and agreements on the part of the Community Facilities District contained herein as of the date hereof and as of the Closing Date, (ii) the accuracy in all material respects of the statements of the officers and other officials of the City for and on behalf of the Community Facilities District made in any certificates or other documents, furnished pursuant to the provisions hereof, and (iii) the performance by the Community Facilities District of its obligations to be performed hereunder at or prior to the Closing Date and to the following additional conditions:

(a) At the Closing Date, the Financing Documents shall be in full force and effect in the form heretofore submitted to the Authority and there shall have been taken in connection with the issuance of the Local Obligations and with the transactions contemplated thereby and by this Local Obligation Purchase Contract, all such actions as, in the opinion of Orrick, Herrington & Sutcliffe LLP ("Bond Counsel"), shall be necessary and appropriate;

(b) At the Closing Date, the Financing Documents shall not have been amended, modified or supplemented, except as may have been agreed to by the Authority;

(c) At or prior to the Closing Date, the Authority and the Trustee shall have received the following documents, in each case satisfactory in form and substance to the Authority:

(1) An executed copy of each of the Financing Documents;

(2) An unqualified approving opinion of Bond Counsel, dated the Closing Date and addressed to the Community Facilities District, as to the validity of the Local Obligations;

(3) An opinion of the City Attorney, dated the Closing Date and

addressed to the Community Facilities District and the Authority, in substantially the form attached hereto as Exhibit B; and

(4) Such additional legal opinions, certificates, proceedings, instruments and other documents as the Authority or Bond Counsel may reasonably request to evidence compliance by the Community Facilities District with legal requirements, the truth and accuracy, as of the Closing Date, of the representations of the Community Facilities District contained herein, and the due performance or satisfaction by the Community Facilities District at or prior to such time of all agreements then to be performed and all conditions then to be satisfied by the Community Facilities District.

If the Community Facilities District shall be unable to satisfy the conditions to the Authority's obligations contained in this Local Obligation Purchase Contract, this Local Obligation Purchase Contract shall terminate and neither the Authority nor the Community Facilities District shall have any further obligation hereunder.

4. Expenses. All expenses and costs of the Community Facilities District and the Authority incident to the authorization, issuance and sale of the Local Obligations and the Authority Bonds, including fees and expenses of consultants, the Trustee, the appraiser, Bond Counsel and counsel for the Community Facilities District and the underwriting fees and expenses incurred by the Authority in connection with the sale of the Authority Bonds shall be paid by the Community Facilities District or the City on its behalf, and the Community Facilities District agrees that it will pay such expenses and costs from the proceeds of the Local Obligations.

5. Notices. Any notice or other communication to be given to the Community Facilities District under this Local Obligation Purchase Contract may be given by delivering the same in writing at the Community Facilities District's address set forth above, Attention: Finance Director, and any such notice or other communications required to be given to the Authority may be given by delivering the same in writing to the Authority at 50 Natoma Street, Folsom, California 95630, Attention: Treasurer. The approval of the Authority when required hereunder or the determination of their satisfaction as to any document referred to herein shall be in writing signed by the Authority and delivered to the Community Facilities District.

6. Parties In Interest; Governing Law. This Local Obligation Purchase Contract is made solely for the benefit of the Community Facilities District, the Authority and the Trustee and no other persons, partnership, association or corporation shall acquire or have any right hereunder or by virtue hereof. This Local Obligation Purchase Contract shall be governed by the laws of the State of California.

7. Pledge; Assignment. The Community Facilities District hereby approves the pledge and assignment of all the Authority's right, title and interest in the Local Obligations to the Trustee under the Indenture for the benefit of the owners of the Authority Bonds.

8. Limitation on Liability. The Authority shall incur no liability hereunder or by reason hereof or arising out of the transactions contemplated hereby, and shall be under no

obligation to purchase the Local Obligations hereunder, except from proceeds of the Authority Bonds available therefor held by the Trustee under, and subject to the conditions set forth in, the Indenture. The Community Facilities District shall incur no liability hereunder or by reason hereof or arising out of the transactions contemplated hereunder, except as otherwise provided in Sections 4 and 5 hereof, or be obligated to make any payments with respect to the Local Obligations, except from amounts pledged to the payment of the Local Obligations (including the Special Tax levied and collected in the Improvement Area) pursuant to the terms thereof.

9. Counterparts. This Local Obligation Purchase Contract may be signed in two or more counterparts; all such counterparts, when signed by all parties, shall constitute but one single agreement.

FOLSOM RANCH FINANCING AUTHORITY

By _____
Stacey Tamagni
Treasurer

ACCEPTED AND AGREED TO:

CITY OF FOLSOM
COMMUNITY FACILITIES DISTRICT NO. 23
(FOLSOM RANCH)

By _____
Stacey Tamagni
Finance Director of the City of Folsom

Exhibit A

Local Obligations Maturity Schedule and Redemption Provisions

Maturity Schedule

Maturity Date (September 1)	Principal Amount $	Interest Rate %

*

* Term Bonds

Redemption Provisions

Extraordinary Redemption. The Local Obligations are subject to extraordinary redemption by the Community Facilities District prior to their respective maturity dates, as a whole or in part on any interest payment date on or after [March 1, 2025], from funds derived by the Community Facilities District from prepayments of the Special Tax, upon mailed notice as provided in the Indenture, at the following redemption prices (computed upon the principal amount of the Local Obligations or portions thereof called for redemption) together with accrued interest thereon to the date fixed for redemption, to wit:

103% if redeemed on an interest payment date on or after March 1, 2025, through March 1, 20[__];

102% if redeemed on an interest payment date on September 1, 20[__], or March 1, 20[__];

101% if redeemed on an interest payment date on September 1, 20[__], or March 1, 20[__]; and

100% if redeemed on September 1, 20[__], or any interest payment date thereafter.

Optional Redemption. The Local Obligations are subject to optional redemption by the Community Facilities District prior to their respective maturity dates as a whole or in part on any date on or after September 1, 20[__], from funds derived by the Community Facilities District from any source other than such Minimum Sinking Fund Account Payments deposited in the Sinking Fund Subaccount or such prepayments of the Special Tax, upon mailed notice as provided in the Indenture, at the following redemption prices (computed upon the principal amount of the Local Obligations or portions thereof called for redemption) together with accrued interest thereon to the date fixed for redemption:

103% if redeemed on any date on or after September 1, 20[__], through August 31, 20[__];

102% if redeemed on any date from September 1, 20[__], through August 31, 20[__];

101% if redeemed on any date from September 1, 20[__], through August 31, 20[__]; and

100% if redeemed on September 1, 20[__], and any date thereafter.

Mandatory Sinking Fund Account Redemption of the Local Obligations. The Local Obligations maturing on September 1, 20[__], are subject to mandatory redemption by the Community Facilities District prior to their maturity date in part on September 1 in each of the years 20[__] through 20[__], both years inclusive; and the Local Obligations maturing on September 1, 20[__], are subject to mandatory redemption by the Community Facilities District prior to their maturity date in part on September 1 in each of the years 20[__] through 20[__], both years inclusive, in each case solely from Minimum Sinking Fund Account Payments deposited in the Sinking Fund Subaccount, upon mailed notice as provided in the Indenture, at a redemption price equal to one hundred percent (100%) of the principal amount thereof called for redemption together with accrued interest thereon to the date fixed for redemption.

Minimum Sinking Fund Account Payments are established for the mandatory redemption and payment of the Local Obligations described in the paragraph above, which payments shall become due during the years ending on the dates and in the amounts as set forth in the following schedules (except that if any of the Local Obligations shall have been optionally redeemed or redeemed from property owner prepayments, the amounts of the Minimum Sinking Fund Account Payments shall be reduced proportionately by the principal amount of all such Local Obligations so redeemed), namely:

Local Obligation Maturing September 1, 20[__]

Year Ending September 1	Minimum Sinking Fund Account Payment $
*	

* Maturity.

Local Obligation Maturing September 1, 20[__]

Year Ending September 1	Minimum Sinking Fund Account Payment $
*	

* Maturity.

Exhibit B

[Form of City Attorney Opinion]

[CLOSING DATE]

Folsom Ranch Financing Authority
Folsom, California

City of Folsom
Community Facilities District No. 23
(Folsom Ranch)
Folsom, California

Piper Sandler & Co.
Sacramento, California

U.S. Bank Trust Company, National Association
Los Angeles, California

City of Folsom Community Facilities District No. 23
(Folsom Ranch) Improvement Area No. 4
Special Tax Bonds, Series 2024

Ladies and Gentlemen:

I have served as counsel to the City of Folsom (the "City") in connection with the issuance, sale and delivery of the above-referenced securities (collectively, the "Local Obligations") by the City of Folsom Community Facilities District No. 23 (Folsom Ranch) (the "Community Facilities District"), and this letter is being delivered pursuant to the Local Obligation Purchase Contract dated as of November [__], 2024 (the "Local Obligation Purchase Contract"), by and between the Folsom Ranch Financing Authority (the "Authority") and the Community Facilities District, and all capitalized terms not otherwise defined herein have the meanings ascribed thereto in the Local Obligation Purchase Contract.

As such counsel, I have examined and am familiar with (i) those documents relating to the existence, organization and operation of the Community Facilities District, including Resolution No. 10435, duly adopted by the City on May 26, 2020, establishing the Community Facilities District and designating various improvement areas therein, including Improvement Area No. 4 (the "Improvement Area"); (ii) Resolution No. [_____] of the City Council approving the issuance of the Local Obligations, the issuance of the Authority Bonds, the Financing Documents and the Official Statement (such resolutions referenced in (i) and (ii), together the "Resolutions"); (iii) all necessary documentation of the Community Facilities District relating to the authorization, execution and delivery of the Local Obligations and all of the Financing Documents; (iv) the Preliminary Official Statement, dated November [__], 2024 (the "Preliminary Official Statement") relating to the Authority Bonds; (v) the Official Statement, dated November [__], 2024 (the "Official Statement") relating to the Authority

Bonds; and (vi) the Continuing Disclosure Certificate of the Community Facilities District, dated the date hereof (the "Continuing Disclosure Certificate") relating to the Authority Bonds.

Based on the foregoing, I am of the opinion that:

1. The Community Facilities District is a community facilities district duly organized and existing pursuant to the Mello-Roos Community Facilities Act of 1982, as amended (the "Act"), being Chapter 2.5, Part 1, Division 2, Title 5 of the Government Code of the State of California.

2. The Resolutions have been duly adopted at meetings of the City Council, acting as the legislative body of the Community Facilities District, which were called and held pursuant to law and with all public notice required by law and at which a quorum was present and acting throughout, and the Resolutions are in full force and effect and have not been modified, amended, rescinded or repealed since the date of their respective adoption.

3. The Community Facilities District has the full legal right, power and authority to execute, deliver and perform its obligations and duties under the Financing Documents and the Continuing Disclosure Certificate, including the right and power under the Act to execute the Indenture.

4. The Community Facilities District has complied with the provisions of applicable law in all matters relating to the transactions contemplated by the Financing Documents and the Continuing Disclosure Certificate.

5. The Financing Documents; the Continuing Disclosure Certificate; the Letter of Representations of the Community Facilities District, dated November [__], 2024 (the "Community Facilities District Letter of Representations" and, together with the Financing Documents and the Continuing Disclosure Certificate, the "Community Facilities District Documents") and the Official Statement have each been duly and lawfully authorized, executed and delivered by the Community Facilities District, are each in full force and effect and, assuming due authorization, execution and delivery by the other parties thereto, each constitutes a legal, valid and binding agreement of the Community Facilities District enforceable against it in accordance with its terms, subject to laws relating to bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium and other similar laws relating to or affecting the enforcement of creditors' rights generally and to the application of equitable principles if equitable remedies are sought, to the exercise of judicial discretion in appropriate cases and to the limitations on legal remedies against community facilities districts in the State of California.

6. The Indenture and the Local Obligations have been duly and validly authorized, sold, executed, authenticated and delivered, as applicable, in accordance with the Act and with the Indenture.

7. No approval, consent or authorization of any governmental or public agency, authority or person is required for the execution and delivery by the Community Facilities District of the Financing Documents or the Continuing Disclosure Certificate or the performance by the Community Facilities District of its respective obligations thereunder.

8. The execution and delivery of the Financing Documents and the Continuing Disclosure Certificate by the Community Facilities District, and compliance with the provisions thereof, will not conflict with or constitute a breach of, or default under, any instrument relating to the organization, existence or operation of the Community Facilities District, or any commitment, agreement or other instrument to which the Community Facilities District is a party or by which it or its property is bound or affected, or any ruling, regulation, ordinance, resolution, judgment, order or decree to which the Community Facilities District (or any of its officers in their respective capacities as such) is subject or any provision of the laws of the State of California relating to the Community Facilities District and its affairs.

9. The Local Obligations are valid and binding special tax obligations of the Community Facilities District payable from proceeds of the Special Tax and the other funds provided in the Indenture for such payment and are enforceable in accordance with their terms, subject to bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium and other similar laws relating to or affecting creditors' rights, to the application of equitable principles where equitable remedies are sought, to the exercise of judicial discretion in appropriate cases and to the limitations on legal remedies against community facilities districts in the State of California, and the terms of the Act and of the Indenture.

10. Based upon my review of the Preliminary Official Statement, and without having undertaken to determine independently the accuracy, completeness or fairness of the statements contained in the Preliminary Official Statement, nothing has come to my attention which would lead me to believe that the Preliminary Official Statement (excluding therefrom the financial statements and the statistical data and the information concerning The Depository Trust Company, the book-entry system and the appendices thereto, as to which no opinion is expressed) as of its date and as of the date of the Local Obligation Purchase Contract contained any untrue statement of a material fact with respect to the Community Facilities District or omitted or omits to state any material fact with respect to the Community Facilities District necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

11. Based upon my review of the Official Statement, and without having undertaken to determine independently the accuracy, completeness or fairness of the statements contained in the Official Statement, nothing has come to my attention which would lead me to believe that the Official Statement (excluding therefrom the financial statements and the statistical data and the information concerning The Depository Trust Company, the book-entry system and the appendices thereto, as to which no opinion is expressed) as of its date and the date hereof contained or contains any untrue statement of a material fact with respect to the Community Facilities District or omitted or omits to state any material fact with respect to the Community Facilities District necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

12. Except as may be stated in the Official Statement, there is no action, suit, proceeding or investigation before or by any court, public board or body pending (notice of which has been served on the City or the Community Facilities District) or, to my knowledge, threatened wherein an unfavorable decision, ruling or finding would: (a) affect the creation, organization, existence or powers of the City or the Community Facilities District, or the titles of

their members and officers to their respective offices; or (b) affect the validity of the Community Facilities District Documents or restrain or enjoin the repayment of the Local Obligations or in any way contest or affect the validity of the Community Facilities District Documents or contest the authority of the Community Facilities District to enter into or perform its obligations under any of the Community Facilities District Documents or under which a determination adverse to the City or the Community Facilities District would have a material adverse effect upon the financial condition or the revenues of the City or the Community Facilities District, questions the right of the Community Facilities District to use the Special Tax levied within the Improvement Area for the repayment of the Local Obligations or affects in any manner the right or ability of the Community Facilities District to collect or pledge the Special Tax levied within the Improvement Area for the repayment of the Local Obligations.

Very truly yours,

City Attorney

ATTACHMENT 7

Stradling Yocca Carlson & Rauth
Draft of 10/30/24

$_____
FOLSOM RANCH FINANCING AUTHORITY
CITY OF FOLSOM COMMUNITY FACILITIES DISTRICT NO. 23
(FOLSOM RANCH) IMPROVEMENT AREA NO. 4
SPECIAL TAX REVENUE BONDS
SERIES 2024

BOND PURCHASE AGREEMENT

_____, 2024

Folsom Ranch Financing Authority
50 Natoma Street,
Folsom, California 95630

Ladies and Gentlemen:

Piper Sandler & Co., as underwriter (the "**Underwriter**"), acting not as a fiduciary or agent for you, but on behalf of itself, offers to enter into this Bond Purchase Agreement (this "**Purchase Agreement**") with the Folsom Ranch Financing Authority (the "**Authority**"), which upon acceptance will be binding upon the Underwriter and the Authority. The agreement of the Underwriter to purchase the Bonds (as hereinafter defined) is contingent upon the Authority purchasing from the City of Folsom Community Facilities District No. 23 (Folsom Ranch) (the "**Community Facilities District**") the Community Facilities District's Improvement Area No. 4 Special Tax Bonds, Series 2024 (the "**Special Tax Bonds**") in the aggregate principal amount of $_____, and upon the Authority and the Community Facilities District satisfying all of the obligations imposed upon them under this Purchase Agreement. This offer is made subject to the Authority's acceptance by the execution of this Purchase Agreement and its delivery to the Underwriter at or before 8:00 P.M., California time, on the date hereof, and, if not so accepted, will be subject to withdrawal by the Underwriter upon notice delivered to the Authority at any time prior to the acceptance hereof by the Authority. All capitalized terms used herein, which are not otherwise defined, shall have the meaning provided for such terms in the Trust Agreement, dated as of _____ 1, 2024 (the "**Trust Agreement**"), by and among the Authority, U.S. Bank Trust Company, National Association, as trustee (the "**Trustee**") and the Community Facilities District. The Special Tax Bonds are being issued pursuant to an Indenture dated as of _____ 1, 2024 (the "**District Indenture**"), by and between the Community Facilities District and U.S. Bank Trust Company, National Association, as trustee (the "**District Trustee**").

1. Purchase, Sale and Delivery of the Bonds.

Subject to the terms and conditions and in reliance upon the representations, warranties and agreements set forth herein, the Underwriter hereby agrees to purchase from the Authority and the Authority hereby agrees to sell to the Underwriter all (but not less than all) of the $_____ aggregate principal amount of the Folsom Ranch Financing Authority City of Folsom Community Facilities District No. 23 (Folsom Ranch) Improvement Area No. 4 Special Tax Revenue Bonds, Series 2024 (the "**Bonds**"), dated the Closing Date (as hereinafter defined), bearing interest at the rates and

maturing on the dates and in the principal amounts set forth in Exhibit A hereto. The purchase price for the Bonds shall be $_____ (being 100% of the aggregate principal amount thereof [plus/less] [net] original issue [premium/discount] of $_____ and less an Underwriter's discount of $_____. From the proceeds of the Bonds, the Authority agrees to purchase the Special Tax Bonds from the Community Facilities District pursuant to the terms of the Local Obligation Purchase Contract (the "**Local Obligation Purchase Contract**"), dated _____, 2024, by and between the Community Facilities District and the Authority.

The Bonds shall be substantially in the form described in, shall be issued and secured under the provisions of, and shall be payable from the Revenues as provided in the Trust Agreement, the Official Statement (as hereinafter defined), and the Marks-Roos Local Bond Pooling Act of 1985, as amended, being Article 4, Chapter 5, Division 7, Title 1 of the Government Code of the State of California (the "**Bond Law**"). The issuance of the Bonds has been duly authorized by the Authority pursuant to Resolution No. _____-Folsom Ranch FA (the "**Authority Resolution**") adopted by the Governing Board on _____, 2024. The net proceeds of the Bonds will be used to purchase the Special Tax Bonds.

The Special Tax Bonds shall be substantially in the form described in, shall be issued and secured under the provisions of, and shall be payable from Special Tax (as defined in the District Indenture) as provided in the District Indenture.

The Special Tax Bonds are issued under the Mello-Roos Community Facilities Act of 1982, as amended, being Chapter 2.5, Part 1, Division 2, Title 5 of the Government Code of the State of California (the "**Community Facilities District Act**"). The issuance of the Special Tax Bonds, the preparation and distribution of the Preliminary Official Statement and the Local Obligation Purchase Contract have been duly authorized by the City Council of the City of Folsom (the "**City Council**") acting as the legislative body for the Community Facilities District, pursuant to Resolution No. _____ (the "**Community Facilities District Resolution**") adopted on _____, 2024. The net proceeds of the Special Tax Bonds will be used, as indicated in the District Indenture, for the following purposes: (1) finance the acquisition of certain public facilities; (2) fund a debt service reserve account; and (3) pay certain costs of issuance of the Bonds and the Special Tax Bonds.

Prior to the acceptance of this Purchase Agreement by the Authority, the Authority shall have caused to be delivered to the Underwriter: (i) the Letter of Representations of the Community Facilities District (the "**District Letter of Representations**") in substantially the form set forth in Exhibit B hereto; (ii) a Letter of Representations of Taylor Morrison of California, LLC, a California limited liability company ("**Taylor Morrison**") in substantially the form set forth in Exhibit C hereto; and (iii) a Letter of Representations of Folsom Real Estate South, LLC, a Delaware limited liability company ("**Folsom Real Estate South**") in substantially the form set forth in Exhibit D hereto.

A. The Authority acknowledges that the Underwriter is entering into this Purchase Agreement in reliance on the representations and agreements made by the Authority herein and by the Community Facilities District in the District Letter of Representations, and the Authority shall take all action necessary to enforce its rights hereunder for the benefit of the Underwriter and shall immediately notify the Underwriter if it becomes aware that any representation or agreement made by the Authority herein is incorrect in any material respect.

The Authority acknowledges and agrees that: (i) the purchase and sale of the Bonds pursuant to this Purchase Agreement is an arm's-length commercial transaction between the Authority and the

Underwriter; (ii) in connection therewith and with the discussions, undertakings and procedures leading up to the consummation of such transaction, the Underwriter is and has been acting solely as principal and is not acting as a Municipal Advisor (as defined in Section 15B of the Securities Exchange Act of 1934, as amended); (iii) the Underwriter has not assumed an advisory or fiduciary responsibility in favor of the Authority, the Community Facilities District or the City of Folsom (the "**City**") with respect to the offering contemplated hereby or the discussions, undertakings and procedures leading thereto (irrespective of whether the Underwriter has provided other services or is currently providing other services to the Authority, the Community Facilities District or the City on other matters); and (iv) the Authority, the Community Facilities District and the City have consulted their own legal, financial and other advisors to the extent that they have deemed appropriate.

B. Pursuant to the authorization of the Authority, the Underwriter has distributed copies of the Preliminary Official Statement dated _____, 2024, relating to the Bonds, which, together with the cover page, inside cover page and appendices thereto is herein called the "**Preliminary Official Statement**." By its acceptance of this Purchase Agreement, the Authority hereby ratifies the use by the Underwriter of the Preliminary Official Statement, and the Authority agrees to execute a final official statement relating to the Bonds (including any supplements and/or amendments thereto, the "**Official Statement**") which will consist of the Preliminary Official Statement with such changes as may be made thereto, with the approval of Orrick Herrington & Sutcliffe LLP, the Community Facilities District's and the Authority's Bond Counsel ("**Bond Counsel**") and Disclosure Counsel ("**Disclosure Counsel**"), and the Underwriter, and to provide copies thereof to the Underwriter as set forth in Section 3.N hereof. The Authority hereby authorizes the Underwriter to use and promptly distribute, in connection with the offer and sale of the Bonds, the Preliminary Official Statement, the Official Statement and any supplement or amendment thereto. The Authority further authorizes the Underwriter to use and distribute, in connection with the offer and sale of the Bonds, the Trust Agreement, the District Indenture, this Purchase Agreement, the Local Obligation Purchase Contract and all information contained herein, and all other documents, certificates and statements furnished by or on behalf of the Authority, the Community Facilities District or the City to the Underwriter in connection with the transactions contemplated by this Purchase Agreement.

C. To assist the Underwriter in complying with Securities and Exchange Commission Rule 15c2-12(b)(5) (the "**Rule**"), the Community Facilities District will undertake for and on behalf of the Authority pursuant to the Continuing Disclosure Certificate, in the form attached to the Official Statement as Appendix D (the "**Continuing Disclosure Certificate**"), to provide annual reports and notices of certain enumerated events. A description of this undertaking is set forth in the Preliminary Official Statement and will also be set forth in the Official Statement.

D. Except as the Underwriter and the Authority may otherwise agree, the Authority will deliver to the Underwriter, at the offices of Bond Counsel in Sacramento, California, or at such other location as may be mutually agreed upon by the Underwriter, the Community Facilities District and the Authority, the documents hereinafter mentioned; and the Authority will deliver to the Underwriter through the facilities of The Depository Trust Company ("**DTC**") in New York, New York, the Bonds, in definitive form (all Bonds bearing CUSIP numbers), duly executed by the Authority and authenticated by the Trustee in the manner provided for in the Trust Agreement and the Bond Law at 8:00 a.m. California time, on _____, 2024 (the "**Closing Date**"), and the Underwriter will accept such delivery and pay the purchase price of the Bonds as set forth in the first paragraph of this Section by wire transfer, payable in federal or other immediately available funds (such delivery and payment being herein referred to as the "**Closing**"). The Bonds shall be in fully registered book-

entry form (which may be typewritten) and shall be registered in the name of Cede & Co., as nominee of DTC.

2. Public Offering and Establishment of Issue Price.

A. The Underwriter agrees to make a bona fide public offering of all of the Bonds initially at the public offering prices (or yields) set forth in Exhibit A attached hereto and incorporated herein by reference. Subsequent to the initial public offering, the Underwriter reserves the right to change the public offering prices (or yields) as it deems necessary in connection with the marketing of the Bonds, provided that the Underwriter shall not change the interest rates set forth in Exhibit A. The Bonds may be offered and sold to certain dealers at prices lower than such initial offering prices.

B. The Underwriter agrees to assist the Authority in establishing the issue price of the Bonds and shall execute and deliver to the Authority at Closing an "issue price" or similar certificate, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as Exhibit I, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Underwriter, the Authority and Bond Counsel, to accurately reflect, as applicable, the sales price or prices or the initial offering price or prices to the public of the Bonds. All actions to be taken by the Authority under this section to establish the issue price of the Bonds may be taken on behalf of the Authority by Fieldman, Rolapp & Associates, Inc. (the "**Municipal Advisor**") and any notice or report to be provided to the Authority may be provided to the Municipal Advisor.

C. Except as otherwise set forth in Exhibit A, the Authority will treat the first price at which 10% of each maturity of the Bonds (the "**10% test**") is sold to the public as the issue price of that maturity (if different interest rates apply within a maturity, each separate CUSIP number within that maturity will be subject to the 10% test). At or promptly after the execution of this Purchase Agreement, the Underwriter shall report to the Authority the price or prices at which it has sold to the public each maturity of the Bonds. If at that time the 10% test has not been satisfied as to any maturity of the Bonds, the Underwriter agrees to promptly report to the Authority the prices at which it sells the unsold Bonds of that maturity to the public. That reporting obligation shall continue, whether or not the Closing Date has occurred, until the 10% test has been satisfied as to the Bonds of that maturity or until all Bonds of that maturity have been sold to the public.

D. The Underwriter confirms that it has offered the Bonds to the public on or before the date of this Purchase Agreement at the offering price or prices (the "**initial offering price"),** or at the corresponding yield or yields, set forth in Exhibit A, except as otherwise set forth therein. Exhibit A also sets forth, identified under the column "Hold the Offering Price Rule Used," as of the date of this Purchase Agreement, the maturities, if any, of the Bonds for which the 10% test has not been satisfied and for which the Authority and the Underwriter agree that the restrictions set forth in the next sentence shall apply, which will allow the Authority to treat the initial offering price to the public of each such maturity as of the sale date as the issue price of that maturity (the "**hold-the-offering-price rule**"). So long as the hold-the-offering-price rule remains applicable to any maturity of the Bonds, the Underwriter will neither offer nor sell unsold Bonds of that maturity to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

1. the close of the fifth (5th) business day after the sale date; or

2. the date on which the Underwriter has sold at least 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.

The Underwriter shall promptly advise the Authority when it has sold 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public, if that occurs prior to the close of the fifth (5th) business day after the sale date.

E. The Underwriter confirms that any selling group agreement and any retail distribution agreement relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each dealer who is a member of the selling group and each broker-dealer that is a party to such retail distribution agreement, as applicable, to: (1) report the prices at which it sells to the public the unsold Bonds of each maturity allotted to it until it is notified by the Underwriter that either the 10% test has been satisfied as to the Bonds of that maturity or all Bonds of that maturity have been sold to the public; and (2) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the Underwriter. The Authority acknowledges that, in making the representation set forth in this subsection, the Underwriter will rely on: (A) in the event that a selling group has been created in connection with the initial sale of the Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the hold-the-offering-price rule, if applicable, as set forth in a selling group agreement and the related pricing wires; and (B) in the event that a retail distribution agreement was employed in connection with the initial sale of the Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the hold-the-offering-price rule, if applicable, as set forth in the retail distribution agreement and the related pricing wires. The Authority further acknowledges that the Underwriter shall not be liable for the failure of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a retail distribution agreement, to comply with its corresponding agreement regarding the hold-the-offering-price rule as applicable to the Bonds.

F. The Underwriter acknowledges that sales of any Bonds to any person that is a related party to the Underwriter shall not constitute sales to the public for purposes of this section. Further, for purposes of this section:

1. "**public**" means any person other than an underwriter or a related party;

2. "**underwriter**" means: (A) any person that agrees pursuant to a written contract with the Authority (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the public; and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the public);

3. a purchaser of any of the Bonds is a "**related party**" to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to: (A) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another); (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another); or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other); and

4. "**sale date**" means the date of execution of this Purchase Agreement by all parties.

3. Representations and Covenants of the Authority. The Authority represents and covenants to the Underwriter that:

A. The Authority is a joint exercise of powers authority, duly organized and existing under the Constitution and laws of the State of California (the "**State**"), and formed pursuant to Articles 1 through 4 (commencing with Section 6500) of Chapter 5, Division 7, Title 1 of the Government Code (the "**JPA Act**"), with full right, power and authority: (i) to enter into this Purchase Agreement; (ii) to enter into the Trust Agreement; (iii) to adopt the Authority Resolution authorizing the issuance of the Bonds and entry into this Purchase Agreement and the Trust Agreement and to take all other actions on the part of the Authority relating thereto (the "**Authority Proceedings**"); (iv) to issue, sell and deliver the Bonds to the Underwriter as provided herein; (v) to purchase the Special Tax Bonds; and (vi) to carry out and consummate the transactions on its part contemplated by this Purchase Agreement, the Trust Agreement and the Official Statement.

The Trust Agreement, the Bonds, the Local Obligation Purchase Contract and this Purchase Agreement are collectively referred to herein as the "**Authority Documents**."

B. By all necessary official action of the Authority, the Authority has duly authorized and approved the execution and delivery by the Authority of, and the performance by the Authority of the obligations on its part contained in, the Authority Documents, and has approved the use by the Underwriter of the Preliminary Official Statement and the Official Statement and, as of the date hereof, such authorizations and approvals are in full force and effect and have not been amended, modified or rescinded. When executed and delivered by the parties thereto, the Authority Documents will constitute the legally valid and binding obligations of the Authority enforceable upon the Authority in accordance with their respective terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws or equitable principles relating to or affecting creditors' rights generally. The Authority has complied, and will at the Closing Date be in compliance in all respects, with the terms of the Authority Documents that are applicable to the Authority.

C. The information in the Preliminary Official Statement and in the Official Statement relating to the Authority and the Bonds (other than statements pertaining to the book-entry system, as to which no view is expressed), does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; and, upon delivery and up to and including 25 days after the End of the Underwriting Period (as defined in paragraph (D) below), the Official Statement will be amended and supplemented so as to contain no misstatement of any material fact or omission of any statement necessary to make the statements contained therein, in the light of the circumstances in which such statements were made, not misleading.

D. Up to and including 25 days after the End of the Underwriting Period (as defined below), the Authority will advise the Underwriter promptly of any proposal to amend or supplement the Official Statement and will not effect or consent to any such amendment or supplement without the consent of the Underwriter, which consent will not be unreasonably withheld. The Authority will advise the Underwriter promptly of the institution of any proceedings known to it by any governmental agency prohibiting or otherwise materially affecting the use of the Official Statement in connection with the offering, sale or distribution of the Bonds. As used herein, the term

"**End of the Underwriting Period**" means the later of such time as: (i) the Bonds are delivered to the Underwriter; or (ii) the Underwriter does not retain, directly or as a member of an underwriting syndicate, an unsold balance of the Bonds for sale to the public. Unless the Underwriter gives notice to the contrary, the End of the Underwriting Period shall be deemed to be the Closing Date. Any notice delivered pursuant to this provision shall be a written notice delivered to the Authority and the City at or prior to the Closing Date, and shall specify a date (other than the Closing Date) to be deemed the "End of the Underwriting Period."

E. As of the time of acceptance hereof and as of the Closing Date, except as otherwise disclosed in the Official Statement, the Authority is not, and as of the Closing Date, will not be, in breach of or in default under any applicable constitutional provision, law or administrative rule or regulation of the State or the United States, or any applicable judgment or decree or any trust agreement, loan agreement, bond, note, resolution, ordinance, agreement or other instrument to which the Authority is a party or is otherwise subject; and no event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute a default or event of default under any such instrument; which breach, default or event could have an adverse effect on the Authority's ability to perform its obligations under the Authority Documents; and, as of such times, except as disclosed in the Official Statement, the authorization, execution and delivery of the Authority Documents and compliance by the Authority with the provisions of each of such agreements or instruments does not and will not conflict with or constitute a breach of or default under any applicable constitutional provision, law or administrative rule or regulation of the State or the United States, or any applicable judgment, decree, license, permit, trust agreement, loan agreement, bond, note, resolution, ordinance, agreement or other instrument to which the Authority (or any of its officers in their respective capacities as such) is subject, or by which it or any of its properties is bound; nor will any such authorization, execution, delivery or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of its assets or properties or under the terms of any such law, regulation or instrument, except as may be provided by the Authority Documents.

F. At the time of acceptance hereof there is, and as of the Closing Date, there will be no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, government agency, public board or body (collectively and individually, an "**Action**") pending (notice of which has been served on the Authority) or to the knowledge of the Authority threatened, in which any such Action: (i) in any way questions the corporate existence of the Authority or the titles of the officers of the Authority to their respective offices; (ii) affects, contests or seeks to prohibit, restrain or enjoin the issuance or delivery of any of the Bonds, or the payment or collection of Revenues (as defined in the Trust Agreement) or any amounts pledged or to be pledged to pay the principal of and interest on the Bonds, or in any way contests or affects the validity of the Authority Documents or the consummation of the transactions on the part of the Authority contemplated thereby; (iii) contests the exclusion of the interest on the Bonds from federal or state income taxation or contests the powers of the Authority which may result in any material adverse change relating to the financial condition of the Authority; or (iv) contests the completeness or accuracy of the Preliminary Official Statement or the Official Statement or any supplement or amendment thereto or asserts that the Preliminary Official Statement or the Official Statement contained any untrue statement of a material fact or omitted to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; and, as of the time of acceptance hereof, there is, and as of the Closing Date, there will be no known basis for any action, suit, proceeding, inquiry or investigation of the nature described in clauses (i) through (iv) of this sentence.

G. The Authority will furnish such information, execute such instruments and take such other action in cooperation with the Underwriter and at the expense of the Underwriter as the Underwriter may reasonably request in order: (i) to qualify the Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and other jurisdictions of the United States as the Underwriter may designate; and (ii) to determine the eligibility of the Bonds for investment under the laws of such states and other jurisdictions, and will use its best efforts to continue such qualifications in effect so long as required for the distribution of the Bonds, provided; however, that the Authority will not be required to execute a special or general consent to service of process or qualify as a foreign corporation in connection with any such qualification in any jurisdiction.

H. The Authority Documents conform as to form and tenor to the descriptions thereof contained in the Official Statement. The Authority represents that the Bonds, when issued, executed and delivered in accordance with the Trust Agreement and sold to the Underwriter as provided herein, will be validly issued and outstanding obligations of the Authority, entitled to the benefits of the Trust Agreement. The Trust Agreement creates a valid pledge of the moneys in certain funds and accounts established pursuant to the Trust Agreement, subject in all cases to the provisions of the Trust Agreement permitting the application thereof for the purposes and on the terms and conditions set forth therein.

I. The Authority has not been notified of any listing or proposed listing by the Internal Revenue Service to the effect that the Authority is a bond issuer whose arbitrage certifications may not be relied upon.

J. Any certificate signed by any authorized officer of the Authority and delivered to the Underwriter in connection with the issuance and sale of the Bonds shall be deemed to be a representation and covenant by the Authority to the Underwriter as to the statements made therein.

K. The Authority will apply the proceeds of the Bonds in accordance with the Trust Agreement.

L. Between the date of this Purchase Agreement and the Closing Date, the Authority will not offer or issue any bonds, notes or other obligations for borrowed money not previously disclosed to the Underwriter.

M. Until such time as moneys have been set aside in an amount sufficient to pay all then outstanding Bonds at maturity or to the date of redemption if redeemed prior to maturity, plus unpaid interest thereon and premium, if any, to maturity or to the date of redemption if redeemed prior to maturity, the Authority will faithfully perform and abide by all of the covenants, undertakings and provisions contained in the Trust Agreement.

N. The Preliminary Official Statement was deemed final by a duly authorized officer of the Authority prior to its delivery to the Underwriter, except for the omission of such information as is permitted to be omitted in accordance with paragraph (b)(1) of the Rule. The Authority hereby covenants and agrees that, within seven (7) business days from the date hereof, or upon reasonable written notice from the Underwriter within sufficient time to accompany any confirmation requesting payment from any customers of the Underwriter, the Authority shall cause a final printed form of the Official Statement to be delivered to the Underwriter in sufficient quantity to comply with paragraph (b)(4) of the Rule and Rules G-12, G-15, G-32 and G-36 of the Municipal Securities Rulemaking Board.

The Authority hereby approves the preparation and distribution of the Official Statement, consisting of the Preliminary Official Statement with such changes as are noted thereon and as may be made thereto, with the approval of Bond Counsel, Disclosure Counsel and the Underwriter, from time to time prior to the Closing Date.

The Authority hereby ratifies any prior use of and authorizes the future use by the Underwriter, in connection with the offering and sale of the Bonds, of the Preliminary Official Statement, the Official Statement, this Purchase Agreement and all information contained herein, and all other documents, certificates and written statements furnished by the Authority to the Underwriter in connection with the transactions contemplated by this Purchase Agreement.

The execution and delivery of this Purchase Agreement by the Authority shall constitute a representation to the Underwriter that the representations contained in this Section 3 are true as of the date hereof.

4. Conditions to the Obligations of the Underwriter. The obligation of the Underwriter to accept delivery of and pay for the Bonds on the Closing Date shall be subject, at the option of the Underwriter, to the accuracy in all material respects of the representations on the part of the Authority contained herein and of the Community Facilities District in the District Letter of Representations, to the accuracy in all material respects of the statements of the officers and other officials of the Authority made in any certificates or other documents furnished pursuant to the provisions hereof, to the performance by the Authority of its obligations to be performed hereunder at or prior to the Closing Date and, to the following additional conditions:

A. At the Closing Date, the Authority Resolution, the Community Facilities District Resolution, the Authority Documents and this Purchase Agreement, the District Indenture, the Local Obligation Purchase Contract, the Special Tax Bonds, the District Letter of Representations and the Continuing Disclosure Certificate shall be in full force and effect, and shall not have been amended, modified or supplemented, except as may have been agreed to in writing by the Underwriter, and there shall have been taken in connection therewith, with the issuance of the Bonds and with the Special Tax Bonds, and with the transactions contemplated thereby, and by this Purchase Agreement, all such actions as, in the opinion of Bond Counsel, shall be necessary and appropriate. The Trust Agreement, the District Indenture, the Local Obligation Purchase Contract, the Special Tax Bonds, the District Letter of Representations and the Continuing Disclosure Certificate are herein referred to collectively as the "**District Documents**."

B. At the Closing Date, except as was described in the Preliminary Official Statement, the Authority shall not be, in any respect material to the transactions referred to herein or contemplated hereby, in breach of or in default under, any law or administrative rule or regulation of the State of California, the United States of America, or of any department, division, agency or instrumentality of either thereof, or under any applicable court or administrative decree or order, or under any loan agreement, note, resolution, indenture, contract, agreement or other instrument to which the Authority is a party or is otherwise subject or bound, and the performance by the Authority of its obligations under the Authority Documents, the Authority Resolution and any other instruments contemplated by any of such documents, and compliance with the provisions of each thereof, will not conflict with or constitute a breach of or default under any applicable law or administrative rule or regulation of the State of California, the United States of America, or of any department, division, agency or instrumentality of either thereof, or under any applicable court or administrative decree or order, or under any loan agreement, note, resolution, indenture, contract, agreement or other instrument

to which the Authority is a party or is otherwise subject or bound, in any manner that would materially and adversely affect the performance by the Authority of its obligations under the Authority Documents or the Authority Resolution.

C. At the Closing Date, except as described in the Official Statement, the Community Facilities District shall not be, in any respect material to the transactions referred to in the District Letter of Representations or contemplated therein, in breach of or in default under, any law or administrative rule or regulation of the State of California, the United States of America, or of any department, division, agency or instrumentality of either thereof, or under any applicable court or administrative decree or order, or under any loan agreement, note, resolution, indenture, contract, agreement or other instrument to which the Community Facilities District is a party or is otherwise subject or bound, and the performance by the Community Facilities District of its obligations under the Community Facilities District Resolution, the District Documents, and any other instruments contemplated by any of such documents, and compliance with the provisions of each thereof, or the performance of the conditions precedent to be performed hereunder, will not conflict with or constitute a breach of or default under any applicable law or administrative rule or regulation of the State of California, the United States of America, or of any department, division, agency or instrumentality of either thereof, or under any applicable court or administrative decree or order, or under any loan agreement, note, resolution, indenture, contract, agreement or other instrument to which the Community Facilities District is a party or is otherwise subject or bound, in any manner that would materially and adversely affect the performance by the Community Facilities District of its obligations under the Community Facilities District Resolution and the District Documents or the performance of the conditions precedent to be performed by the Community Facilities District under the Community Facilities District Resolution and the District Documents.

D. The information contained in the Official Statement is, as of the Closing Date and as of the date of any supplement or amendment thereto pursuant hereto, true and correct in all material respects and does not, as of the Closing Date or as of the date of any supplement or amendment thereto, contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

E. Between the date hereof and the Closing Date, the market price or marketability, at the initial offering prices set forth on the cover page of the Official Statement, of the Bonds shall not have been materially adversely affected, in the judgment of the Underwriter (evidenced by a written notice to the Authority terminating the obligation of the Underwriter to accept delivery of and pay for the Bonds), by reason of any of the following:

1. Legislation introduced in or enacted (or resolution passed) by the Congress of the United States of America or recommended to the Congress by the President of the United States, the Department of the Treasury, the Internal Revenue Service, or any member of Congress, or favorably reported for passage to either House of Congress by any committee of such House to which such legislation had been referred for consideration, or a decision rendered by a court established under Article III of the Constitution of the United States of America or by the Tax Court of the United States of America, or an order, ruling, regulation (final, temporary or proposed), press release or other form of notice issued or made by or on behalf of the Treasury Department of the United States of America or the Internal Revenue Service, with the purpose or effect, directly or indirectly, of imposing federal income taxation upon such interest as would be received by any owners of the Bonds beyond the extent to which such interest is subject to taxation as of the date hereof;

2. Legislation introduced in or enacted (or resolution passed) by the Congress or an order, decree or injunction issued by any court of competent jurisdiction, or an order, ruling, regulation (final, temporary or proposed), press release or other form of notice issued or made by or on behalf of the Securities and Exchange Commission, or any other governmental agency having jurisdiction of the subject matter, to the effect that obligations of the general character of the Bonds or the Special Tax Bonds, including any or all underlying arrangements, are not exempt from registration under or other requirements of the Securities Act of 1933, as amended, or that the Trust Agreement or the District Indenture are not exempt from qualification under or other requirements of the Trust Agreement Act of 1939, as amended, or that the issuance, offering or sale of obligations of the general character of the Bonds or the Special Tax Bonds, including any or all underlying arrangements, as contemplated hereby or by the Official Statement or otherwise is or would be in violation of the federal securities laws as amended and then in effect;

3. A general suspension of trading in securities on the New York Stock Exchange, or a general banking moratorium declared by Federal, State of New York or State of California officials authorized to do so;

4. The introduction, proposal or enactment of any amendment to the Federal or California Constitution or any action by any Federal or California court, legislative body, regulatory body or other authority materially adversely affecting the tax status of the Bonds, the Authority or the Community Facilities District, their property, income, securities (or interest thereon), the validity or enforceability of the Special Tax, or the ability of the Authority to purchase any Special Tax Bonds as contemplated by the Official Statement;

5. Any event occurring, or information becoming known which, in the judgment of the Underwriter, makes untrue in any material respect any statement or information contained in the Preliminary Official Statement or in the Official Statement, or has the effect that the Preliminary Official Statement or the Official Statement contains any untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;

6. Any national securities exchange, the Comptroller of the Currency, or any other governmental authority, shall impose as to the Bonds, the Special Tax Bonds or obligations of the general character of the Bonds or the Special Tax Bonds, any material restrictions not now in force, or increase materially those now in force, with respect to the extension of credit by, or the charge to the net capital requirements of, the Underwriter;

7. There shall have occurred any material outbreak or escalation of hostilities or other calamity or crisis the effect of which on the financial markets of the United States is such as to make it impracticable, in the judgment of the Underwriter, following consultation with the Authority, to sell the Bonds;

8. The filing or threat of an Action described Section 3.F hereof or Section M of the District Letter of Representations; or

9. Any proceeding shall have been commenced or be threatened in writing by the Securities and Exchange Commission against the City or the Authority.

F. At or prior to the Closing Date, the Underwriter shall have received a counterpart original or certified copy of the following documents, in each case satisfactory in form and substance to the Underwriter:

1. The Official Statement, executed on behalf of the Authority by its Treasurer or other authorized officer;

2. The Authority Documents, duly executed and delivered by all parties thereto;

3. The Authority Resolution, together with a certificate of the Secretary of the Authority, dated as of the Closing Date, to the effect that such resolution is a true, correct and complete copy of the resolution duly adopted by the Governing Board of the Authority;

4. The Community Facilities District Resolution, together with a certificate dated as of the Closing Date of the City Clerk, acting on behalf of the Community Facilities District to the effect that the Community Facilities District Resolution is a true, correct and complete copy of the one duly adopted by the City Council, acting as the legislative body of the Community Facilities District;

5. The District Documents duly executed and delivered by all parties thereto;

6. An unqualified approving opinion for the Bonds, dated the Closing Date and addressed to the Authority, of Bond Counsel, in substantially the form included as Appendix E to the Official Statement, together with a letter addressed to the Trustee to the effect that such opinion may be relied upon by the Trustee to the same extent as if such opinion was addressed to the Trustee;

7. A supplemental opinion or opinions, dated the Closing Date and addressed to the Underwriter, of Bond Counsel, in substantially the form attached hereto as Exhibit G;

8. A certificate, dated the Closing Date and signed by the Treasurer of the Authority or other authorized officer, to the effect that: (i) the representations of the Authority contained herein are true and correct in all material respects on and as of the Closing Date with the same effect as if made on the Closing Date; (ii) to the best knowledge of such officer, no event has occurred since the date of the Official Statement which should be disclosed in the Official Statement for the purpose for which it is to be used or which it is necessary to disclose therein in order to make the statements and information therein not misleading in any material respect; and (iii) the Authority has complied with all the agreements and satisfied all the conditions on its part to be performed or satisfied under the Authority Documents and the Authority Resolution at or prior to the Closing Date;

9. A certificate dated the Closing Date and signed by an authorized representative of the Community Facilities District or an authorized designee, on behalf of the Community Facilities District to the effect that: (i) the representations made by the Community Facilities District contained in the District Letter of Representations are true and correct in all material respects on and as of the Closing Date with the same effect as if made on the Closing Date, provided that any references as to the Preliminary Official Statement shall be deemed to be to the Official Statement; (ii) to the best knowledge of such officer, no event has occurred since the date of the Official

Statement which should be disclosed in the Official Statement for the purpose for which it is to be used or which it is necessary to disclose therein in order to make the statements and information therein not misleading in any material respect; and (iii) the Community Facilities District has complied with all the agreements and satisfied all the conditions on its part to be satisfied under the District Documents prior to the Closing Date;

10. An opinion of the City Attorney of the City, as counsel to the Authority, dated the date of Closing and addressed to the Underwriter, the Authority, the Community Facilities District, the Trustee and the District Trustee, to the effect that:

(i) The Authority is a public body, corporate and politic, duly organized and validly existing as a joint powers authority under the laws of the State of California;

(ii) The Authority has full legal power and lawful authority to enter into the Authority Documents and to carry out the transactions contemplated under the Authority Documents;

(iii) The Authority Resolution was duly adopted at a regular meeting of the governing body of the Authority, which was called and held pursuant to law and with all public notice required by law and at which a quorum was present and acting throughout, and the Authority Resolution is in full force and effect and has not been modified, amended, rescinded or repealed since the date of its adoption;

(iv) The Authority Documents have been duly authorized, executed and delivered by the Authority and constitute the legal, valid and binding obligations of the Authority enforceable against the Authority in accordance with their terms, subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights, to the application of equitable principles where equitable remedies are sought and to the exercise of judicial discretion in appropriate cases;

(v) To the best knowledge of such counsel, the execution and delivery of the Authority Documents and the Official Statement and compliance with the provisions thereof under the circumstances contemplated thereby: (a) do not in any material respect conflict with or constitute on the part of the Authority a breach of or default under any agreement or other instrument to which the Authority is a party or by which it is bound; and (b) do not and will not in any material respect or constitute on the part of the Authority a violation, breach of or default under any court order or consent decree to which the Authority is subject;

(vi) The Authority Documents and the Official Statement have been duly authorized by the Governing Board of the Authority and executed on its behalf by an authorized officer of the Authority;

(vii) Except as may be stated in the Official Statement, there is no action, suit, proceeding or investigation before or by any court, public board or body pending (notice of which has been served on the Authority) or, to the City Attorney's knowledge, threatened wherein an unfavorable decision, ruling or finding would: (a) affect the creation, organization, existence or powers of the Authority, or the titles of its members and officers to their respective offices; (b) enjoin or restrain the issuance, sale and delivery of the Bonds, the collection of the Revenues or the pledge thereof; (c) in any way question or affect any of the rights, powers, duties or obligations of the

Authority with respect to the Revenues or the moneys and assets pledged or to be pledged to pay the principal of, premium, if any, or interest on the Bonds; (d) in any way question or affect any authority for the issuance of the Bonds, or the validity or enforceability of the Bonds; or (e) in any way question or affect the Authority Documents or the transactions contemplated by the Authority Documents, the Official Statement, or any activity regarding the Bonds;

11. An opinion of the City Attorney of the City, dated the date of Closing and addressed to the Underwriter, the Authority, the Community Facilities District, the Trustee and the District Trustee to the effect that:

(i) The Community Facilities District is a community facilities district organized and existing pursuant to the Mello-Roos Community Facilities Act of 1982, as amended, being Chapter 2.5, Part 1, Division 2, Title 5 of the Government Code of the State of California;

(ii) The Community Facilities District Resolution has been duly adopted at a meeting of the City Council, acting as the legislative body of the Community Facilities District, which was called and held pursuant to law and with all public notice required by law and at which a quorum was present and acting throughout, and the Community Facilities District Resolution is in full force and effect and has not been modified, amended, rescinded or repealed since the date of its adoption;

(iii) The District Documents and the Official Statement have been duly and lawfully authorized, executed and delivered by the Community Facilities District and the District Documents constitute the legal, valid and binding obligations of the Community Facilities District enforceable against the Community Facilities District in accordance with their terms, subject to bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium and other similar laws relating to or affecting creditors' rights, to the application of equitable principles where equitable remedies are sought, to the exercise of judicial discretion in appropriate cases and to the limitations on legal remedies against community facilities districts in the State of California;

(iv) The Community Facilities District has the right and power under the Community Facilities District Act to execute the District Indenture and no other authorization for the execution thereof is required, and the District Indenture is in full force and effect;

(v) The Special Tax Bonds are valid and binding special tax obligations of the Community Facilities District payable from proceeds of the Special Tax and the other funds provided in the District Indenture for such payment and are enforceable in accordance with their terms, subject to bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium and other similar laws relating to or affecting creditors' rights, to the application of equitable principles where equitable remedies are sought, to the exercise of judicial discretion in appropriate cases and to the limitations on legal remedies against community facilities districts in the State of California, and the terms of the Community Facilities District Act and of the District Indenture;

(vi) The District Indenture and the Special Tax Bonds have been duly and validly authorized, sold, executed, authenticated and delivered in accordance with the Community Facilities District Act and with the District Indenture;

(vii) Except as may be stated in the Official Statement, there is no action, suit, proceeding or investigation before or by any court, public board or body pending (notice of which has been served on the City or the Community Facilities District) or, to such counsel's knowledge, threatened wherein an unfavorable decision, ruling or finding would: (a) affect the creation, organization, existence or powers of the City or the Community Facilities District, or the titles of its members and officers to their respective offices; or (b) affect the validity of the District Documents or restrain or enjoin the repayment of the Special Tax Bonds or in any way contest or affect the validity of the District Documents or contest the authority of the Community Facilities District to enter into or perform its obligations under any of the District Documents or under which a determination adverse to the City or the Community Facilities District would have a material adverse affect upon the financial condition or the revenues of the City or the Community Facilities District, questions the right of the Community Facilities District to use the Special Tax levied within the Improvement Area for the repayment of the Special Tax Bonds or affects in any manner the right or ability of the Community Facilities District to collect or pledge the Special Tax levied within the Improvement Area for the repayment of the Special Tax Bonds;

12. A transcript of all proceedings relating to the authorization, issuance, sale and delivery of the Bonds and the Special Tax Bonds, including copies of the signed Trust Agreement and the District Indenture and certified copies of all resolutions of the City and the Authority relating thereto;

13. A certificate dated the Closing Date from NBS addressed to the Authority, the Community Facilities District and the Underwriter to the effect that: (i) the Special Tax (after payment of Priority Administrative Expenses) if collected in the maximum amounts permitted pursuant to the Rate and Method of Apportionment of Special Taxes would generate at least 110% of the annual debt service payable with respect to the Special Tax Bonds in each year, based on such assumptions and qualifications as shall be acceptable to the Underwriter; and (ii) the statements in the Preliminary Official Statement and the Official Statement provided by NBS concerning the Special Tax and the Rate and Method of Apportionment of the Special Taxes and all information supplied by it for use in the Preliminary Official Statement, as of the date of the Preliminary Official Statement, and in the Official Statement, as of the date of the Official Statement and as of the Closing Date, did not and do not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading;;

14. Certified copies of the general resolution of the Trustee and District Trustee authorizing the execution and delivery of certain documents by certain officers of the Trustee and District Trustee, which resolution authorizes the execution of the Trust Agreement, the District Indenture and the authentication of the Bonds and the Special Tax Bonds;

15. A certificate of the Trustee, addressed to the Underwriter, the Authority and the Community Facilities District dated the Closing Date, to the effect that: (i) the Trustee is authorized to carry out corporate trust powers, and have full power and authority to perform their respective duties under the Trust Agreement and the District Indenture; (ii) the Trustee is duly authorized to execute and deliver the Trust Agreement and the District Indenture, to accept the obligations created by the Trust Agreement and the District Indenture and to authenticate the Bonds and the Special Tax Bonds pursuant to the terms of the Trust Agreement and the District Indenture, respectively; (iii) no consent, approval, authorization or other action by any governmental or regulatory authority having jurisdiction over the Trustee that has not been obtained is or will be required for the

authentication of the Bonds or the Special Tax Bonds or the consummation by the Trustee of the other transactions contemplated to be performed by the Trustee in connection with the authentication of the Bonds and the Special Tax Bonds and the acceptance and performance of the obligations created by the Trust Agreement and the District Indenture; and (iv) to the best of its knowledge, compliance with the terms of the Trust Agreement and the District Indenture will not conflict with, or result in a violation or breach of, or constitute a default under, any loan agreement, trust agreement, bond, note, resolution or any other agreement or instrument to which the Trustee is a party or by which it is bound, or any law or any rule, regulation, order or decree of any court or governmental agency or body having jurisdiction over the Trustee or any of its activities or properties;

16. An opinion of counsel to the Trustee, dated the Closing Date, addressed to the Underwriter, the Authority and the Community Facilities District to the effect that the Trustee is a national banking association duly organized and validly existing under the laws of the United States having full power and being qualified to enter into, accept and agree to the provisions of the Trust Agreement and the District Indenture, and that each of such documents has been duly authorized, executed and delivered by the Trustee and, assuming due execution and delivery by the other parties thereto, constitutes the legal, valid and binding obligation of the Trustee enforceable in accordance with its terms, subject to bankruptcy, insolvency, reorganization, moratorium and other laws affecting the enforcement of creditors' rights in general and except as such enforceability may be limited by the application of equitable principles if equitable remedies are sought;

17. A certificate of the Authority dated the Closing Date, in a form acceptable to Bond Counsel and the Underwriter, that the Bonds are not arbitrage bonds within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended;

18. An opinion of Stradling Yocca Carlson & Rauth LLP, counsel to the Underwriter ("**Underwriter's Counsel**"), dated the date of Closing and addressed to the Underwriter in form and substance acceptable to the Underwriter;

19. A closing certificate of Taylor Morrison dated the Closing Date, substantially in the form attached as Exhibit E hereto;

20. A continuing disclosure certificate of Taylor Morrison in the form attached as Appendix D to the Official Statement (the "**Taylor Morrison Continuing Disclosure Certificate**").

21. One or more opinions of counsel to Taylor Morrison, dated the Closing Date and addressed to the Authority and the Underwriter, in form and substance acceptable to the Underwriter and Underwriter's Counsel, regarding (i) Taylor Morrison's due organization and qualification to do business, (ii) the due authorization and execution of the Taylor Morrison Continuing Disclosure Certificate executed by Taylor Morrison, (iii) the absence of litigation pending against Taylor Morrison (with service of process to Taylor Morrison having been duly given and completed) or overtly threatened against Taylor Morrison which would materially and adversely affect the validity or enforceability of the Taylor Morrison Continuing Disclosure Certificate executed by Taylor Morrison or Taylor Morrison's ability to pay the Special Taxes when due, and (iv) negative assurance regarding the Preliminary Official Statement and the Official Statement;

22. A closing certificate of Folsom Real Estate South dated the Closing Date, substantially in the form attached as Exhibit F hereto;

23. A continuing disclosure certificate of Folsom Real Estate South in the form attached as Appendix D to the Official Statement (the "**Folsom Real Estate South Continuing Disclosure Certificate**").

24. One or more opinions of counsel to Folsom Real Estate South, dated the Closing Date and addressed to the Authority and the Underwriter, in form and substance acceptable to the Underwriter and Underwriter's Counsel, regarding (i) Folsom Real Estate South's due organization and qualification to do business, (ii) the due authorization and execution of the Folsom Real Estate South Continuing Disclosure Certificate executed by Folsom Real Estate South, (iii) the absence of litigation pending against Folsom Real Estate South (with service of process to Folsom Real Estate South having been duly given and completed) or overtly threatened against Folsom Real Estate South which would materially and adversely affect the validity or enforceability of the Folsom Real Estate South Continuing Disclosure Certificate executed by Folsom Real Estate South or Folsom Real Estate South's ability to pay the Special Taxes when due, and (iv) negative assurance regarding the Preliminary Official Statement and the Official Statement;

25. A certificate of the Appraiser, substantially in the form attached hereto as Exhibit H; and

26. Such additional legal opinions, certificates, instruments and other documents as the Underwriter may reasonably request to evidence the truth and accuracy, as of the date hereof and as of the Closing Date, of the material representations of the Authority contained herein, and of the statements and information contained in the Official Statement and the due performance or satisfaction by the Authority and the Community Facilities District at or prior to the Closing of all agreements then to be performed and all conditions then to be satisfied by the Community Facilities District and the Authority in connection with the transactions contemplated hereby and by the District Indenture, the Trust Agreement, and the Official Statement.

If the Authority shall be unable to satisfy the conditions to the obligations of the Underwriter to purchase, accept delivery of and pay for the Bonds contained in this Purchase Agreement, or if the obligations of the Underwriter to purchase, accept delivery of and pay for the Bonds shall be terminated for any reason permitted by this Purchase Agreement, this Purchase Agreement shall terminate and neither the Authority nor the Underwriter shall be under any further obligation hereunder, except that the respective obligations of the Underwriter and the Authority set forth in Section 6 hereof shall continue in full force and effect.

5. Conditions to the Obligations of the Authority.

A. The obligations of the Authority shall be subject to the satisfaction of the conditions contained in Section 4 of this Purchase Agreement.

B. If the Authority shall be unable to satisfy the conditions to the obligations of the Authority to purchase, accept delivery of and pay for the Special Tax Bonds contained in the Local Obligation Purchase Contract, or if the obligations of the Authority to purchase, accept delivery of and pay for the Special Tax Bonds shall be terminated for any reason permitted by this Purchase Agreement, this Purchase Agreement shall terminate and neither the Authority nor the Community Facilities District shall be under any further obligation hereunder, except that the obligations of the Authority set forth in Section 6 hereof shall continue in full force and effect.

6. Expenses. Whether or not the transactions contemplated by this Purchase Agreement are consummated, the Underwriter shall be under no obligation to pay, and the Authority shall pay only from the proceeds of the Bonds, or cause the Community Facilities District to pay out of the proceeds of the Special Tax Bonds or any other legally available funds of the City, the Community Facilities District or the Authority, but only as the Authority and such other party providing such services may agree, all expenses and costs of the Authority incident to the performance of its obligations in connection with the authorization, execution, sale and delivery of the Bonds to the Underwriter, including, without limitation, printing costs, initial fees of the Trustee, including fees and disbursements of their counsel, if any, fees and disbursements of Bond Counsel, Disclosure Counsel and other professional advisors employed by the Authority, costs of preparation, printing, signing, transportation, delivery and safekeeping of the Bonds and for expenses (included in the expense component of the spread) incurred by the Underwriter on behalf of the Authority's employees which are incidental to implementing this Purchase Agreement, including, but not limited to, meals, transportation, lodging, and entertainment of those employees. The Underwriter shall pay all out-of-pocket expenses of the Underwriter, including, without limitation, advertising expenses, the California Debt and Investment Advisory Commission fee, CUSIP Services Bureau charges, regulatory fees imposed on new securities issuers and any and all other expenses incurred by the Underwriter in connection with the public offering and distribution of the Bonds, including fees of its counsel.

7. Notices. Any notice of other communication to be given to the City or the Authority under this Purchase Agreement may be given by delivering the same in writing to the City of Folsom, 50 Natoma Street, Folsom, CA, 95630, Attention: Finance Director; any notice or other communication to be given to the Underwriter under this Purchase Agreement may be given by delivering the same in writing to Piper Sandler & Co, 3626 Fair Oaks Blvd., Suite 100, Sacramento, California 95864, Attention: Dennis McGuire.

8. Parties In Interest. This Purchase Agreement is made solely for the benefit of the Authority and Underwriter (including any successors or assignees of the Underwriter) and no other person shall acquire or have any right hereunder or by virtue hereof.

9. Survival of Representations. The representations of the Authority under this Purchase Agreement shall not be deemed to have been discharged, satisfied or otherwise rendered void by reason of the Closing and regardless of any investigations made by or on behalf of the Underwriter (or statements as to the results of such investigations) concerning such representations and statements of the Authority and regardless of delivery of and payment for the Bonds.

10. Execution in Counterparts. This Purchase Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument.

11. Effective. This Purchase Agreement shall become effective and binding upon the respective parties hereto upon the execution of the acceptance hereof by the Authority and shall be valid and enforceable as of the time of such acceptance.

12. No Prior Agreements. This Purchase Agreement supersedes and replaces all prior negotiations, agreements and understanding among the parties hereto in relation to the sale of the Bonds by the Authority.

13. Governing Law. This Purchase Agreement shall be governed by the laws of the State of California.

14. Effective Date. This Purchase Agreement shall become effective and binding upon the respective parties hereto upon the execution of the acceptance hereof by the Authority and shall be valid and enforceable as of the time of such acceptance.

Very truly yours,

PIPER SANDLER & CO.

By: _____
Its: Authorized Officer

FOLSOM RANCH FINANCING AUTHORITY

By: _____
Its: Treasurer

EXHIBIT A

FOLSOM RANCH FINANCING AUTHORITY
CITY OF FOLSOM COMMUNITY FACILITIES DISTRICT NO. 23
(FOLSOM RANCH) IMPROVEMENT AREA NO. 4
SPECIAL TAX REVENUE BONDS
SERIES 2024

Schedule of Bond Maturities, Principal Amounts, Interest Rates, Yields and Initial Offering Prices

Maturity Date (September 1)	*Principal Amount*	*Interest Rate*	*Yield*	*Initial Offering Price*	*10% Test Used*	*Hold the Price Offering Rule Used*

[T] Term Bonds.
[C] Priced to the September 1, 203__ optional redemption date, at _____.

Optional Redemption. The Bonds are subject to optional redemption by the Authority prior to their respective maturity dates as a whole or in part on any date on or after September 1, 20__, from any source of available funds other than Minimum Sinking Fund Payments and Special Tax Prepayments, at the following redemption prices (computed upon the principal amount of the Bonds or portions thereof called for redemption) together with accrued interest thereon to the date fixed for redemption:

103% if redeemed on any date on or after September 1, 20__ through August 31, 20__;

102% if redeemed on any date from September 1, 20__ through August 31, 20__;

101% if redeemed on any date from September 1, 20__ through August 31, 20__; and

100% if redeemed on September 1, 20__ and any date thereafter.

Extraordinary Redemption from Prepayment of Special Taxes. The Bonds are subject to extraordinary redemption by the Authority prior to their respective maturity dates, as a whole or in part

on any Interest Payment Date on or after March 1, 2025, solely from funds derived from the extraordinary redemption of Local Obligations from Special Tax Prepayments, at the following redemption prices (computed upon the principal amount of the Bonds or portions thereof called for redemption) together with accrued interest thereon to the date fixed for redemption:

103% if redeemed on an Interest Payment Date on or after March 1, 2025 through March 1, 20__;

102% if redeemed on an Interest Payment Date on September 1, 20__ and March 1, 20__;

101% if redeemed on an Interest Payment Date on September 1, 20__ and March 1, 20__; and

100% if redeemed on September 1, 20__ and any Interest Payment Date thereafter.

Mandatory Sinking Fund Redemption of Bonds. The Bonds maturing on September 1, 20__ are subject to mandatory redemption in part by lot on September 1 of each year commencing September 1, 20__, at a redemption price equal to one hundred percent (100%) of the principal amount thereof called for redemption together with accrued interest thereon to the date fixed for redemption:

Sinking Fund Redemption Date (September 1)	***Principal Amount to be Redeemed***

† Maturity.

The Bonds maturing on September 1, 20__ are subject to mandatory redemption in part by lot on September 1 of each year commencing September 1, 20__, at a redemption price equal to one hundred percent (100%) of the principal amount thereof called for redemption together with accrued interest thereon to the date fixed for redemption:

Sinking Fund Redemption Date (September 1)	***Principal Amount to be Redeemed***

† Maturity.

The Bonds maturing on September 1, 20__ are subject to mandatory redemption in part by lot on September 1 of each year commencing September 1, 20__, at a redemption price equal to one

hundred percent (100%) of the principal amount thereof called for redemption together with accrued interest thereon to the date fixed for redemption:

Sinking Fund Redemption Date (September 1)	***Principal Amount to be Redeemed***

† Maturity.

The Bonds maturing on September 1, 20__ are subject to mandatory redemption in part by lot on September 1 of each year commencing September 1, 20__, at a redemption price equal to one hundred percent (100%) of the principal amount thereof called for redemption together with accrued interest thereon to the date fixed for redemption:

Sinking Fund Redemption Date (September 1)	***Principal Amount to be Redeemed***

† Maturity.

If the Bonds subject to mandatory redemption are redeemed in part prior to their stated maturity date other than from Minimum Sinking Fund Payments, the Minimum Sinking Fund Payments for such Bonds shall be reduced proportionately by the principal amount of such Bonds so redeemed.

EXHIBIT B

FOLSOM RANCH FINANCING AUTHORITY
CITY OF FOLSOM COMMUNITY FACILITIES DISTRICT NO. 23
(FOLSOM RANCH) IMPROVEMENT AREA NO. 4
SPECIAL TAX REVENUE BONDS
SERIES 2024

LETTER OF REPRESENTATIONS OF THE DISTRICT

_____, 2024

Piper Sandler & Co.
3626 Fair Oaks Boulevard
Sacramento, California 95864

Re: *City of Folsom Community Facilities District No. 23 (Folsom Ranch) Improvement Area No. 4 Special Tax Bonds, Series 2024*

Ladies and Gentlemen:

In connection with the proposed offer and sale of the above-referenced bonds (the "**Special Tax Bonds**"), the City of Folsom Community Facilities District No. 23 (Folsom Ranch) (the "**Community Facilities District**") hereby represents and covenants to Piper Sandler & Co., as underwriter (the "**Underwriter**") of the Folsom Financing Authority City of Folsom Community Facilities District No. 23 (Folsom Ranch) Improvement Area No. 4 Special Tax Revenue Bonds, Series 2024 (the "**Bonds**"), as follows:

A. The City of Folsom (the "**City**") is duly organized and validly existing as a municipal corporation and charter city under the Constitution and laws of the State of California and the Charter and the Community Facilities District is a community facilities district organized and existing pursuant to the Mello-Roos Community Facilities Act of 1982, as amended, being Chapter 2.5, Part 1, Division 2, Title 5 of the Government Code of the State of California.

B. The City has duly authorized the formation of the Community Facilities District and the establishment of Improvement Area No. 4 therein (the "**Improvement Area**") pursuant to resolutions and an ordinance duly adopted by the City Council (collectively, the "**Community Facilities District Formation Resolutions**" and, together with Resolution No. _____ authorizing the issuance and sale of the Special Tax Bonds, the "**Community Facilities District Resolutions**") and the Community Facilities District Act. The City Council, acting as the legislative body of the Community Facilities District has duly adopted the Community Facilities District Resolutions, and has caused to be recorded in the real property records of the County of Sacramento, a Notice of Special Tax Lien (the "**Notice of Special Tax Lien**") (the Community Facilities District Formation Resolutions and Notice of Special Tax Lien being collectively referred to herein as the "**Formation Documents**"). Each of the Formation Documents remains in full force and effect as of the date hereof and has not been amended.

C. The Community Facilities District has, and at the Closing Date will have, as the case may be, full legal right, power and authority: (i) to execute, deliver and perform its obligations under the District Indenture, the Trust Agreement, the Continuing Disclosure Certificate and the Local Obligation Purchase Contract, and to carry out all transactions contemplated by each of such documents; (ii) to issue, sell and deliver its Special Tax Bonds to the Authority; and (iii) to carry out, give effect to and consummate the transactions contemplated by the Formation Documents, the District Indenture, the Trust Agreement, the Local Obligation Purchase Contract, the Special Tax Bonds, this Letter of Representations, the Continuing Disclosure Certificate and the Official Statement.

This Letter of Representations, the Trust Agreement, the District Indenture, the Local Obligation Purchase Contract, the Special Tax Bonds and the Continuing Disclosure Certificate are collectively referred to herein as the "**District Documents**."

D. The Community Facilities District has complied, and will at the Closing Date be in compliance in all material respects, with the Formation Documents and the District Documents, and immaterial noncompliance by the Community Facilities District, if any, will not impair the ability of the Community Facilities District to carry out, give effect to or consummate the transactions contemplated by the foregoing. From and after the date of issuance of its Special Tax Bonds, the Community Facilities District will continue to comply with the covenants of the Community Facilities District contained in the District Documents.

E. Except as described in the Preliminary Official Statement, the Community Facilities District is not, in any respect material to the transactions referred to herein or contemplated hereby, in breach of or in default under, any law or administrative rule or regulation of the State of California, the United States of America, or of any department, division, agency or instrumentality of either thereof, or under any applicable court or administrative decree or order, or under any loan agreement, note, resolution, indenture, contract, agreement or other instrument to which the Community Facilities District is a party or is otherwise subject or bound, and the performance of its obligations under the District Documents and compliance with the provisions of each thereof, or the performance of the conditions precedent to be performed by the Community Facilities District pursuant to the District Documents, will not conflict with or constitute a breach of or default under any applicable law or administrative rule or regulation of the State, the United States of America, or of any department, division, agency or instrumentality of either thereof, or under any applicable court or administrative decree or order, or under any loan agreement, note, resolution, indenture, contract, agreement or other instrument to which the Community Facilities District is a party or is otherwise subject or bound, in any manner that would materially and adversely affect the performance by the Community Facilities District of its obligations under the District Documents or the performance of the conditions precedent to be performed by the Community Facilities District pursuant to the District Documents.

F. Except as may be required under the "blue sky" or other securities laws of any jurisdiction, all approvals, consents, authorizations, elections and orders of, or filings or registrations with, any governmental authority, board, agency or commission having jurisdiction which would constitute a condition precedent to, or the absence of which would materially adversely affect, the performance by the Community Facilities District of its obligations under the District Documents, have been or will be obtained at the Closing Date and are or will be in full force and effect at the Closing Date.

G. The District Documents conform as to form and tenor to the descriptions thereof contained in the Preliminary Official Statement.

H. The Special Tax Bonds are payable from the Special Tax, as set forth in the District Indenture, the levy of which has been duly and validly authorized pursuant to the Community Facilities District Act and the Special Tax within the Improvement Area will be fixed and levied in an amount which, together with other available funds, is required for the payment of the principal of, and interest on, the Special Tax Bonds when due and payable, all as provided in the District Indenture. The Community Facilities District has covenanted to cause the Special Tax to be levied and collected at the same time and in the same manner as ordinary ad valorem property taxes.

I. The District Indenture creates a valid pledge of, first lien upon and security interest in, the Special Tax, and in the moneys in the Special Tax Fund established pursuant to the District Indenture, on the terms and conditions set forth in the District Indenture.

J. Except as disclosed in the Preliminary Official Statement, there are, to the best of the Community Facilities District's knowledge, no entities with outstanding assessment liens against any of the properties within the Improvement Area or which are senior to or on a parity with the Special Tax referred to in paragraph (H) hereof.

K. The information contained in the Preliminary Official Statement (other than statements therein pertaining to the Authority, DTC and its book-entry system and under the captions "PROPOSED PROPERTY DEVELOPMENT — Taylor Morrison Development," "— Folsom Real Estate South Development," and "CONTINUING DISCLOSURE – Taylor Morrison and Folsom Real Estate South," as to which no view is expressed) does not and shall not contain any untrue or misleading statement of a material fact or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; and, upon delivery and up to and including 25 days after the End of the Underwriting Period (as defined in paragraph (L) below), the Official Statement will be amended and supplemented so as to contain no misstatement of any material fact or omission of any statement necessary to make the statements contained therein, in the light of the circumstances in which such statements were made, not misleading.

L. Up to and including 25 days after the End of the Underwriting Period, the Community Facilities District will advise the Underwriter promptly of any proposal to amend or supplement the Official Statement and will not effect or consent to any such amendment or supplement without the consent of the Underwriter, which consent will not be unreasonably withheld. The Community Facilities District will advise the Underwriter promptly of the institution of any proceedings known to it by any governmental agency prohibiting or otherwise materially affecting the use of the Official Statement in connection with the offering, sale or distribution of the Bonds. As used herein, the term "**End of the Underwriting Period**" means the later of such time as: (i) the Bonds are delivered to the Underwriter; or (ii) the Underwriter does not retain, directly or as a member of an underwriting syndicate, an unsold balance of the Bonds for sale to the public. Unless the Underwriter gives notice to the contrary, the End of the Underwriting Period shall be deemed to be the Closing Date. Any notice delivered pursuant to this provision shall be a written notice delivered to the City at or prior to the Closing Date, and shall specify a date (other than the Closing Date) to be deemed the "End of the Underwriting Period."

M. There is no action pending (notice of which has been served on the Community Facilities District or the City) or to the best knowledge of the Community Facilities District threatened, in which any such action: (i) in any way questions the existence of the Community Facilities District or the titles of the officers of the City to their respective offices; (ii) affects, contests or seeks to prohibit, restrain or enjoin the issuance or delivery of the Bonds or the Special Tax Bonds or the payment or

collection of the Special Tax or any amounts pledged or to be pledged to pay the principal of and interest on the Special Tax Bonds or the Bonds, or in any way contests or affects the validity of the Formation Documents or the District Documents or the consummation of the transactions on the part of the Community Facilities District contemplated thereby; (iii) contests the exemption of interest on the Bonds or the Special Tax Bonds from federal or State income taxation, as applicable, or contests the powers of the City or the Community Facilities District which may result in any material adverse change relating to the financial condition of the Community Facilities District; or (iv) contests the completeness or accuracy of the Preliminary Official Statement or any supplement or amendment thereto or asserts that the Preliminary Official Statement contained any untrue statement of a material fact or omitted to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; and there is no basis for any action, suit, proceeding, inquiry or investigation of the nature described in clauses (i) through (iv) of this sentence.

N. Any certificate signed on behalf of the Community Facilities District by any officer or employee of the City authorized to do so shall be deemed a representation by the Community Facilities District to the Authority and the Underwriter on behalf of itself and the Community Facilities District as to the statements made therein.

O. At or prior to the Closing, the Community Facilities District will have duly authorized, executed and delivered the Continuing Disclosure Certificate in substantially the form attached as Appendix D to the Official Statement. Except as disclosed in the Preliminary Official Statement, the City has not failed to comply in all respects with any previous undertakings with regard to the Rule to provide annual reports or notices of material events in the last five years.

P. The Community Facilities District will apply the proceeds of its Special Tax Bonds in accordance with the District Indenture.

Q. Between the date of the Purchase Agreement and the date of Closing, the Community Facilities District will not offer or issue any bonds, notes or other obligations for borrowed money not previously disclosed to the Underwriter.

Capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Bond Purchase Agreement by and between the Authority and the Underwriter.

CITY OF FOLSOM COMMUNITY FACILITIES DISTRICT NO. 23 (FOLSOM RANCH)

By: _____
Finance Director of the City of Folsom

EXHIBIT C

FOLSOM RANCH FINANCING AUTHORITY
CITY OF FOLSOM COMMUNITY FACILITIES DISTRICT NO. 23
(FOLSOM RANCH) IMPROVEMENT AREA NO. 4
SPECIAL TAX REVENUE BONDS
SERIES 2024

LETTER OF REPRESENTATIONS OF TAYLOR MORRISON OF CALIFORNIA, LLC

_____, 2024

Folsom Ranch Financing Authority
50 Natoma Street
Folsom, California 95630

City of Folsom Community Facilities District No. 23
(Folsom Ranch)
50 Natoma Street
Folsom, California 95630

Piper Sandler & Co.
3626 Fair Oaks Boulevard, Suite 100
Sacramento, California 95864

Ladies and Gentlemen:

Reference is made to the Folsom Ranch Financing Authority City of Folsom Community Facilities District No. 23 (Folsom Ranch) Improvement Area No. 4 Special Tax Revenue Bonds, Series 2024 (the "**Bonds**") and to the Bond Purchase Agreement to be entered into in connection therewith (the "**Purchase Agreement**"). This Letter of Representations of Taylor Morrison of California, LLC (the "**Letter of Representations**") is delivered pursuant to the Purchase Agreement. Capitalized terms used and not otherwise defined herein have the meanings ascribed to them in the Purchase Agreement.

Each of the undersigned certifies that he or she is familiar with the facts herein certified and is authorized and qualified to certify the same as an authorized officer or representative of Taylor Morrison of California, LLC, a California limited liability company (the "**Developer**"), and each of the undersigned, on behalf of the Developer further certifies as follows:

1. The Developer is a validly existing limited liability company in good standing under the laws of the State of California, and has or will have all requisite corporate right, power and authority: (i) to execute and deliver this Letter of Representations; (ii) execute and deliver at the Closing the Taylor Morrison Continuing Disclosure Certificate; and (iii) to undertake all of the transactions on its part described in the Preliminary Official Statement.

2. As set forth in the Preliminary Official Statement, the Developer owns certain property (herein, the "**Property**") within Improvement Area No. 4 (the "**Improvement Area**") of City of

Folsom Community Facilities District No. 23 (Folsom Ranch) (the "**Community Facilities District**"). The undersigned, on behalf of the Developer, makes the representations herein with respect to all such Property.

3. Except as disclosed in the Preliminary Official Statement, to the Actual Knowledge of the Undersigned[1], (a) the Developer and its Affiliates[2] are not in breach of or in default under any applicable judgment or decree or any loan agreement, option agreement, development agreement, indenture, fiscal agent agreement, bond or note (collectively, the "**Material Agreements**") to which the Developer or its Affiliates are a party or otherwise subject, which breach or default could reasonably be expected to materially and adversely affect the Developer's ability to complete the development of the Property as described in the Preliminary Official Statement or to pay the Special Tax on the Property (to the extent the responsibility of the Developer or its Affiliates) prior to delinquency and (b) no event has occurred and is continuing that with the passage of time or giving of notice, or both, would constitute such a breach or default.

4. To the Actual Knowledge of the Undersigned, neither the Developer, nor any of its Affiliates is in default on any obligation to repay borrowed money, which default is reasonably likely to materially and adversely affect the Developer's ability to complete the development of the Property as described in the Preliminary Official Statement or to pay the Special Tax on the Property (to the extent the responsibility of the Developer) prior to delinquency.

5. Except as set forth in the Preliminary Official Statement, no action, suit, proceeding, inquiry or investigation at law or in equity, before or by any court, regulatory agency, public board or body is pending against the Developer (with proper service of process to the Developer having been accomplished) or, to the Actual Knowledge of the Undersigned, is pending against any current Affiliate (with proper service of process to such Affiliate having been accomplished) or to the Actual Knowledge of the Undersigned is threatened in writing against the Developer or any such Affiliate which if successful, is reasonably likely to materially and adversely affect the Developer's ability to complete the development of the Property as described in the Preliminary Official Statement or to pay the Special Tax or ad valorem tax obligations on its Property (to the extent the responsibility of the Developer) prior to delinquency.

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[1] As used in this Letter of Representations, the phrase "**Actual Knowledge of the Undersigned**" shall mean, as of the date of this Letter of Representations, the actual (as opposed to constructive) knowledge that the undersigned has or has obtained from obtained from (i) interviews with such current officers and responsible employees of the Developer as the undersigned has determined are likely, in the ordinary course of their respective duties, to have knowledge of the matters set forth in this Letter of Representations, and/or (ii) a review of such documents as the undersigned determined were reasonably necessary to obtain knowledge of the matters set forth in this Letter of Representations. The undersigned has not conducted any extraordinary inspection or inquiry other than such inspections or inquiries as are prudent and customary in connection with the ordinary course of the Developer's current business and operations. The undersigned has not contacted individuals who are no longer employed by the Developer

[2] "**Affiliate**" means, with respect to the Developer, any other Person: (i) who directly, or indirectly through one or more intermediaries, is currently controlling, controlled by or under common control with the Developer, and (ii) for whom information, including financial information or operating data, concerning such Person is material to potential investors in their evaluation of the Improvement Area and investment decision regarding the Bonds (i.e., information relevant to: (a) the Developer's development plans with respect to its Property and the payment of its Special Tax on the Property (to the extent the responsibility of the Developer) prior to delinquency; or (b) such Person's assets or funds that would materially affect the Developer's ability to develop its Property as described in the Preliminary Official Statement or to pay its Special Tax on the Property (to the extent the responsibility of the Developer) prior to delinquency). "**Person**" means an individual, a corporation, a partnership, a limited liability company, an association, a joint stock company, a trust, any unincorporated organization or a government or political subdivision thereof. For purposes hereof, the term "**control**" (including the terms "controlling," "controlled by" or "under common control with") means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise.

6. As of the Date of the Preliminary Official Statement, to the Actual Knowledge of the Undersigned, the information contained therein solely as such information describes the Developer, its Affiliates, ownership of the Property, the Developer's development plan, the Developer's financing plan, the Developer's lenders, if any, and contractual arrangements of the Developer or any Affiliates (including, if material to the Developer's development plan or the Developer's financing plan, loans of such Affiliates) as set forth under the captions "PROPOSED PROPERTY DEVELOPMENT—Taylor Morrison Development" and "CONTINUING DISCLOSURE—Taylor Morrison and Folsom Real Estate South" (excluding therefrom in all cases (a) any information regarding any other property owner or the property owned by a property owner other than the Developer, (b) any information on appraised and market values, and annual special tax rates and ratios, including information regarding the Appraisal (as such term is defined in the Preliminary Official Statement), and (c) any information which is identified as having been provided by a source other than the Developer) is true and correct in all material respects and did not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

7. The Developer covenants that, while the Bonds or any refunding obligations related thereto are outstanding, the Developer and its Affiliates which it controls will not bring any action, suit, proceeding, inquiry or investigation at law or in equity, before any court, regulatory agency, public board or body, that in any way seeks to challenge or overturn the formation of the Community Facilities District or the Improvement Area, to challenge the adoption of Ordinance No. 1305 of the City levying the Special Tax within the Improvement Area, to invalidate the Community Facilities District, the Improvement Area or any of the Bonds or any refunding bonds related thereto, or to invalidate the special tax liens imposed under Section 3115.5 of the Streets and Highways Code based on recordation of the Notice of Special Tax Lien relating thereto. The foregoing covenant shall not prevent the Developer or any Affiliate in any way from bringing any other action, suit or proceeding including, without limitation, (a) an action or suit contending that the Special Tax has not been levied in accordance with the methodologies contained in the Community Facilities District's Rate and Method of Apportionment of Special Taxes for the Improvement Area pursuant to which the Special Tax is levied, (b) an action or suit with respect to the application or use of the Special Tax levied and collected, or (c) to enforce the obligations of the Authority, the City, and/or the District under any agreements among the Developer and its Affiliates, the Authority, the City, and/or the District or to which the Developer or its Affiliates is a party or beneficiary.

8. Except as disclosed in the Preliminary Official Statement, to the Actual Knowledge of the Undersigned, the Developer is not aware that any other public debt secured by a tax or assessment on the Property exists or is in the process of being authorized or any assessment districts or community facilities districts have been or are in the process of being formed that include any portion of the Property.

9. The Developer has been developing or has been involved in the development of numerous projects over an extended period of time. It is likely that the Developer and its Affiliates has been delinquent at one time or another in the payment of *ad valorem* property taxes, special assessments or special taxes. However, except as disclosed in the Preliminary Official Statement, to the Actual Knowledge of the Undersigned, neither the Developer nor any current Affiliate is currently in default in, or in the last five (5) years has ever defaulted to any material extent in the payment of any *ad valorem* property tax, special assessment or special tax on property owned by the Developer or any such Affiliate within the boundaries of a community facilities district or an assessment district within California that (a) caused a draw on a reserve fund relating to such assessment district or

community facilities district financing or (b) resulted in a foreclosure action being commenced in a court of law against the delinquent Developer or Affiliate.

10. The Developer intends to comply with the provision of the Mello-Roos Community Facilities District Act of 1982, as amended, relating to the Notice of Special Tax described in Government Code Section 53341.5 in connection with the sale of the Property, or portions thereof.

11. To the Actual Knowledge of the Undersigned, the Developer is able to pay its bills as they become due and no legal proceedings are pending against the Developer (with proper service of process to the Developer having been accomplished) or, to the Actual Knowledge of the Undersigned, threatened in writing in which the Developer may be adjudicated as bankrupt or discharged from any and all of its debts or obligations, or granted an extension of time to pay its debts or obligations, or be allowed to reorganize or readjust its debts, or be subject to control or supervision of the Federal Deposit Insurance Corporation.

12. To the Actual Knowledge of the Undersigned, Affiliates of the Developer are able to pay their bills as they become due and no legal proceedings are pending against any Affiliates of the Developer (with proper service of process to such Affiliate having been accomplished) or to the Actual Knowledge of the Undersigned, threatened in writing in which the Affiliates of the Developer may be adjudicated as bankrupt or discharged from any or all of their debts or obligations, or granted an extension of time to pay their debts or obligations, or be allowed to reorganize or readjust their debts or obligations, or be subject to control or supervision of the Federal Deposit Insurance Corporation.

13. If between the date hereof and the Closing Date any event relating to or affecting the Developer, its Affiliates, ownership of the Property, the Developer's development plan, the Developer's financing plan, the Developer's lenders, if any, and contractual arrangements of the Developer or any Affiliates (including, if material to the Developer's development plan or the Developer's financing plan, loans of such Affiliates) shall occur of which the undersigned has actual knowledge and which the undersigned believes would cause the information under the sections of the Preliminary Official Statement indicated in Paragraph 6 hereof (and subject to the limitations and exclusions contained in Paragraph 6 of the Letter of Representations), to contain an untrue statement of a material fact or to omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, the undersigned shall notify the Authority and the Underwriter and if in the opinion of counsel to the Authority or the Underwriter such event requires the preparation and publication of a supplement or amendment to the Preliminary Official Statement, the Developer shall reasonably cooperate with the Authority in the preparation of an amendment or supplement to the Preliminary Official Statement in form and substance reasonably satisfactory to counsel to the Authority and to the Underwriter.

14. The Developer agrees to deliver a Closing Certificate dated the date of issuance of the Bonds at the time of issuance of the Bonds in substantially the form attached as Exhibit E to the Purchase Agreement.

15. The Developer agrees to deliver the Taylor Morrison Continuing Disclosure Certificate at the time of issuance of the Bonds in substantially the form attached as Appendix D to the Preliminary Official Statement.

16. On behalf of the Developer, I have reviewed the contents of this Letter of Representations and have met with counsel to the Developer for the purpose of discussing the meaning of its contents.

The undersigned has executed this Letter of Representations solely in his or her capacity as an officer or authorized representative of the Developer and he or she will have no personal liability arising from or relating to this Letter of Representations.

TAYLOR MORRISON OF CALIFORNIA, LLC,
a California limited liability company

By:_____

_____

_____

EXHIBIT D

FOLSOM RANCH FINANCING AUTHORITY
CITY OF FOLSOM COMMUNITY FACILITIES DISTRICT NO. 23
(FOLSOM RANCH) IMPROVEMENT AREA NO. 4
SPECIAL TAX REVENUE BONDS
SERIES 2024

LETTER OF REPRESENTATIONS OF FOLSOM REAL ESTATE SOUTH, LLC

_____, 2024

Folsom Ranch Financing Authority
50 Natoma Street
Folsom, California 95630

City of Folsom Community Facilities District No. 23
(Folsom Ranch)
50 Natoma Street
Folsom, California 95630

Piper Sandler & Co.
3626 Fair Oaks Boulevard, Suite 100
Sacramento, California 95864

Ladies and Gentlemen:

Reference is made to the Folsom Ranch Financing Authority City of Folsom Community Facilities District No. 23 (Folsom Ranch) Improvement Area No. 4 Special Tax Revenue Bonds, Series 2024 (the "**Bonds**") and to the Bond Purchase Agreement to be entered into in connection therewith (the "**Purchase Agreement**"). This Letter of Representations of Folsom Real Estate South, LLC (the "**Letter of Representations**") is delivered pursuant to the Purchase Agreement. Capitalized terms used and not otherwise defined herein have the meanings ascribed to them in the Purchase Agreement.

The undersigned certifies that he or she is familiar with the facts herein certified and is authorized and qualified to certify the same as an authorized officer or representative of Folsom Real Estate South, LLC, a Delaware limited liability company (the "**Developer**"), and the undersigned, on behalf of the Developer further certifies as follows:

1. The Developer is a validly existing limited liability company in good standing under the laws of the State of Delaware and qualified to do business in the State of California, and has all requisite corporate right, power and authority: (i) to execute and deliver this Letter of Representations; (ii) execute and deliver at the Closing the Folsom Real Estate South Continuing Disclosure Certificate; and (iii) to undertake all of the transactions on its part described in the Preliminary Official Statement.

2. As set forth in the Preliminary Official Statement, the Developer owns certain property (herein, the "**Property**") within Improvement Area No. 4 (the "**Improvement Area**") of City of Folsom Community Facilities District No. 23 (Folsom Ranch) (the "**Community Facilities District**"). The undersigned, on behalf of the Developer, makes the representations herein with respect to all such Property.

3. Except as disclosed in the Preliminary Official Statement, to the Actual Knowledge of the Undersigned[3], (a) the Developer and its Affiliates[4] are not in breach of or in default under any applicable judgment or decree or any loan agreement, option agreement, development agreement, indenture, fiscal agent agreement, bond or note (collectively, the "**Material Agreements**") to which the Developer or its Affiliates are a party or otherwise subject, which breach or default could reasonably be expected to materially and adversely affect the Developer's ability to complete the development of the Property as described in the Preliminary Official Statement or to pay the Special Tax on the Property (to the extent the responsibility of the Developer) prior to delinquency and (b) no event has occurred and is continuing that with the passage of time or giving of notice, or both, would constitute such a breach or default.

4. To the Actual Knowledge of the Undersigned, neither the Developer, nor any of its Affiliates is in default on any obligation to repay borrowed money, which default is reasonably likely to materially and adversely affect the Developer's ability to complete the development of the Property as described in the Preliminary Official Statement or to pay the Special Tax on the Property (to the extent the responsibility of the Developer) prior to delinquency.

5. Except as set forth in the Preliminary Official Statement, no action, suit, proceeding, inquiry or investigation at law or in equity, before or by any court, regulatory agency, public board or body is pending against the Developer (with proper service of process to the Developer having been accomplished) or, to the Actual Knowledge of the Undersigned, is pending against any current Affiliate (with proper service of process to such Affiliate having been accomplished) or to the Actual Knowledge of the Undersigned is threatened in writing against the Developer or any such Affiliate which if successful, is reasonably likely to materially and adversely affect the Developer's ability to

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[3] As used in this Letter of Representations, the phrase "**Actual Knowledge of the Undersigned**" shall mean, as of the date of this Letter of Representations, the actual (as opposed to constructive) knowledge that the undersigned has or has obtained from obtained from (i) interviews with such current officers and responsible employees of the Developer as the undersigned has determined are likely, in the ordinary course of their respective duties, to have knowledge of the matters set forth in this Letter of Representations, and/or (ii) a review of such documents as the undersigned determined were reasonably necessary to obtain knowledge of the matters set forth in this Letter of Representations. The undersigned has not conducted any extraordinary inspection or inquiry other than such inspections or inquiries as are prudent and customary in connection with the ordinary course of the Developer's current business and operations. The undersigned has not contacted individuals who are no longer employed by the Developer.

[4] "**Affiliate**" means, with respect to the Developer, any other Person: (i) who directly, or indirectly through one or more intermediaries, is currently controlling, controlled by or under common control with the Developer, and (ii) for whom information, including financial information or operating data, concerning such Person is material to potential investors in their evaluation of the Improvement Area and investment decision regarding the Bonds (i.e., information relevant to: (a) the Developer's development plans with respect to its Property and the payment of its Special Tax on the Property (to the extent the responsibility of the Developer) prior to delinquency; or (b) such Person's assets or funds that would materially affect the Developer's ability to develop its Property as described in the Preliminary Official Statement or to pay its Special Tax on the Property (to the extent the responsibility of the Developer) prior to delinquency). "**Person**" means an individual, a corporation, a partnership, a limited liability company, an association, a joint stock company, a trust, any unincorporated organization or a government or political subdivision thereof. For purposes hereof, the term "**control**" (including the terms "controlling," "controlled by" or "under common control with") means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise.

complete the development of the Property as described in the Preliminary Official Statement or to pay the Special Tax or ad valorem tax obligations on its Property (to the extent the responsibility of the Developer) prior to delinquency.

6. As of the Date of the Preliminary Official Statement, to the Actual Knowledge of the Undersigned, the information contained therein solely as such information describes the Developer, its Affiliates, the development status and ownership of the Property, the Developer's development plan, the Developer's planned sale and transfer of the Property, the Developer's financing plan, the Developer's lenders, if any, and contractual arrangements of the Developer or any Affiliates (including, if material to the Developer's development plan or the Developer's financing plan, loans of such Affiliates) as set forth under the captions "PROPOSED PROPERTY DEVELOPMENT—Folsom Real Estate South Development" and "CONTINUING DISCLOSURE—Taylor Morrison and Folsom Real Estate South" (excluding therefrom in all cases (a) any information regarding any other property owner or the property owned by a property owner other than the Developer or an Affiliate, (b) any information on appraised and market values, and annual special tax rates and ratios, including information regarding the Appraisal (as such term is defined in the Preliminary Official Statement), and (c) any information which is identified as having been provided by a source other than the Developer) is true and correct in all material respects and did not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

7. The Developer covenants that, while the Bonds or any refunding obligations related thereto are outstanding, the Developer and its Affiliates which it controls will not bring any action, suit, proceeding, inquiry or investigation at law or in equity, before any court, regulatory agency, public board or body, that in any way seeks to challenge or overturn the formation of the Community Facilities District or the Improvement Area, to challenge the adoption of Ordinance No. 1305 of the City levying the Special Tax within the Improvement Area, to invalidate the Community Facilities District, the Improvement Area or any of the Bonds or any refunding bonds related thereto, or to invalidate the special tax liens imposed under Section 3115.5 of the Streets and Highways Code based on recordation of the Notice of Special Tax Lien relating thereto. The foregoing covenant shall not prevent the Developer or any Affiliate in any way from bringing any other action, suit or proceeding including, without limitation, (a) an action or suit contending that the Special Tax has not been levied in accordance with the methodologies contained in the Community Facilities District's Rate and Method of Apportionment of Special Taxes for the Improvement Area pursuant to which the Special Tax is levied, (b) an action or suit with respect to the application or use of the Special Tax levied and collected, or (c) to enforce the obligations of the Authority, the City, and/or the District under any agreements among the Developer and its Affiliates, the Authority, the City, and/or the District or to which the Developer or its Affiliates is a party or beneficiary.

8. Except as disclosed in the Preliminary Official Statement, to the Actual Knowledge of the Undersigned, the Developer is not aware that any other public debt secured by a tax or assessment on the Property exists or is in the process of being authorized or any assessment districts or community facilities districts have been or are in the process of being formed that include any portion of the Property.

9. The Developer has been developing or has been involved in the development of numerous projects over an extended period of time. It is likely that the Developer and its Affiliates have been delinquent at one time or another in the payment of *ad valorem* property taxes, special assessments or special taxes. However, except as disclosed in the Preliminary Official Statement, to

the Actual Knowledge of the Undersigned, neither the Developer nor any current Affiliate is currently in default in, or in the last five (5) years has ever defaulted to any material extent in the payment of any *ad valorem* property tax, special assessment or special tax on property owned by the Developer or any such Affiliate within the boundaries of a community facilities district or an assessment district within California that (a) caused a draw on a reserve fund relating to such assessment district or community facilities district financing or (b) resulted in a foreclosure action being commenced in a court of law against the delinquent Developer or Affiliate.

10. The Developer intends to comply with the provision of the Mello-Roos Community Facilities District Act of 1982, as amended, relating to the Notice of Special Tax described in Government Code Section 53341.5 in connection with the sale of the Property, or portions thereof.

11. To the Actual Knowledge of the Undersigned, the Developer is able to pay its bills as they become due and no legal proceedings are pending against the Developer (with proper service of process to the Developer having been accomplished) or, to the Actual Knowledge of the Undersigned, threatened in writing in which the Developer may be adjudicated as bankrupt or discharged from any and all of its debts or obligations, or granted an extension of time to pay its debts or obligations, or be allowed to reorganize or readjust its debts, or be subject to control or supervision of the Federal Deposit Insurance Corporation.

12. To the Actual Knowledge of the Undersigned, Affiliates of the Developer are able to pay their bills as they become due and no legal proceedings are pending against any Affiliates of the Developer (with proper service of process to such Affiliate having been accomplished) or to the Actual Knowledge of the Undersigned, threatened in writing in which the Affiliates of the Developer may be adjudicated as bankrupt or discharged from any or all of their debts or obligations, or granted an extension of time to pay their debts or obligations, or be allowed to reorganize or readjust their debts or obligations, or be subject to control or supervision of the Federal Deposit Insurance Corporation.

13. If between the date hereof and the Closing Date any event relating to or affecting the Developer, its Affiliates, ownership of the Property, the Developer's development plan, the Developer's financing plan, the Developer's lenders, if any, and contractual arrangements of the Developer or any Affiliates (including, if material to the Developer's development plan or the Developer's financing plan, loans of such Affiliates) shall occur of which the undersigned has actual knowledge and which the undersigned believes would cause the information under the sections of the Preliminary Official Statement indicated in Paragraph 6 hereof (and subject to the limitations and exclusions contained in Paragraph 6 of this Letter of Representations), to contain an untrue statement of a material fact or to omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, the undersigned shall notify the Authority and the Underwriter and if in the opinion of counsel to the Authority or the Underwriter such event requires the preparation and publication of a supplement or amendment to the Preliminary Official Statement, the Developer shall reasonably cooperate with the Authority in the preparation of an amendment or supplement to the Preliminary Official Statement in form and substance reasonably satisfactory to counsel to the Authority and to the Underwriter.

14. The Developer agrees to deliver a Closing Certificate dated the date of issuance of the Bonds at the time of issuance of the Bonds in substantially the form attached as Exhibit F to the Purchase Agreement.

15. On behalf of the Developer, I have reviewed the contents of this Letter of Representations and have met with counsel to the Developer for the purpose of discussing the meaning of its contents.

The undersigned has executed this Letter of Representations solely in his or her capacity as an officer or authorized representative of the Developer and he or she will have no personal liability arising from or relating to this Letter of Representations.

FOLSOM REAL ESTATE SOUTH, LLC
a Delaware limited liability company

By:_____
Its:_____

EXHIBIT E

FOLSOM RANCH FINANCING AUTHORITY
CITY OF FOLSOM COMMUNITY FACILITIES DISTRICT NO. 23
(FOLSOM RANCH) IMPROVEMENT AREA NO. 4
SPECIAL TAX REVENUE BONDS
SERIES 2024

CLOSING CERTIFICATE OF TAYLOR MORRISON OF CALIFORNIA, LLC

_____, 2024

Folsom Ranch Financing Authority
50 Natoma Street
Folsom, CA, 95630

City of Folsom Community Facilities District No. 23
(Folsom Ranch)
50 Natoma Street
Folsom, CA, 95630

Piper Sandler & Co.
3626 Fair Oaks Boulevard
Sacramento, California 95864

Ladies and Gentlemen:

Reference is made to the Folsom Ranch Financing Authority City of Folsom Community Facilities District No. 23 (Folsom Ranch) Improvement Area No. 4 Special Tax Revenue Bonds, Series 2024 (the "**Bonds**") and to the Bond Purchase Agreement, dated _____, 2024 (the "**Purchase Agreement**"), entered into in connection therewith. This Closing Certificate of Taylor Morrison of California, LLC (the "**Closing Certificate**") is delivered by Taylor Morrison of California, LLC, a California limited liability company (the "**Developer**") pursuant to the Purchase Agreement. Capitalized terms used herein and not otherwise defined have the meanings ascribed to them in the Letter of Representations of Taylor Morrison of California, LLC (the "**Letter of Representations**"), dated _____, 2024, delivered by the Developer.

Each of the undersigned certifies that he or she is familiar with the facts herein certified and is authorized and qualified to certify the same as an authorized officer or representative of the Developer, and each of the undersigned, on behalf of the Developer, further certifies as follows:

1. The Developer has received the final Official Statement dated _____, 2024 relating to the Bonds (the "**Official Statement**"). Each statement, representation and warranty made in the Letter of Representations is true and correct in all material respects on and as of the date hereof with the same effect as if made on the date hereof, except that all references therein to the Preliminary Official Statement shall be deemed to be references to the final Official Statement.

2. To the Actual Knowledge of the Undersigned, no event has occurred since the date of the Preliminary Official Statement affecting the statements and information described in Paragraph 6

of the Letter of Representations relating to the Developer, its Affiliates, ownership of the Property, the Developer's development plan, the Developer's financing plan, the Developer's lenders, if any, and contractual arrangements of the Developer or any Affiliates (including, if material to the Developer's development plan or the Developer's financing plan, loans of such Affiliates) (and subject to the limitations and exclusions contained in Paragraph 6 of the Letter of Representations) which should be disclosed in the Official Statement for the purposes for which it is to be used in order to make such statements and information contained in the Official Statement not misleading in any material respect.

3. For the period through 25 days after the "**End of the Underwriting Period**" as defined in the Purchase Agreement (provided the Developer may assume the End of the Underwriting period is the Closing Date (as defined in the Bond Purchase Agreement), unless it receives written notice from the Underwriter that the End of the Underwriting Period is later than the Closing Date), if the undersigned has actual knowledge of any event relating to or affecting the Developer, its Affiliates, ownership of the Property, the Developer's development plan, the Developer's financing plan, the Developer's lenders, if any, and contractual arrangements of the Developer or any Affiliates (including, if material to the Developer's development plan or the Developer's financing plan, loans of such Affiliates), to cause the information under the sections of the Official Statement indicated in Paragraph 6 of the Letter of Representations (and subject to the limitations and exclusions contained in Paragraph 6 of the Letter of Representations) to contain an untrue statement of a material fact or to omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, the undersigned shall notify the Authority and the Underwriter and if in the opinion of the Underwriter or counsel to the Authority, it is necessary to amend or supplement the Official Statement in order to make the Official Statement not misleading in the light of the circumstances under which they were made, the Developer shall reasonably cooperate with the Authority and the Underwriter in the preparation of an amendment or supplement to the Official Statement in form and substance reasonably satisfactory to the Underwriter and Disclosure Counsel which will amend or supplement the Official Statement so that it will not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

4. The Developer has duly and validly executed and delivered the Taylor Morrison Continuing Disclosure Certificate.

Each of the undersigned has executed this Closing Certificate solely in his or her capacity as an officer or representative of the Developer and he or she will have no personal liability arising from or relating to this Closing Certificate.

TAYLOR MORRISON OF CALIFORNIA, LLC,
a California limited liability company

By:_____

_____

_____

EXHIBIT F

FOLSOM RANCH FINANCING AUTHORITY
CITY OF FOLSOM COMMUNITY FACILITIES DISTRICT NO. 23
(FOLSOM RANCH) IMPROVEMENT AREA NO. 4
SPECIAL TAX REVENUE BONDS
SERIES 2024

CLOSING CERTIFICATE OF FOLSOM REAL ESTATE SOUTH, LLC

_____, 2024

Folsom Ranch Financing Authority
50 Natoma Street
Folsom, CA, 95630

City of Folsom Community Facilities District No. 23
(Folsom Ranch)
50 Natoma Street
Folsom, CA, 95630

Piper Sandler & Co.
3626 Fair Oaks Boulevard
Sacramento, California 95864

Ladies and Gentlemen:

Reference is made to the Folsom Ranch Financing Authority City of Folsom Community Facilities District No. 23 (Folsom Ranch) Improvement Area No. 4 Special Tax Revenue Bonds, Series 2024 (the "**Bonds**") and to the Bond Purchase Agreement, dated _____, 2024 (the "**Purchase Agreement**"), entered into in connection therewith. This Closing Certificate of Folsom Real Estate South, LLC (the "**Closing Certificate**") is delivered by Folsom Real Estate South, LLC, a Delaware limited liability company (the "**Developer**") pursuant to the Purchase Agreement. Capitalized terms used herein and not otherwise defined have the meanings ascribed to them in the Letter of Representations of Folsom Real Estate South, LLC (the "**Letter of Representations**"), dated _____, 2024, delivered by the Developer.

The undersigned certifies that he or she is familiar with the facts herein certified and is authorized and qualified to certify the same as an authorized officer or representative of the Developer, and the undersigned, on behalf of the Developer, further certifies as follows:

1. The Developer has received the final Official Statement dated _____, 2024 relating to the Bonds (the "**Official Statement**"). Each statement, representation and warranty made in the Letter of Representations is true and correct in all material respects on and as of the date hereof with the same effect as if made on the date hereof, except that all references therein to the Preliminary Official Statement shall be deemed to be references to the final Official Statement.

2. To the Actual Knowledge of the Undersigned, no event has occurred since the date of the Preliminary Official Statement affecting the statements and information described in Paragraph 6

of the Letter of Representations relating to the Developer, its Affiliates, the development status and ownership of the Property, the Developer's development plan, the Developer's planned sale and transfer of the Property, the Developer's financing plan, the Developer's lenders, if any, and contractual arrangements of the Developer or any Affiliates (including, if material to the Developer's development plan or the Developer's financing plan, loans of such Affiliates) (and subject to the limitations and exclusions contained in Paragraph 6 of the Letter of Representations) which should be disclosed in the Official Statement for the purposes for which it is to be used in order to make such statements and information contained in the Official Statement not misleading in any material respect.

3. For the period through 25 days after the "**End of the Underwriting Period**" as defined in the Purchase Agreement (provided the Developer may assume the End of the Underwriting period is the Closing Date (as defined in the Bond Purchase Agreement), unless it receives written notice from the Underwriter that the End of the Underwriting Period is later than the Closing Date), if the undersigned has actual knowledge of any event relating to or affecting the Developer, its Affiliates, ownership of the Property, the Developer's development plan, the Developer's financing plan, the Developer's lenders, if any, and contractual arrangements of the Developer or any Affiliates (including, if material to the Developer's development plan or the Developer's financing plan, loans of such Affiliates), to cause the information under the sections of the Official Statement indicated in Paragraph 6 of the Letter of Representations (and subject to the limitations and exclusions contained in Paragraph 6 of the Letter of Representations) to contain an untrue statement of a material fact or to omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, the undersigned shall notify the Authority and the Underwriter and if in the opinion of the Underwriter or counsel to the Authority, it is necessary to amend or supplement the Official Statement in order to make the Official Statement not misleading in the light of the circumstances under which they were made, the Developer shall reasonably cooperate with the Authority and the Underwriter in the preparation of an amendment or supplement to the Official Statement in form and substance reasonably satisfactory to the Underwriter and Disclosure Counsel which will amend or supplement the Official Statement so that it will not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

4. The Developer has duly and validly executed and delivered the Folsom Real Estate South Continuing Disclosure Certificate.

The undersigned has executed this Closing Certificate solely in his or her capacity as an officer or representative of the Developer and he or she will have no personal liability arising from or relating to this Closing Certificate.

FOLSOM REAL ESTATE SOUTH, LLC
a Delaware limited liability company

By:_____
Its:_____

EXHIBIT G

SUPPLEMENTAL OPINION OF BOND COUNSEL

_____, 2024

Piper Sandler & Co.,
as Underwriter
Sacramento, California

Folsom Ranch Financing Authority
City of Folsom Community Facilities District No. 23 (Folsom Ranch)
Improvement Area No. 4
Special Tax Revenue Bonds, Series 2024
(Supplemental Opinion)

Greetings:

This letter is provided pursuant to Section 4.F.7. of the Bond Purchase Agreement, dated _____, 2024 (the "Purchase Contract"), between Piper Sandler & Co. (the "Underwriter") and the Folsom Ranch Financing Authority (the "Authority"), providing for the purchase by the Underwriter of $_____ aggregate principal amount of its Folsom Ranch Financing Authority City of Folsom Community Facilities District No. 23 (Folsom Ranch) Improvement Area No. 4 Special Tax Revenue Bonds, Series 2024 (the "Bonds"). The Bonds are being issued pursuant to a trust agreement, dated as of _____ 1, 2024 (the "Trust Agreement"), among the Issuer, the City of Folsom Community Facilities District No. 23 (Folsom Ranch) (the "Community Facilities District") and U.S. Bank Trust Company, National Association, as trustee (the "Trustee"). The Trust Agreement provides that the Bonds are issued for the stated purpose of enabling the Authority to acquire certain special tax bonds to be issued by the Community Facilities District. Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Trust Agreement or, if not defined in the Trust Agreement, in the Purchase Contract.

We have delivered our final legal opinion (the "Bond Opinion") as bond counsel to the Authority concerning the validity of the Bonds and certain other matters, dated the date hereof and addressed to the Authority. You may rely on such opinion as though the same were addressed to you.

In connection with our role as bond counsel and disclosure counsel to the Authority, we have reviewed the Purchase Contract, the Trust Agreement, an indenture, dated as of _____ 1, 2024, between the Community Facilities District and U.S. Bank Trust Company, National Association, as trustee (the "Local Obligations Indenture"), the tax certificate related to the Bonds (the "Tax Certificate"), certain portions of the posted preliminary official statement of the Authority dated _____, 2024, with respect to the Bonds (the "Preliminary Official Statement") and of the posted official statement of the Authority dated _____, 2024, with respect to the Bonds (the "Official Statement"), opinions of counsel to the Authority, the Community Facilities District, the Trustee, Taylor Morrison of California, LLC, a California limited liability company ("Taylor Morrison"), and Folsom Real Estate South, LLC, a Delaware limited liability company ("Folsom Real Estate South"), certificates of the Authority, the Community Facilities District, the Trustee, Integra Realty Resources (the "Appraiser"), NBS (the "Special Tax Consultant"), Taylor Morrison, Folsom Real Estate South, and others, and such other documents, opinions and matters to the extent we deemed necessary to render the opinions and conclusions set forth herein.

The opinions and conclusions expressed herein are based on an analysis of existing laws, regulations, rulings and court decisions and cover certain matters not directly addressed by such authorities. Such opinions or conclusions may be affected by actions taken or omitted or events occurring after the original delivery of the Bonds on the date hereof. We have not undertaken to determine, or to inform any person, whether any such actions are taken or omitted or events do occur or any other matters come to our attention after the original delivery of the Bonds on the date hereof. We have assumed the genuineness of all documents and signatures provided to us and the due and legal execution and delivery thereof by, and validity against, any parties other than the Authority. We have assumed, without undertaking to verify, the accuracy of the factual matters represented, warranted or certified in the documents, and of the legal conclusions contained in the opinions, referred to in the third paragraph hereof. We have further assumed compliance with all covenants and agreements contained in such documents. In addition, we call attention to the fact that the rights and obligations under the Bonds, the Trust Agreement, the Local Obligations Indenture, the Tax Certificate, and the Purchase Contract and their enforceability may be subject to bankruptcy, insolvency, receivership, reorganization, arrangement, fraudulent conveyance, moratorium and other laws relating to or affecting creditors' rights, to the application of equitable principles, to the exercise of judicial discretion in appropriate cases and to the limitations on legal remedies against governmental entities such as the Authority and the Community Facilities District in the State of California. We express no opinion with respect to any indemnification, contribution, liquidated damages, penalty (including any remedy deemed to constitute a penalty), right of set-off, arbitration, judicial reference, choice of law, choice of forum, choice of venue, non-exclusivity of remedies, waiver or severability provisions contained in the foregoing documents, nor do we express any opinions with respect to the state or quality of title to or interest in any property described in or as subject to the lien of the Trust Agreement or the Local Obligations Indenture or the accuracy or sufficiency of the description contained therein of, or the remedies available to enforce liens on, any such property. We express no view with respect to the plans, specifications, maps, financial report or other engineering or financial details of the proceedings, or upon the Rate and Method of Apportionment for Improvement Area No. 4 of the Community Facilities District or the validity of the Special Tax levied upon any individual parcel.

Based on and subject to the foregoing, and in reliance thereon, as of the date hereof, we are of the following opinions and conclusions:

1. The Bonds are not subject to the registration requirements of the Securities Act of 1933, as amended, and the Trust Agreement is exempt from qualification pursuant to the Trust Indenture Act of 1939, as amended.

2. The Purchase Contract has been duly executed and delivered by, and constitutes a valid and binding agreement of, the Authority.

3. The statements contained in the Official Statement under the captions "THE BONDS" (excluding any information about The Depository Trust Company ("DTC"), Cede & Co., or the DTC book-entry system as to which no opinion is expressed), "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS (excluding therefrom the information under the headings "—Special Tax Analysis," "—Special Tax Calculation" and "—The Teeter Plan") and "TAX MATTERS," and in APPENDIX E – "PROPOSED FORM OF OPINION OF BOND COUNSEL" and APPENDIX C – "SUMMARY OF PRINCIPAL DOCUMENTS," excluding any material that may be treated as included under such captions by cross reference or reference to other documents or sources, insofar as such statements expressly summarize certain provisions of the Trust Agreement and the

Local Obligations Indenture, or set out content of the Bond Opinion, are accurate in all material respects.

4. We are not passing upon and do not assume any responsibility for the accuracy, completeness or fairness of any of the statements contained in the Preliminary Official Statement or (except as explicitly stated in paragraph 3 above) in the Official Statement and make no representation that we have independently verified the accuracy, completeness or fairness of any such statements. In our capacity as bond counsel and disclosure counsel to the Authority in connection with issuance of the Bonds, we participated in conferences with your representatives, your counsel, representatives of the Community Facilities District, the City, the Authority, their respective counsel, representatives of Taylor Morrison and Folsom Real Estate South and their respective counsel, the Appraiser, the Special Tax Consultant and others, during which conferences the contents of the Preliminary Official Statement or the Official Statement and related matters were discussed. Based on our participation in the above-mentioned conferences (which, with respect to the Preliminary Official Statement, did not extend beyond the date of the Purchase Contract, and with respect to the Official Statement did not extend beyond its date), and in reliance thereon, on oral and written statements and representations of the Authority, the Community Facilities District and others and on the records, documents, certificates, opinions and matters herein mentioned, subject to the limitations on our role as bond counsel and disclosure counsel to the Authority, we advise you as a matter of fact and not opinion that (a) no facts had come to the attention of the attorneys in our firm rendering legal services with respect to the Preliminary Official Statement which caused us to believe as of the date of the Purchase Contract, based on the documents, drafts and facts in existence and reviewed as of that date that the Preliminary Official Statement contained any untrue statement of a material fact or omitted to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading (except any information marked as preliminary or subject to change, any information permitted to be omitted by Securities and Exchange Commission Rule 15c-12 or otherwise left blank and any other differences with the information in the Official Statement), and (b) no facts had come to the attention of the attorneys in our firm rendering legal service with respect to the Official Statement which caused us to believe as of the date of the Official Statement and as of the date hereof that the Official Statement contained or contains any untrue statement of a material fact or omitted or omits to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided that we expressly exclude from the scope of this paragraph and express no view with respect to both the Preliminary Official Statement and the Official Statement, about any CUSIP numbers, financial, accounting, statistical, economic, engineering or demographic data or forecasts, numbers, charts, tables, graphs, estimates, projections, assumptions or expressions of opinion, any information about feasibility, valuation, appraisals, absorption, real estate or environmental matters, litigation, any statements about compliance with prior continuing disclosure undertakings, relationships among the parties, any information about book-entry, DTC, Cede & Co., ratings, rating agencies, the underwriter, municipal advisor, underwriting, and the information contained in Appendices A, B, D, F and G, included or referred to therein or omitted therefrom. No responsibility is undertaken or conclusion expressed with respect to any other disclosure document, materials or activity, or as to any information from another document or source referred to by or incorporated by reference in the Preliminary Official Statement or the Official Statement.

This letter is furnished by us as bond counsel and disclosure counsel to the Authority. No attorney-client relationship has existed or exists between our firm and you in connection with the Bonds or by virtue of this letter. We disclaim any obligation to update this letter. This letter is delivered to you as underwriter of the Bonds, is solely for your benefit as such underwriter in connection with the original delivery of the Bonds on the date hereof, and is not to be used, circulated,

quoted or otherwise referred to or relied upon for any other purpose or by any other person. This letter is not intended to, and may not, be relied upon by owners of the Bonds or by any other party to whom it is not specifically addressed.

Very truly yours,

ORRICK, HERRINGTON & SUTCLIFFE LLP

EXHIBIT H

FOLSOM RANCH FINANCING AUTHORITY
CITY OF FOLSOM COMMUNITY FACILITIES DISTRICT NO. 23
(FOLSOM RANCH) IMPROVEMENT AREA NO. 4
SPECIAL TAX REVENUE BONDS
SERIES 2024

CERTIFICATE OF APPRAISER

Folsom Ranch Financing Authority
50 Natoma Street,
Folsom, CA, 95630

City of Folsom Community Facilities District No. 23
(Folsom Ranch)
50 Natoma Street,
Folsom, CA, 95630

Piper Sandler & Co.
3626 Fair Oaks Boulevard, Suite 200
Sacramento, California 95864

The undersigned hereby states and certifies:

1. That he is an authorized principal of Integra Realty Resources (the "**Appraiser**") and as such is familiar with the facts herein certified and is authorized and qualified to certify the same.

2. That the Appraiser has prepared an appraisal report, dated September 27, 2024 (the "**Appraisal Report**"), on behalf of the City of Folsom Community Facilities District No. 23 (Folsom Ranch) (the "**Community Facilities District**") and the Folsom Ranch Financing Authority (the "**Authority**") in connection with the Preliminary Official Statement, dated _____, 2024 (the "**Preliminary Official Statement**") and the Official Statement dated _____, 2024 ("**Official Statement**"), for the Folsom Ranch Financing Authority City of Folsom Community Facilities District No. 23 (Folsom Ranch) Improvement Area No. 4 Special Tax Revenue Bonds, Series 2024 (the "**Bonds**").

3. That the Appraiser hereby consents to the reproduction and use of the Appraisal Report appended to the Preliminary Official Statement and the Official Statement. The Appraiser also consents to the references to the Appraiser and the Appraisal made in the Preliminary Official Statement and the Official Statement.

4. In the opinion of the Appraiser the assumptions made in the Appraisal Report are reasonable. Since the date of value of the Appraisal Report, the Appraiser is not aware of any facts that would cause its opinion of value of the taxable property in Improvement Area No. 4 (the "**Improvement Area**") of the Community Facilities District to be lower than the value in the Appraisal.

5. Each of the parcels appraised by the Appraiser is encompassed within the Improvement Area as set forth in the boundary map of the Community Facilities District.

6. That, as of the date of the Preliminary Official Statement, as of the date of the Official Statement and as of the date hereof, the Appraisal Report appended to the Preliminary Official Statement and the Official Statement, to the best of my knowledge and belief, and subject to all of the hypothetical conditions set forth in the Appraisal Report, did not and does not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements contained therein, in the light of the circumstances under which they were made, not misleading, and no events or occurrences have been ascertained by us or have come to our attention that would substantially change the estimated values stated in the Appraisal Report. However, we have not performed any procedures since the date of the Appraisal Report to obtain knowledge of such events or occurrences nor are we obligated to do so in the future.

7. The Community Facilities District, the Authority and the Underwriter, Piper Sandler & Co., are entitled to rely on the Certificate.

Dated: _____, 2024

INTEGRA REALTY RESOURCES

By: _____
Authorized Representative

EXHIBIT I

FOLSOM RANCH FINANCING AUTHORITY
CITY OF FOLSOM COMMUNITY FACILITIES DISTRICT NO. 23
(FOLSOM RANCH) IMPROVEMENT AREA NO. 4
SPECIAL TAX REVENUE BONDS
SERIES 2024

FORM OF ISSUE PRICE CERTIFICATE

The undersigned, on behalf of Piper Sandler & Co. (the "**PSC**"), hereby certifies as set forth below with respect to the sale and issuance of the above-captioned bonds (the "**Bonds**").

1. ***Sale of the General Rule Maturities***. As of the date of this certificate, for each Maturity of the General Rule Maturities, the first price at which at least 10% of such Maturity was sold to the Public is the respective price listed in Schedule A.

2. ***Initial Offering Price of the Hold-the-Offering-Price Maturities***.

(a) PSC offered the Hold-the-Offering-Price Maturities to the Public for purchase at the respective initial offering prices listed in Schedule A (the "**Initial Offering Prices**") on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Bonds is attached to this certificate as Schedule B.

(b) As set forth in the Bond Purchase Agreement, dated _____, 2024, by and between PSC and the Issuer, PSC has agreed in writing that: (i) for each Maturity of the Hold-the-Offering-Price Maturities, it would neither offer nor sell any of the Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the "**hold-the-offering-price rule**"); and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any retail distribution agreement shall contain the agreement of each broker-dealer who is a party to the retail distribution agreement, to comply with the hold-the-offering-price rule. Pursuant to such agreement, no Underwriter (as defined below) has offered or sold any Maturity of the Hold-the-Offering-Price Maturities at a price that is higher than the respective Initial Offering Price for that Maturity of the Bonds during the Holding Period.

3. ***Defined Terms***.

(a) *General Rule Maturities* means those Maturities of the Bonds listed in Schedule A hereto as the "General Rule Maturities."

(b) *Hold-the-Offering-Price Maturities* means those Maturities of the Bonds listed in Schedule A hereto as the "Hold-the-Offering-Price Maturities."

(c) *Holding Period* means, with respect to a Hold-the-Offering-Price Maturity, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the _____, 2024 (the Sale Date), or (ii) the date on which the Underwriter has sold at least 10% of such

Hold-the-Offering-Price Maturity to the Public at prices that are no higher than the Initial Offering Price for such Hold-the-Offering-Price Maturity.

(d) *Issuer* means the Folsom Ranch Financing Authority.

(e) *Maturity* means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate maturities.

(f) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term "**related party**" for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(g) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is _____, 2024.

(h) *Underwriter* means: (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public; and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents PSC's interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by Orrick Herrington & Sutcliffe LLP, in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds.

PIPER SANDLER & CO.

By:_____

Name:_____

Dated: _____, 2024

4853-3583-3582v3/024667-0160

SCHEDULE A

(*Attached*)

SCHEDULE B

PRICING WIRE

(*Attached*)

ATTACHMENT 8

DISTRICT CONTINUING DISCLOSURE CERTIFICATE

THIS DISTRICT CONTINUING DISCLOSURE CERTIFICATE (this "Disclosure Certificate"), dated as of _____, 2024, is executed and delivered by the City of Folsom Community Facilities District No. 23 (Folsom Ranch) (the "District") relative to the Folsom Ranch Financing Authority (the "Authority") in connection with the issuance by the Authority of the Folsom Ranch Financing Authority City of Folsom Community Facilities District No. 23 (Folsom Ranch) Improvement Area No. 4 Special Tax Revenue Bonds, Series 2024 (the "Bonds"). The Bonds are being issued pursuant to a Trust Agreement (the "Trust Agreement"), among the District, the Authority and U.S. Bank Trust Company, National Association (the "Trustee"). The District covenants and agrees as follows.

SECTION 1. Purpose of the Disclosure Certificate. The Disclosure Certificate is being executed and delivered by the District for the benefit of the Holders and Beneficial Owners of the Bonds and in order to assist the Participating Underwriter in complying with S.E.C. Rule 15c2-12(b)(5).

SECTION 2. Definitions. In addition to the definitions set forth in the Trust Agreement, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Annual Report" means any Annual Report provided by the District pursuant to, and as described in, Sections 3 and 4 hereof.

"Annual Report Date" means the date in each year that is nine months after the end of the District's fiscal year, which date, as of the date of this Disclosure Certificate, is April 1.

"Dissemination Agent" shall mean NBS, or any successor Dissemination Agent designated in writing by the District and which has filed with the District a written acceptance of such designation.

"EMMA System" means the MSRB's Electronic Municipal Market Access system, or such other electronic system designated by the MSRB.

"Financial Obligation" means, for purposes of the Listed Events set out in Section 5(a)(10) and Section 5(b)(7), a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term "Financial Obligation" shall not include Municipal Securities (as defined in the Securities Exchange Act of 1934, as amended) as to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule.

"Listed Events" means any of the events listed in subsection (a) of Section 5 hereof.

"MSRB" means the Municipal Securities Rulemaking Board, or any successor thereto.

"Official Statement" means the Official Statement, dated _____, 2024, relating to the Bonds.

"Participating Underwriter" means the original underwriter of the Bonds required to comply with the Rule in connection with the offering of the Bonds.

"Rule" means Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

SECTION 3. Provision of Annual Reports.

(a) The District shall, or shall cause the Dissemination Agent to, provide to the MSRB through the EMMA System, in an electronic format and accompanied by identifying information all as prescribed by the MSRB, an Annual Report which is consistent with the requirements of Section 4 hereof, not later than the Annual Report Date, commencing with the report for the 2023-24 Fiscal Year. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may include by reference other information as provided in Section 4 hereof; provided, however, that the audited financial statements of the District may be submitted separately from the balance of the Annual Report, and later than the date required above for the filing of the Annual Report if not available by that date. If the District's fiscal year changes, it shall, or shall instruct the Dissemination Agent to, give notice of such change in the same manner as for a Listed Event under subsection (e) of Section 5 hereof. The first Annual Report may include the filing of or reference to the Official Statement.

(b) Not later than 15 business days prior to the date specified in subsection (a) of this Section for the providing of the Annual Report to the MSRB, the District shall provide the Annual Report to the Dissemination Agent.

(c) If the Dissemination Agent is other than the District, then not later than fifteen (15) Business Days prior to said date, the District shall provide the Annual Report to the Dissemination Agent. If the District is unable to provide the Annual Report to the MSRB by the Annual Report Date, the District shall send a notice to the MSRB in substantially the form attached as Exhibit A to the Disclosure Certificate.

(d) The Dissemination Agent shall:

(i) provide any Annual Report received by it to the MSRB, as provided herein; and

(ii) file a report with the District certifying that the Annual Report has been provided pursuant to this Disclosure Certificate and stating the date it was so provided.

SECTION 4. Content of Annual Reports. The District's Annual Report shall contain or incorporate by reference the following:

(a) The District's audited financial statements, if any, prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board. If the District's audited financial statements, if any, are not available by the time the Annual Report is required to be filed pursuant to subsection (a) of Section 3 hereof, the Annual Report shall contain unaudited financial statements, and the audited financial statements, if any, shall be filed in the same manner as the Annual Report when they become available. If the District's financial statement is included or consolidated with the financial statement for the City of Folsom (the "City"), then the District shall file the City's audited financial statements as its own.

(b) The following information:

(i) The principal amount of Bonds and any bonds secured by Additional Local Obligations (as defined in the Official Statement) Outstanding as of the December 31 next preceding the Annual Report Date along with debt service schedules for the Bonds and any bonds secured by Additional Local Obligations (as defined in the Official Statement) Outstanding as of such date;

(ii) The balance in each reserve account for the Local Obligations, and a statement of the required bond reserve amount, as of the December 31 next preceding the Annual Report Date;

(iii) The total assessed value of all parcels within the Improvement Area on which the Special Taxes are levied, as shown on the assessment roll of the Sacramento County Assessor last equalized prior to the December 31 next preceding the Annual Report Date, and a statement of assessed value-to-lien ratios therefor based on special tax and assessment debt, either by individual parcel or by categories (e.g., "below 3:1," "3:1 to 4:1" etc.);

(iv) The Special Tax delinquency rate for the Improvement Area as of the December 31 next preceding the Annual Report Date; the number of parcels within the Improvement Area delinquent in payment of special taxes as of the December 31 next preceding the Annual Report Date; the amount of each delinquency; the length of time delinquent and the date on which foreclosure was commenced, or similar information pertaining to delinquencies deemed appropriate by the District; provided, however, that parcels with aggregate delinquencies of $1,000 or less (excluding penalties and interest) may be grouped together and such information may be provided by category;

(v) The status of foreclosure proceedings and a summary of the results of any foreclosure sales in the Improvement Area as of the December 31 next preceding the Annual Report Date;

(vi) The identity of any property owner, representing more than 5% of the Special Tax levy, delinquent in payment of special taxes as of the December 31 next preceding the Annual Report Date;

(vii) All tentative and final maps approved and/or recorded within the Improvement Area, describing the gross acres, the planned commercial acres and the number and type of planned residential dwelling units;

(viii) The number of new building permits issued and a description of the purpose of such permits (e.g., new single-family, new multi-family, new commercial, new industrial);

(ix) A land ownership summary listing the top ten Special Taxpayers for the Improvement Area (excluding any individual homeowner responsible for 5% or less of the Special Tax for the current Fiscal Year), as shown on the assessment roll of the Sacramento County Assessor last equalized prior to the December 31 next preceding the Annual Report Date; and

(x) For the current Fiscal Year, the amount of the Effective Tax Rate Evaluation Maximum Facilities Special Tax, the Maximum Facilities Special Tax, the actual Facilities Special Tax levied within the Improvement Area and the actual Special Tax levied within the Improvement Area, with such amounts reported separately for Developed Property, Small Lot Final Map Property and Large Lot Property; provided, however, that once all Taxable Property within the Improvement Area is Developed Property, the Maximum Facilities Special Tax and the actual Facilities Special Tax and the actual Special Tax levied may each be shown on an aggregate basis in the Annual Report. For the purposes of this subparagraph (x), all capitalized terms used but not otherwise defined herein shall have the meanings ascribed thereto in the Rate and Method for the Improvement Area.

In addition to any of the information expressly required to be provided under this Section, as set forth above, the District shall provide such further information, if any, as may be necessary to make the

specifically required statements, in the light of the circumstances under which they are made, not misleading.

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the District or related public entities, which have been submitted to the MSRB through the EMMA System. The District shall clearly identify each such other document so included by reference.

SECTION 5. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section, the District shall give notice, or cause notice to be given, not less than ten Business Days after the occurrence of any of the following events with respect to the Bonds:

(i) Principal and interest payment delinquencies.

(ii) Unscheduled draws on debt service reserves reflecting financial difficulties.

(iii) Unscheduled draws on credit enhancements reflecting financial difficulties.

(iv) Substitution of credit or liquidity providers, or their failure to perform.

(v) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue IRS Form 5701 TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax-exempt status of the security.

(vi) Defeasances.

(vii) Tender offers.

(viii) Bankruptcy, insolvency, receivership or similar event of the obligated person.

Note: For the purposes of the event identified in subparagraph (ix), the event is considered to occur when any of the following occur: the appointment of a receiver, trustee or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governmental body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

(ix) Rating changes.

(x) Default, event of acceleration, termination event, modification of terms or other similar events under the terms of a financial Obligation of the District, any of which reflect financial difficulties.

(b) The District shall give notice, or cause notice to be given, not less than ten Business Days after the occurrence of any of the following events with respect to the Bonds, if material:

(i) Modifications to rights of Bond holders.

(ii) Bond calls.

(iii) Release, substitution or sale of property securing repayment of the Bonds.

(iv) Non-payment related defaults.

(v) The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms.

(vi) Appointment of a successor or additional trustee or the change of name of a trustee.

(vii) Incurrence of a Financial Obligation of the District, or agreement to covenants, events of default, remedies, priority rights, or similar terms of a Financial Obligation of the District, any of which affect Bondholders.

(c) Whenever the District obtains knowledge of the occurrence of a Listed Event described in subsection (b) above, the District shall determine if such event would be material under applicable federal securities laws.

(d) If the District learns of the occurrence of a Listed Event described in subsection (a) of this Section, or determines that knowledge of a Listed Event described in subsection (b) of this Section would be material under applicable federal securities laws, the District shall notify the Dissemination Agent thereof in writing and instruct the Dissemination Agent to report the occurrence pursuant to subsection (e) of this Section. If in response to a request under subsection (b) of this Section, the District determines that the Listed Event would not be material under applicable Federal securities law, the District shall so notify the Dissemination Agent in writing and instruct the Dissemination Agent not to report the occurrence pursuant to subsection (e) of this Section.

(e) If the Dissemination Agent has been instructed by the District to report the occurrence of a Listed Event, the Dissemination Agent shall file a notice of such occurrence with the MSRB through the EMMA System. Notwithstanding the foregoing, notice of Listed Events described in paragraph (vii) of subsection (a) of this Section and paragraph (ii) of subsection (b) of this Section need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to holders of affected Bonds pursuant to the Trust Agreement.

SECTION 6. Termination of Reporting Obligation. The District's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the District shall give notice of such termination in the same manner as for a Listed Event under subsection (e) of Section 5 hereof.

SECTION 7. Dissemination Agent. The District may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may

discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the District pursuant to the Disclosure Certificate.

SECTION 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the District may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

(a) if the amendment or waiver relates to the provisions of subsection (a) of Section 3 hereof, Section 4 hereof or subsections (a) and (b) of Section 5 hereof, it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Bonds, or type of business conducted;

(b) the undertakings herein, as proposed to be amended or waived, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the primary offering of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) the proposed amendment or waiver (i) is approved by Owners of the Bonds in the manner provided in the Trust Agreement for amendments to the Trust Agreement with the consent of Owners, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of Owners or Beneficial Owners of the Bonds.

If the annual financial information or operating data to be provided in the Annual Report is amended pursuant to the provisions hereof, the annual financial information containing the amended operating data or financial information shall explain, in narrative form, the reasons for the amendment and the impact of the change in the type of operating data or financial information being provided.

If an amendment is made to the undertaking specifying the accounting principles to be followed in preparing financial statements, the annual financial information for the year in which the change is made shall present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. The comparison shall include a qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial statements or information, in order to provide information to investors to enable them to evaluate the ability of the District to meet its obligations. To the extent reasonably feasible, the comparison shall be quantitative. A notice of the change in the accounting principles shall be given in the same manner as for a Listed Event under subsection (e) of Section 5 hereof.

SECTION 9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the District from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the District chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the District shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 10. Default. In the event of a failure of the District or the Dissemination Agent to comply with any provision of this Disclosure Certificate, any Holder or Beneficial Owner of outstanding

Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the District to comply with its obligations under the Disclosure Certificate. A default under the Disclosure Certificate shall not be deemed an Event of Default under the Trust Agreement, and the sole remedy under the Disclosure Certificate in the event of any failure of the District to comply with the Disclosure Certificate shall be an action to compel performance.

SECTION 11. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall be entitled to the protections and limitations from liability afforded to the Trustee under the Trust Agreement. The Dissemination Agent shall not be responsible for the form or content of any Annual Report or notice of Listed Event. The Dissemination Agent shall receive reasonable compensation for its services provided under this Disclosure Certificate. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and the District agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The obligations of the District under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

SECTION 12. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the District, the Dissemination Agent, the Participating Underwriter and Owners and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

SECTION 13. Counterparts. This Disclosure Certificate may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the District has executed this Disclosure Certificate as of the date first above written.

CITY OF FOLSOM COMMUNITY FACILITIES DISTRICT NO. 23 (FOLSOM RANCH)

By: _____

EXHIBIT A

NOTICE OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: Folsom Ranch Financing Authority

Name of Issue: Folsom Ranch Financing Authority City of Folsom Community Facilities District No. 23 (Folsom Ranch) Improvement Area No. 4 Special Tax Revenue Bonds, Series 2024

Date of Issuance: _____, 2024

NOTICE IS HEREBY GIVEN that the City of Folsom Community Facilities District No. 23 (Folsom Ranch) (the "District") has not provided an Annual Report with respect to the above-named Bonds as required by Section 3 of the Continuing Disclosure Certificate, dated _____, 2024, executed by the District for the benefit of the Holders and Beneficial Owners of the above-referenced bonds. [The District anticipates that the Annual Report will be filed by _____.]

Dated: _____

CITY OF FOLSOM COMMUNITY FACILITIES DISTRICT NO. 23 (FOLSOM RANCH)

By:_____
Finance Director of the City of Folsom

ATTACHMENT 9

Folsom Ranch Financing Authority
City of Folsom Community Facilities District
No. 23 (Folsom Ranch) Improvement Area No. 4
Special Tax Revenue Bonds, Series 2024
SB 450 Summary / Government Code 5852.1*

Total Estimated Par Amount	**$10,705,000**
Total Estimated Net Premium or (Net Original Discount)	**$483,472**
Total Estimated Bond Proceeds	**$11,188,472**
A. True Interest Cost (TIC) of the Bonds	**4.74%** [1]
B. Sum of all fees and charges paid to 3rd parties	**$475,784**
Cost of Issuance	350,000 [1]
Underwriter's Discount	125,784 [1]
C. Bond Proceeds Net of Reserves, Capitalized Interest and 3rd Party Fees and Charges	**$9,884,189**
Bond proceeds	11,188,472 [1]
Less Reserve Fund	(828,500) [1]
Less Sum of all fees and charges paid to 3rd parties	(475,784) [1]
Less Capitalized Interest	0 [1]
D. Total Payment Amount	**$22,549,240**
Total Principal and Interest to Maturity**	21,878,740 [1]
Fiscal Agent Fee	105,000 [2]
Special Tax Admin. /Continuing Disclosure Fee	525,000 [3]
Arbitrage /Rebate Fee	22,500 [4]
County Collection Charge	18,000 [5]

*Summary reflects good faith estimates as of 9/20/24 and all costs associated with the financing; subject to change based on interest rates, market conditions, and other factors. Estimates do not impose any limitations or constraints upon authorized parameters, which differ from the estimates above

** Less Capitalized Interest, if any

Sources:

[1] Preliminary Cash Flows from Piper Sandler with market rates as of 9/20/2024 plus 25 bps

[2] Per U.S. Bank, estimated 30 years at $3,500 per year

[3] Per NBS, estimated 30 years at $17,500 per year

[4] Per NBS, estimated 30 years at $750 per year

[5] Per NBS, estimated 30 years at $600 per year

FIELDMAN | ROLAPP & ASSOCIATES

City of Folsom
Community Facilities District No. 23 (Folsom Ranch)
Improvement Area No. 4
Special Tax Bonds
SB 450 Summary / Government Code 5852.1*

Total Estimated Par Amount	**$10,705,000**
Total Estimated Net Premium or (Net Original Discount)	**$483,472**
Total Estimated Bond Proceeds	**$11,188,472**
A. True Interest Cost (TIC) of the Bonds	**4.74%** [1]
B. Sum of all fees and charges paid to 3rd parties	**$475,784**
Cost of Issuance	350,000 [1]
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Less Reserve Fund	(828,500) [1]
Less Sum of all fees and charges paid to 3rd parties	(475,784) [1]
Less Capitalized Interest	0 [1]
D. Total Payment Amount	**$22,510,240**
Total Principal and Interest to Maturity**	21,878,740 [1]
Fiscal Agent Fee	66,000 [2]
Special Tax Admin. /Continuing Disclosure Fee	525,000 [3]
Arbitrage /Rebate Fee	22,500 [4]
County Collection Charge	18,000 [5]

*Summary reflects good faith estimates as of 9/20/24 and all costs associated with the financing; subject to change based on interest rates, market conditions, and other factors. Estimates do not impose any limitations or constraints upon authorized parameters, which differ from the estimates above

** Less Capitalized Interest, if any

Sources:

[1] Preliminary Cash Flows from Piper Sandler with market rates as of 9/20/24 plus 25 bps

[2] Per U.S. Bank, estimated 30 years at $2,200 per year

[3] Per NBS, estimated 30 years at $17,500 per year

[4] Per NBS, estimated 30 years at $750 per year

[5] Per NBS, estimated 30 years at $600 per year

FIELDMAN | ROLAPP & ASSOCIATES

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CITY OF
FOLSOM
DISTINCTIVE BY NATURE

Folsom City Council
Staff Report

MEETING DATE:	11/12/2024
AGENDA SECTION:	Scheduled Presentations
SUBJECT:	Presentation of Annual Report from the Folsom Tourism Bureau Regarding the Folsom Tourism Business Improvement District
FROM:	City Manager's Office

CITY COUNCIL ACTION

Representatives from the Folsom Tourism Bureau (FTB) will provide an annual report. No action is requested of the City Council.

BACKGROUND:

In 2012, the City Council established the Folsom Tourism Business Improvement District (FTBID / District) for a twenty-year term beginning in January 2013 and ending in December 2032. The assessment rate was set at four (4%) percent of gross room rental revenue. At that time, it was estimated that annual assessments for District would total approximately $780,000, and those assessments were specifically identified to be used to promote tourism within the District, provide marketing and visitor programs to promote Folsom lodging businesses as tourism visitor destinations, and to fund projects, programs and activities that benefit lodging business within the District.

At the same time as the District was established, the Folsom Tourism Bureau (FTB) was named as the District "Owners' Association" and entered into an agreement with the City to administer the District. Under the terms of the agreement, the FTB is obligated to administer all District services and is fully responsible for developing, implementing, directing and operating District programs. The FTB is required to have an audited financial report for District funds by a licensed CPA which shall examine revenue and expenses and include a balance sheet and changes in fund balances for the prior two years. In addition, the FTB is required to submit a report to the City Manager on or before September 1 for each fiscal year for which assessments are to be levied and collected; the City Manager is to review the report and schedule the annual report on the City Council agenda. The report must include:

(a) A detailed description of the activities to be pursued by the FTB with FTBID funds for the coming fiscal year.
(b) A detailed breakdown of expenses for the prior fiscal year by program type and administrative expenses and costs.
(c) A copy of the bi-annual audited financial report for the FTBID

In addition to the above requirements, Folsom Municipal Code section 3.100.100 requires that the report include:

A. A description of the activities conducted during the previous fiscal year;
B. An accounting of the revenue and expenditures by program for the previous fiscal year in a form and manner required by the city finance department;
C. A proposed scope of activities to be provided for the next fiscal year, along with the designated staff to administer the proposed programs;
D. A budget outlining the revenue and expenses for the scope of activities proposed for the next fiscal year; and
E. The amount of any surplus or deficit revenues to be carried over from a previous fiscal year and a proposal to address the surplus or deficit in the next fiscal year(s).

For its part of the agreement, the City is obligated to collect the annual assessments, direct the disbursement of assessment funds to FTB on a quarterly basis, maintain an ongoing liaison with the FTB, and provide general assistance and information to the FTB and the public at large. The initial agreement term was for five years (2012 – 2017) and has subsequently been extended twice for additional five-year terms in 2017 and 2022.

AUTHORITY / RULE

The agreement between the City of Folsom and the FTB relative to the Folsom Business Improvement District requires the FTB to prepare a report for each fiscal year for which assessments are to be levied. In additional, Folsom Municipal Code section 3.100.100 describes required elements of the report, as described above.

ATTACHMENTS

1. Folsom Tourism Bureau Improvement District report to City Manager FY 23/24
2. Folsom Tourism and Economic Development Corporation, reviewed financial statements for FY 22/23
3. Proposed Scope of Activities for FY 24/25
4. Budget outlining revenue and expenses for activities proposed for FY 24/25

Respectfully submitted,

Elaine Andersen
City Manager

Attachment 1

Folsom Tourism Bureau Improvement District
Report to City Manager FY 23/24

TO: Elaine Andersen
City Manager
City of Folsom

FROM: Joseph P. Gagliardi
President/CEO
Folsom Tourism Bureau

RE: Folsom Tourism Bureau Improvement District
Fiscal Year: 7-1-2023 through 6-30-2024

In accordance with the Agreement between the City of Folsom and the Folsom Tourism Bureau dated November 27, 2012, the following Annual Report describes the activities undertaken during the fiscal year July 1, 2023, through June 30, 2024.

Organizational Background: The Folsom Tourism Bureau was formed in the year 2000 to focus on the growing local market for tourism development. In 2002 the Tourism Bureau pursued forming a business improvement district (BID) to strategically grow tourism in Folsom while providing a sustainable funding source to market Folsom as a destination. The Tourism Bureau immediately engaged all its hotel partners to seek their input and developed a strategy to accomplish that objective. The Tourism BID (TBID) was formed in 2003 at a rate of 2 percent for an initial 5-year timeframe and then renewed for an additional five years. In 2012, the Tourism BID was renewed at 4% for an additional 20-year term.

In 2016, the Greater Folsom Partnership, now known as Choose Folsom, was formed to leverage the efforts of the Folsom Tourism Bureau in conjunction with the Folsom Chamber of Commerce and Folsom Economic Development brands. This structure facilitates an integrated marketing and communication strategy for Folsom and promotes a strong connection between the business and hospitality communities.

The ultimate goal of Folsom Tourism Bureau programs and services is to promote positive economic benefits for the City of Folsom through increasing occupancy and Average Daily Rate (ADR) in Folsom Hotels. Increased activity increases Transit Occupancy Tax (TOT) and sales tax revenue as well as a residual economic benefit for related market segments in dining, retail, outdoor recreation, and entertainment.

In addition, it has become increasingly apparent that destination promotion is a crucial tool that is used to assist in broader economic development issues — not just marketing to the end traveler. Promoting Folsom raises our community profile and opens the door for enhanced opportunities for traditional business relocation, expansion, and new startups to occur. Our destination promotion contributes substantially to highlighting the

quality-of-life indicators critical to the relocation decision as well as our residents' attitudes about where they live.

Description of the Activities conducted during the fiscal year, 7/1/2023 to 6/30/24:

EVENTS

- Groups & Events Supported with Concierge Service: Visit Folsom actively supports community events that bring out-of-town guests. This support included a combination of marketing staff support and financial support in event underwriting and trades. We supported several events last year; a few are listed below. Events that are well run and compatible with the assets and venues in Folsom are essential to our brand development and increase tax revenue in the region.

  - July 2023 Folsom Pro Rodeo
  - July 2023 Paddle Splash Festival
  - September 2023 Inductive Automation Ignition Conference
  - November 2023 Rio del Lago 100-Mile Run
  - November 2023 Folsom Women's Conference
  - November 2023 Foothill Wine Festival
  - December 2023 California International Marathon
  - January 2024 LENAEA High School Theatre Festival
  - February 2024 Salmon Falls 50K Run
  - April 2024 American River 50 Mile Endurance Run
  - April 2024 California Jazz Championships
  - May 2024 Bike Month, Folsom Peddle Quest & Balance Bike Bash
  - June 2024 Juneteenth
  - June 2024 TEDx Folsom
  - June 2024 Motherlode Epic Mountain Bike Race
  - Ongoing: Folsom Lake Surf
  - Ongoing: Broadstone Racquet Club

STUDIES

Hunden Partners completed a county-wide tourism assessment for the Folsom Tourism Bureau (FTB) in June of 2023 and subsequently completed financial feasibility studies related to priority assets and projects as recommended through the tourism master plan process. The market research and asset profiles completed in Hunden's initial tourism study supported the conclusion that there are several key areas the City of Folsom can focus on to bolster the visitor economy and enhance the quality of life for residents.

During the 2023-2024 fiscal year, the FTB engaged the Hunden Partners team to complete five feasibility and impact studies which consist of outdoor sports, indoor sports, conference/boutique hotel, entertainment, and events strategy. The foundation of the studies is a market demand, financial feasibility, and economic impact study to determine the optimal build-out, projected performance and impact of these types of tourism-inducing projections for the City of Folsom.

Feasibility project goals in the five areas included the following:

- Outdoor Sports: Determine the opportunity for a regional youth sports complex in Folsom including a breakdown of space needs, operational performance and estimated impacts to the City of Folsom.
- Hotel & Conference Center: Identify the scale and type of hotel needed in the City and provide estimated projections of performance, impacts and likely feasibility gaps which would require public funding.
- Indoor Sports: Analyze the Folsom Ranch Ice Project to assess its viability, need in the market, performance and potential impacts to the City.
- Entertainment: Assess the local and regional market for the gap in the market for an entertainment venue in the City and project the performance and impact of that venue in Folsom.
- Events Strategy: Provide action items for Visit Folsom as it relates to bolstering existing events and attracting new events.

Based on local and regional market research, comparable national case studies and stakeholder engagement, Hunden formed recommendations and implications for key projects in each of the five areas of study. This included financial analysis, economic and fiscal impact projections.

Next steps in this process will be to determine priority projects considering alignment with stakeholders and then to develop financing strategies and develop RFQ's for potential project partners.

PROGRAMS

- Ride with GPS: Visit Folsom launched the RideGPS app in late 2023 which includes 30 cycling routes with the initial focus on creating routes that cater to cycling enthusiasts.
- RIPE: A branded booking engine was integrated into the Visit Folsom website in early 2023 which highlights destination-specific attributes through custom

promotions, packages, maps, content, filters, and more. We work with our partner events on affiliate booking links (CIM, Rio Del Lago Run, etc.) to make it easier to track stays associated with said events. This also allows us to deliver welcome packets and offer free electronic gift cards for guests who are staying two or more nights as an added value bonus for booking through visitfolsom.com. The booking engine also provides first-party data that we can then use to communicate with our visitors and create more direct target market campaigns.

2023/2024 Ripe Statistics

- 319 Reservations
- 576 Room Nights
- $207.35 Average Daily Rate
- $119,435.56 in Revenue

- Bandwango: The Foothill Wine Pass includes five regional passes (Amador, Calaveras/Tuolumne available to purchase for 1-, 3-, or 60-day durations starting as low as $14.These mobile exclusive passports are curated collections of local and regional wineries offering tasting flights and, in some cases, additional deals and discounts with over 40 participating wineries in one pass and the opportunity to taste all the amazing wine the region has to offer. The Foothill Wine Tasting Pass is the gateway to the Sierra Foothill wineries. Each pass is delivered instantly via text message or email. There is no need to download an app because the pass is accessible on the user's phone at any time. In just seconds, the purchaser will have their pass in hand and ready to taste wine!

  The new Folsom Love Savings Pass is a free mobile exclusive passport featuring discounts to fan-favorite local restaurants, attractions, and shops. The pass has nearly thirty discount offers from all types of businesses.

- Expanded Network of Event Promoters: Visit Folsom continues to devote resources to extending the outreach for new events that complement our existing resources and hotel mix. For events that meet our criteria and offer the potential for generating room nights, we enter into a short-term underwriting sponsorship agreement to assist in the launch process for a new event. Building strong relationships with event promoters requires a willingness to support them as they work through the permitting and planning process with the city and local partners.

- Sports, Group Travel, & Transportation_incentive funds: To make sure sports teams, meeting planners and hoteliers know what incentives are available, we are working to streamline applications for overnight stay incentives. The new Sports Grant & Small Group/Meeting incentive online applications are now accessible through a link on the Visit Folsom website. We also continue to

offer transportation grants designed to help with transportation needs of small groups staying in our hotel properties.

TOOLS & SOFTWARE

- Data: Placer AI is a real-world location intelligence platform. The Placer.ai dashboard provides insights into places and competition allowing the discovery of new business opportunities and target marketing insights.

Visitor Snapshot:

500,000 Visitors: 5.1% YOY Increase

1.3 M Visit Nights: 5.3% YOY Increase (Visit Nights may be in hotels, STR or someone's home)

Estimate Spending Potential: $.29 B

Top Origin Markets:

- San Francisco/Oakland/Berkley 72.6k
- Los Angeles/Long Beach/Anaheim: 341k
- San Jose/Sunnyvale/Santa Clara: 32.1k
- Reno: 13k

Below are some statistics on yearly visits over 30 minutes in length to several shopping areas and recreation facilities.

	Palladio	Folsom Premium Outlets	Historic Folsom	Folsom Automall
Visits	3.9 M	1.3 M	2 M	330 K
Vistors	992 K	708 K	661 K	172 K
Dwell Time	97 Min	76 Min	154 Min	125 Min
Visits YoY	2.30 %	-2 %	-7.60 %	-5.10 %
Meidam HHI	86 K	78K	88 K	80 K

	Econome	Lembi	Livermore	Aquatic Center
Visits	220 k	471 k	343 k	64 k
Vistors	56 k	115 k	84 k	21 k
Visits YOY	-10.3 %	5.9 %	5 %	4.5 %
Dwell Time	96 min	134 min	115 min	121 min

- eImpact: eImpact is a pioneering company that specializes in providing comprehensive economic development solutions. Through their product offerings, like the Economic Development suite, they empower cities and regions with data-driven insights to understand, showcase, and enhance their economic landscapes. By utilizing their platform, governments, businesses, and stakeholders can access valuable information, analyze key indicators, and make informed decisions to foster sustainable growth and prosperity.

  ** Key Insights
  77,257 City of Folsom (zip 95630) Population
  $114.4k City of Folsom Median Household Income
  42,764 City of Folsom Regional Employment
  $88.1k City of Folsom Avg. Earnings Per Job

MARKETING

- Social Media/Digital Assets: Folsom is a highly visual destination, and high-quality photos and videos are more powerful than any narrative we can provide. As social media and websites are the primary vehicles for outreach, the caliber of the content defines the perception of Folsom and effectively answers the "why" (Why would I visit? Why would I consider moving my business?) through visual storytelling. We freely share these assets with our partners and businesses for their respective platforms. We continue to acquire digital assets and have recently cataloged all videos in a software program called Muse, which allows us to find what assets more readily we have. This facilitates the more effective use of video across all platforms.

- Instagram Total Reach +161% vs 2023

- Facebook Total Reach +77.9 % vs 2023

- Leverage the Marketing Efforts of Choose Folsom: Folsom's primary message in both economic development and tourism is the outstanding quality of life in Folsom and easy access to the best outdoor recreation in the region. This allows us to commit staff resources and dollars to add to our digital asset portfolio, public relations, and overall marketing for content that can be shared across both platforms. This gives us a tremendous advantage that would not be available if these organizations were siloed and limited by their respective areas of focus. With the launch of our new website in June 2023 , we have been able to gain increased traffic and traction as search inquiries regarding Visit Folsom increases. We have also swelled our follower numbers to over 15.3k with an amazing amount of engagement and reshares. We continue to build out the website and its engagement features to become the "go-to" resource for travelers.

- Comprehensive Marketing Campaign: Visit Folsom implemented a comprehensive marketing strategy to promote tourism in the area, focusing on several key campaigns and platforms. The efforts encompassed various ad campaigns, social media engagement, and targeted email campaigns, resulting in significant growth and engagement across multiple channels.
    - **Ad Campaign for Wine Passes:** A strategic ad campaign was launched to promote Folsom's wine passes, leveraging YouTube video campaigns, Facebook, and Instagram. Captivating videos showcased the region's wineries, highlighting the wine pass benefits, such as tastings and discounts. This approach effectively captured the attention of wine enthusiasts and potential tourists.
    - **Ad Campaign for Hotel Packages for Rodeo:** To attract visitors during the Rodeo event, Visit Folsom crafted a targeted ad campaign showcasing exclusive hotel packages. These campaigns were deployed across YouTube, Facebook, and Instagram, emphasizing the convenience and value of booking through Visit Folsom. This approach resonated with rodeo attendees seeking convenient and enjoyable accommodations.
    - **Ad Campaign for Women's Conference:** To attract attendees during the Women's Conference, Visit Folsom designed a focused ad campaign highlighting exclusive hotel packages tailored for the event. These campaigns were strategically launched across YouTube, Facebook, and Instagram, with a strong emphasis on the convenience and value of booking through Visit Folsom. This targeted approach resonated with conference participants seeking accessible and enjoyable accommodations, ensuring a seamless and enriching experience.
    - **Ad Campaign for Foothill Wine Festival:** To attract visitors to the Foothill Wine Festival, Visit Folsom developed a targeted ad campaign that spotlighted exclusive hotel packages designed specifically for festival attendees. These campaigns were strategically deployed across YouTube, Facebook, and Instagram, focusing on the ease and value of booking through Visit Folsom. This approach effectively connected with wine enthusiasts seeking convenient and enjoyable accommodations, enhancing their overall festival experience.
    - **Social Media Engagement:** Through consistent efforts on Facebook, Instagram, and YouTube, Visit Folsom successfully increased their engaged followers to over 15.3k. By posting captivating content, responding to user comments, and running targeted ads, they fostered a vibrant online community interested in Folsom's attractions, events, and promotions.

- **Email Campaign:** Visit Folsom executed a robust email campaign, delivering engaging content to an audience of over 27,000 subscribers. This campaign included event updates, promotions, and highlights of Folsom's attractions. The well-curated emails served as a direct communication channel to engage with a large and interested audience.
- **Custom Welcome Emails for Event Attendees:** In collaboration with group leads, Visit Folsom crafted custom welcome emails for event attendees. These emails introduced recipients to the city and its amenities while showcasing curated offerings. This personalized approach aimed to enhance the visitor experience and encourage exploration of Folsom's unique attractions.

Visit Folsom's comprehensive marketing efforts encompassing ad campaigns, social media engagement, and targeted emails resulted in significant growth in online engagement and audience reach. The creative use of platforms like YouTube, Facebook, and Instagram, along with tailored email campaigns, effectively showcased Folsom's attractions, events, and offerings, ultimately driving tourism and enhancing the visitor experience.

VISITOR SERVICES

- Visitor Center Experience: Visit Folsom currently is working to enhance the operations of the Visitor Center and retail store to improve the customer/visitor experience.

- Visitor Collateral: The Choose Folsom team creates, writes, and produces a variety of print materials that are the cornerstone of our visitor outreach for all market segments, including business, leisure, and residents. The Getting Around Folsom map continues to be popular with visitors; the 2024 edition of Folsom Magazine hit the shelves in November of 2023. The magazine is mailed to all homes and businesses in Folsom, showcased in many of our 900 hotel rooms and included in visitor welcome packets. The 2025 edition should hit the shelves this November.

- Visitor Services Highlights: Throughout the course of the year, Visit Folsom receives requests from stakeholders to provide customized welcome packets for incoming groups with maps, dining guides, Folsom swag, etc. Custom visitor packets are prepared for incoming groups at the request of hoteliers, groups, new residents, and major employers.

- Visit Folsom Concierge Services: While Visit Folsom is a relatively small bureau, we do offer a high level of service for incoming groups who are seeking support to plan their conference or meeting. Our initial point of contact can come directly

through a group, considering Folsom as a host city or through a hotel partner looking for some additional support to win a piece of business that is desirable for Folsom.

Services include:

- Itinerary development.
- Recommendations for ancillary venues such as banquet dining, group meeting space, etc.
- Resources such as our group/meeting & sports grant incentive.
- Introductions to partners such as FHDA, zoo staff, or others for event development.
- Underwriting food/drink options like Snooks, happy hours or other hospitality opportunities.

- Regional Collaboration: Folsom's partnership with the Gold Country Visitor's Association/Visit CA continues to bring increased visibility for Folsom as a highlight on regional itineraries and provides access to marketing opportunities that would be beyond the reach of our local budget. Access to international visitor markets, collaboration on regional tours, and representation in the CA State Visitor Guides are just a few of the benefits of this partnership.

  Additionally, partnerships with Rancho Cordova Travel & Tourism, Visit El Dorado County, and now the 50 Economic Alliance are a great benefit as collaboration often allows us to host larger groups than any one market can handle alone.

PARTNERSHIPS

- Coordination of Tourism & Economic Development Activities: It makes sense for Tourism and Economic Development to partner, and we continue to focus on increasing collaboration Tourism and the amenities that attract tourism improve the attractiveness of places to both visitors and residents. A healthy destination attracts new visitors, residents, and businesses, all of which drive revenue to the city. Midweek corporate travel has been down significantly post-COVID as new businesses relocate in Folsom; this provides an opportunity to grow midweek hotel stays with corporate travel.

- Economic Development Team: Choose Folsom contracts with consultant Laura Fickle, Vice President of Community Strong Strategies, to support Economic Development and Tourism, as well as Phil Scott who supports our efforts in startups and entrepreneurism and connecting business owners to resources.

- Visit Folsom Hotel Advisory Committee: We hold quarterly meetings with the Director of Sales/General Managers from our eight partner properties. The meeting is an opportunity to share trends in the market, review questions on Folsom developments, and create strategic plans to continue to grow tourism

revenue. We move the meeting location monthly to restaurants or entertainment venues to showcase local products and share what is new in Folsom. This group discusses economic development news and businesses that are considering moving into our market, as this is a big area of interest for our hotels.

- The Choose Folsom team conducts corporate calling, identifies all potential inventory in the commercial real estate market, and serves as the primary point of communication for all new business inquiries. The Choose Folsom teams actively participate with the Greater Sacramento Economic Council to elevate Folsom's profile in the region.

  Granite School & the Northern California Innovation District: Choose Folsom has established the Northern California Innovation District (NCID). This project empowers innovation, growth, and education with respect to all sectors of the region and our communities, leveraging the reinvention of existing resources to support the sustainable future growth of the region. NCID strives to connect, educate, develop, and promote the region and our community. With the spirit of growth alive in NCID's headquarters at the historic Granite School, NCID ensures that education, innovation, and growth... past, present, and future... come together for a bright future for our region. A product of this project is the Third Thursday Pitch Night, where entrepreneurs can educate the investment community about their product/service and receive feedback in return from the seasoned investors. This feeds the innovation ecosystem and sustains the brand of Granite School being the center for excellence and innovation in the region.

- 50 Economic Alliance: Choose Folsom is collaborating with our partners along the eastern Highway 50 corridor, Rancho Cordova, El Dorado County, El Dorado Hills, and Placerville. We work together to showcase everything our region offers for existing and new businesses, their employees, and their customers. This alliance naturally extends to Tourism, and we will continue to foster alignment in these areas using data points received from Zartico. The alliance IS considering a proposal with CSS Strategies to assist the group with formal organization as well as holding quarterly Broker and Technology Round Tables. The Alliance has recently established quarterly Broker and Technology Round Table meetings in partnership with GSEC to build relationships with the both communities. The group is also exploring Healthcare as the next potential industry meetup, if and when the organization is formalized.

<u>An accounting of the revenue and expenditures for the '23-'24 fiscal year (7/1/23 to 6/30/24):</u>

- During this fiscal year funds were collected from the eight Folsom hotels (Lake Natoma Inn, Fairfield Inn & Suites, Hampton Inn, Hilton Garden, Larkspur Landing, Marriott Residence Inn and Marriott Courtyard, Staybridge Inn & Suites). The estimated total amount of revenue for FY 23-24 was $1,254,252.08.

The total projected expenditures through June 30, 202, for this fiscal year is $1,470,843.29.

An estimate of the cost of the activities for '24-'25 fiscal year (7/1/24 to 6/30/25):

- The Folsom Tourism Bureau expects proceeds from the BID to be $1,228,000 for the period of 7/1/24-6/30/25. The contributors include eight hotels (Lake Natoma Inn, Fairfield Inn & Suites, Hampton Inn, Hilton Garden, Larkspur Landing, Marriott Residence Inn, Marriott Courtyard, and Staybridge Inn & Suites). Expenditures are anticipated to be approximately $1,144,260.

  The amount of any surplus or deficit revenues to be carried over from a previous fiscal year: The Folsom Tourism Bureau is currently analyzing tourism amenities and technology through a strategic planning process, and investment in these areas is expected to rise.

Attachment 2

Folsom Tourism and Economic Development Corporation, reviewed financial statements for FY 22/23

Folsom Tourism and Economic Development Corporation

Reviewed Financial Statements

For the year ended June 30, 2023

AP|GROUP|INC

YOUR NEEDS . C SINESS

Folsom Tourism and Economic Development Corporation

Financial Statements

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AP|GROUP|INC
YOUR NEEDS . OUR BUSINESS

Independent Accountant's Review Report

To the Board of Directors
Folsom Tourism and Economic Development Corporation
Folsom, California

We have reviewed the accompanying financial statements of Folsom Tourism and Economic Development Corporation (a nonprofit organization), which comprise the statement of financial position as of June 30, 2023, and the related statements of activities and changes in net assets, and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of entity management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement whether due to fraud or error.

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of Folsom Tourism and Economic Development Corporation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

AP Group Inc

AP | Group| Inc
Folsom, California
August 27, 2024

Folsom Tourism and Economic Development Corporation

Statement of Financial Position

June 30, 2023

Assets	
Current assets	
Cash	$ 643,894
Contributions receivable	649,487
Current portion of note receivable - related party	20,034
Prepaid expenses	56,998
Prepaid rent - related party	9,000
Total current assets	1,379,413
Noncurrent assets	
Equipment and leasehold improvements, net	77,692
Note receivable - related party, net of current portion	41,285
Deposit - related party	61,186
Total noncurrent assets	180,163
Total assets	$ 1,559,576

See accompanying notes and accountant's report.

Folsom Tourism and Economic Development Corporation

Statement of Financial Position

June 30, 2023

Liabilities and Net Assets	
Current liabilities	
Accounts payable	$ 5,691
Related party payables	123,601
Current portion of long-term debt	3,379
Total current liabilities	132,671
Noncurrent liabilities	
Long-term debt, net of current portion	155,745
Total liabilities	288,416
Net assets	
With donor restrictions	1,271,160
Total liabilities and net assets	$ 1,559,576

See accompanying notes and accountant's report.

Folsom Tourism and Economic Development Corporation

Statement of Activities and Changes in Net Assets

For the year ended June 30, 2023

Net assets released from restrictions	$ 1,231,912
Expenses	
Program expenses	
Business and event attraction	124,326
Contract labor	372,340
Event underwriting	349,992
Marketing	190,165
Office expenses	2,867
Transportation	7,653
Total program expenses	1,047,343
General and administrative expenses	
Bad debt expense	2,500
Contract labor	80,997
Depreciation	6,363
Dues and subscriptions	600
Education and seminars	3,620
Interest expense	4,645
Office expenses	6,674
Professional fees	54,164
Rent	9,000
Repairs and maintenance	8,816
Travel	7,190
Total general and administrative expenses	184,569
Total expenses	1,231,912
Change in net assets without donor restrictions	-

See accompanying notes and accountant's report.

Folsom Tourism and Economic Development Corporation

Statement of Activities and Changes in Net Assets

For the year ended June 30, 2023

Net assets with donor restrictions	
Business improvement district revenue	1,229,888
Event board revenue	4,750
Visitor center sales	1,524
Rental income	1,690
Other income	2,840
Interest income	24,193
Gain on sale of equipment	8,348
Less net assets released from restrictions	1,231,912
Change in net assets with donor restrictions	41,321
Increase in total net assets	41,321
Net assets, July 1, 2022	1,229,839
Net assets, June 30, 2023	$ 1,271,160

See accompanying notes and accountant's report.

Folsom Tourism and Economic Development Corporation

Statement of Cash Flows

For the year ended June 30, 2023

Cash flows from operating activities		
Change in net assets	$	41,321
Adjustments to reconcile net assets to net cash used for operating activities:		
Bad debt expense		2,500
Depreciation expense		6,363
Accrued interest expense		763
Gain on sale of equipment		(8,348)
(Increase) decrease in assets:		
Contributions receivable		(304,858)
Related party receivables		8,046
Prepaid expenses		(55,683)
Prepaid rent - related party		9,000
Increase (decrease) in liabilities:		
Accounts payable		5,691
Related party payables		50,140
Cash used for operating activities		(245,065)
Cash flows from investing activities		
Payments received on note receivable - related party		17,594
Purchase of equipment and leasehold improvements		(67,498)
Proceeds on sale of equipment and leasehold improvements		8,348
Cash used for operating activities		(41,556)
Net decrease in cash		(286,621)
Cash at beginning of year		930,515
Cash at end of year	$	643,894
Supplemental Disclosures Regarding Cash Flows		
Interest paid	$	12,243
Income taxes paid	$	-

See accompanying notes and accountant's report.

Folsom Tourism and Economic Development Corporation

Notes to the Financial Statements

June 30, 2023

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1. Summary of Significant Accounting Policies

Nature of Operations: The Organization's purpose is to encourage sound and beneficial tourism development in the City of Folsom by promoting the growth and development of tourism. The Organization will also encourage sound and beneficial economic development to improve business conditions and promote the common interests of Folsom businesses.

Basis of Accounting: The Organization records income using the accrual method of accounting for both financial reporting and income tax purposes. Under this method, income is recognized when earned and expenses are recorded when incurred.

Use of Estimates: Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from these estimates.

Cash: For purposes of the statement of cash flows, the Organization considers all short-term debt securities purchased with a maturity of three months or less to be cash equivalents.

Contribution Receivables: Contribution receivables are recognized when the donor makes a contribution to the Organization that is, in substance, unconditional. Contribution receivables that are restricted by the donor are reported as increases in temporarily restricted net assets or permanently restricted net assets depending on the existence or nature of any donor restrictions. When a restriction expires, temporarily restricted assets are reclassified to unrestricted net assets. Contribution receivables are due in less than one year.

Equipment and Leasehold Improvements: The Organization capitalizes equipment over $1,000. Equipment and leasehold improvements are carried at cost and depreciated over the estimated useful life of the asset using the straight-line method. Costs of maintenance and repairs are charged to expense. Upon retirement or disposal of equipment and leasehold improvements, the costs and related depreciation are removed from the accounts, and gain or loss, if any, is reflected in the earnings. The estimated useful lives used for calculating depreciation are as follows:

Computer equipment	5 years
Furniture and fixtures	3 - 7 years
Leasehold improvements	5 years

Folsom Tourism and Economic Development Corporation

Notes to the Financial Statements

June 30, 2023

Impairment of Long-Lived Assets: Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the carry amount of such assets may not be recoverable. Recoverability of these assets is determined by comparing the forecasted undiscounted net cash flows of the operation to which the assets relate to the carrying amount. If the operation is determined to be unable to recover the carrying amount of its assets, then the assets are written down first, followed by other long-lived assets of the operation to fair value. Fair value is determined based on discounted cash flows or appraised values, depending on the nature of the assets. There were no impairment losses recognized for long-lived assets as of June 30, 2023.

Contributions: Contributions received are recorded as net assets with donor restrictions or net assets without donor restrictions depending on the absence or existence and nature of any donor restrictions.

Income Taxes: The Organization is exempt from federal income taxes under Section 501(c)(6) of the Internal Revenue Code, except on net income derived from unrelated business activities. The Organization may recognize the tax benefit from a tax position only if it is more likely than not that the tax position will be sustained on examination by taxing authorities based on the technical merits of the position. Examples of tax positions include the tax-exempt status of the Organization and various positions related to the potential sources of unrelated business taxable income. The Organization's open audit periods are 2020, 2021, 2022 and 2023. The Organization has analyzed its tax positions taken for filings with the Internal Revenue Service and the state of California. The Organization believes that its income tax filing positions will be sustained upon examination and does not anticipate any adjustments that would result in a material adverse effect on the Organization's financial condition, results of operations, or cash flows.

Concentrations of Credit Risk: Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of temporary cash investments and receivables. The Organization places its temporary cash investments with financial institutions, and those balances may exceed the federally insured limit on occasion.

Contributions receivable from one city represented approximately all of total contributions receivable as of June 30, 2023. Revenue from one city represented approximately all of total revenue for the year ended June 30, 2023.

Functional Expenses: Expenses are charged to programs and general and administrative expenses based on their natural classification. Accordingly, certain costs have been allocated among various programs and general and administrative expenses based on estimates made by the Organization. General administrative expenses include those expenses that are not directly identifiable with any other specific function but provide overall support and direction of the Organization. Allocation methods are based on contract labor time incurred and on resource usage.

Subsequent Events: Management has evaluated subsequent events through August 27, 2024, the date the financial statements were available to be issued.

Folsom Tourism and Economic Development Corporation

Notes to the Financial Statements

June 30, 2023

2. Liquidity and Availability of Financial Assets

The following reflects the Organization's financial assets as of the financial position date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the statement of financial position date.

Cash	$	643,894
Contributions receivable		649,487
Less net assets with donor restrictions		1,271,160
Financial assets available to meet cash needs for general expenditures within one year	$	22,221

As part of the Organization's liquidity management, it invests cash in excess of daily requirements in checking accounts.

3. Note Receivable - Related Party

Note receivable - related party represents amounts due from Folsom Community Development Corporation totaling $61,319 as of June 30, 2023. Monthly payments receivable under the note are $1,887. The note accrues interest at 5.00% per annum and is due May 31, 2026. The Organization received $3,586 of interest on this note for the year ended June 30, 2023.

Folsom Tourism and Economic Development Corporation

Notes to the Financial Statements

June 30, 2023

4. Equipment and Leasehold Improvements

Equipment and leasehold improvements consists of the following as of June 30, 2023:

Computer equipment	$	14,508
Furniture and fixtures		64,529
Leasehold improvements		6,338
Leasehold improvements in progress		53,912
Total equipment and leasehold improvements		139,287
Less accumulated depreciation		61,595
Total equipment and leasehold improvements, net	$	77,692

Depreciation expense charged to general and administrative expenses amounted to $6,363 for the year ended June 30, 2023.

Folsom Tourism and Economic Development Corporation

Notes to the Financial Statements

June 30, 2023

5. Long-term Debt

Long-term debt consists of the following:

	Interest Rate	Payable Within One Year	Payable After One Year
SBA Economic Injury Disaster Loan, secured by all assets, monthly payments of $641, including principal and interest, due in May 2050	2.75%	$ 3,379	$ 155,745

Aggregate maturities on long-term debt over the next five years are as follows:

Year ending June 30:	
2024	$ 3,379
2025	3,570
2026	3,670
2027	3,772
2028	3,877
After 2028	140,856
	$ 159,124

Folsom Tourism and Economic Development Corporation

Notes to the Financial Statements

June 30, 2023

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6. Net Assets with Donor Restrictions

Net assets with donor restrictions as of June 30, 2023 represent the unexpended portion of business improvement district income received from the City of Folsom.

7. Related Party Transactions

During the year ended June 30, 2023, the Organization paid $483,876 to a related entity, Folsom Chamber of Commerce, for reimbursement of personnel and $106,069 for office expenses. The Organization also paid $81,792 to Folsom Community Development Corporation for reimbursement of personnel and $55,000 for expenses related to economic development.

Included in related party payables as of June 30, 2023 is $80,592 due to Folsom Chamber of Commerce and $43,009 due to Folsom Community Development Corporation.

The Organization has a note receivable due from Folsom Community Development Corporation totaling $61,319 as of June 30, 2023 (see note 3).

The Organization rents warehouse space from Folsom Community Development Corporation. Rent expense paid to this entity amounted to $9,000 for the year ended June 30, 2023. The Organization has prepaid rent and a deposit with this entity in connection with a future office lease which has not commenced.

8. Subsequent Event

Subsequent to year end, the Organization entered into a five year non-cancelable operating lease with a related entity, Folsom Chamber of Commerce, for retail space. The retail space will be subleased to an outside party. The Organization is responsible for the tenant improvements which are in progress at year end.

Attachment 3

Proposed Scope of Activities for FY 24/25

TO: Elaine Andersen
City Manager
City of Folsom

FROM: Joseph P. Gagliardi
President/CEO
Folsom Tourism Bureau

RE: Folsom Tourism Bureau Improvement District
Scope of Activities for Fiscal Year: 7-1-2024 through 6-30-2025

In accordance with the agreement between the City of Folsom and the Folsom Tourism Bureau, dated November 27, 2012, the following Scope of Activities outlines the initiatives that will be focused on during the fiscal year from July 1, 2024, through June 30, 2025. The staff responsible for executing these activities include:

- Part-time CEO
- Full-time VP of Tourism
- Part-time tourism support staff
- Part-time VP of Marketing and three support staff
- Part-time VP of Business Development and two support staff
- Contract event staff as needed
- Volunteer support

EVENTS

Groups & Events will be supported with grant funding and concierge services. Visit Folsom actively supports community events that attract out-of-town guests. This support includes a combination of staff assistance and financial contributions in event underwriting and trades. Events that are well-organized and compatible with Folsom's assets and venues are essential for our brand development and help increase tax revenue in the region.

The tentative event lineup is as follows, though new events may be added when appropriate and when funding is available. Staff works diligently to identify new events, especially during the time of the year that hotel occupancy is low, that will complement our brand and drive economic impact for Folsom. We are also considering adding one or two new signature events to enhance our current offerings.

- July 2024: Folsom Pro Rodeo (Signature Event)
- July 2024: Paddle Splash Festival
- September 2024: Inductive Automation Ignition Conference
- November 2024: Rio del Lago 100-Mile Run
- November 2024: Foothill Wine Festival (Signature Event)

- December 2024: California International Marathon
- January 2025: LENAEA High School Theatre Festival
- February 2025: Salmon Falls 50K Run
- March 2025: Folsom Women's Conference (Signature Event)
- April 2025: American River 50 Mile Endurance Run
- April 2025: California Jazz Championships
- May 2025: Bike Month, Folsom Pedal Quest & Balance Bike Bash
- June 2025: Juneteenth
- June 2025: TEDx Folsom
- June 2024: Motherlode Epic Mountain Bike Race
- Ongoing: Folsom Lake Surf Soccer Club Tournaments
- Ongoing: Broadstone Racquet Club Tennis Tournaments
- Ongoing: Small Groups & Meetings
-

STUDIES

Studies are important to the tourism industry. In 2023/24, we completed five destination asset studies with Hunden and Associates. Currently, there are no studies planned, but a follow-up study to one of the five completed studies may be considered.

PROGRAMS

- **Ride with GPS**: This fiscal year, we aim to add additional routes for visitors to enjoy.
- **Ripe**: We use Ripe, our online booking engine, for events, packages, and transient travel. This system allows us to offer added value such as e-gift cards, hotel discounts, and special amenities. It also gives us access to first-party data, crucial for building our marketing lists.
- **Bandwango**: We will continue using this passport software through May 2025 to incentivize residents and travelers to shop and support local businesses.
- **Sports, Group Travel, & Transportation Incentive Grants**: Visit Folsom offers grants to sports teams and groups to encourage guests to choose Folsom for their events. Grant applications are available via a link on the Visit Folsom website.
- **Event Board Signs**: Visit Folsom coordinates the six event boards that showcase the many of the traffic driving events that are happening in Folsom. The six signs are situated at major access points to the City an are visible to about 50 million cars per year.

TOOLS & SOFTWARE

- **Placer.Ai**: A real-world location intelligence platform, Placer.ai provides insights into local areas and competition, helping discover new business opportunities and target marketing insights.
- **elmpact**: This platform offers data on Folsom and the region's jobs and careers, including skill gaps for specific roles, growth trends and more.
- **Costar**: The most comprehensive platform for commercial real estate information, analytics and news.

- **Ripe**: See above.
- **Bandwango**: See above.
- **Ride with GPS**: See above.

MARKETING

- **Social Media/Digital Assets**: Visit Folsom will continue to enhance our inventory of social media and digital assets, which are crucial to effective marketing campaigns.
- **Comprehensive Marketing Campaign**: Visit Folsom uses a comprehensive strategy to promote tourism, focusing on various ad campaigns, social media engagement, and targeted email campaigns.
- **Website**: VisitFolsom.com is crucial for marketing our destination, offering a central platform to showcase attractions, provide information, engage visitors, and facilitate bookings. Each year, we focus on enhancing our web presence with new content, visuals, and tools to assist visitors in exploring our area.

VISITOR SERVICES

- **Visitor Center Experience**: Visit Folsom is working to improve the operations of the Visitor Center and retail store to enhance the visitor experience.
- **Visitor Collateral**: The Choose Folsom team creates various print materials that are central to visitor outreach for business, leisure, and residential markets. The popular "Getting Around Folsom" map will include areas south of Highway 50, and the 2026 edition of *Folsom Magazine* will be released in November 2025.
- **Visitor Services**: Throughout the year, Visit Folsom receives requests from stakeholders for custom welcome packets with maps, dining guides, Folsom swag, etc. These packets are prepared for incoming groups, new residents, and major employers.
- **Concierge Services**: Visit Folsom offers personalized services for groups planning conferences or meetings in the city. This includes itinerary development, venue recommendations, and grant resources.
- **Regional Collaboration**: Folsom continues to partner with the Gold Country Visitor's Association/Visit CA to increase visibility as part of regional itineraries. We also collaborate with Rancho Cordova, Visit El Dorado County, and the 50 Economic Alliance to host larger groups that benefit the region.

PARTNERSHIPS

- **Coordination of Tourism & Economic Development**: We will continue to strengthen collaboration between tourism and economic development, recognizing that a thriving destination attracts visitors, residents, and businesses, all of which contribute to the city's revenue.
- **Economic Development Team**: Choose Folsom works with consultants, including Laura Fickle, VP of Community Strong Strategies, and Phil Scott, to support tourism, economic development, startups, and business connections.
- **Hotel Advisory Committee**: Quarterly meetings with hotel directors of sales/general managers allow us to discuss market trends, Folsom developments, and strategies to grow tourism revenue.

- **Corporate Calls**: Choose Folsom conducts corporate outreach, identifies commercial real estate inventory, and engages with the Greater Sacramento Economic Council to elevate Folsom's profile.
- **Project Momentum** Choose Folsom established the NCID to foster innovation, education, and growth in the region. The project includes events like the Third Thursday Pitch Night, where entrepreneurs can present their products to investors.
- **50 Economic Alliance**: We will continue to collaborate with partners along the Highway 50 corridor, including Rancho Cordova, El Dorado County, El Dorado Hills, and Placerville, to promote the region's offerings.

ADJUSTMENTS AS NEEDED

Visit Folsom efforts will be adjusted throughout the year as needed to respond to changing market trends, seasonal demand, emerging events, and shifting traveler preferences, to ensure effective promotion and maximize economic impact.

Attachment 4

Budget outlining revenue and expenses for activities proposed for FY 24/25

Folsom Tourism and Economic Development Corporation

Approved Budget - BID

For the Year Ended June 30, 2025

	FY 24-25 Approved Budget
Revenue	
BID Funding	
BID - Q1 (Jan-Mar 24 from City)	$ 285,000
BID - Q2 (Apr-Jun 24 from City)	345,000
BID - Q3 (Jul-Sept 23 from City)	314,000
BID - Q4 (Oct-Dec 23 from City)	284,000
Total BID Revenue	1,228,000
Total Revenue	**1,228,000**
Expenses	
Business & Event Attraction	120,000
Contract Labor - BID	365,000
Cost of Sales - Visitors Center	7,500
Depreciation Expense	10,000
Facilities	2,000
Interest Expense	3,000
Marketing	226,500
Office Expenses	78,000
Professional Fees	35,000
Events, Sponsorships, Studies	340,000
Transportation & Hotel Incentives	5,000
Total Expenses	**1,192,000**
Increase/(Decrease) In Net Assets	**$ 36,000**
Add back Non-Cash Expenses	
Depreciation Expense + non-cash rent	19,000
Increase/(Decrease) In Net Assets, cash	**$ 55,000**

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CITY OF
FOLSOM
DISTINCTIVE BY NATURE

City Council Special Meeting

MINUTES

Tuesday, October 8, 2024 5:45 PM

CALL TO ORDER

The special City Council meeting was called to order at 5:45 pm with Mayor Kozlowski presiding.

ROLL CALL:

Councilmembers Present: Sarah Aquino, Vice Mayor
YK Chalamcherla, Councilmember
Rosario Rodriguez, Councilmember
Michael Kozlowski, Mayor

Councilmembers Absent: Anna Rohrbough, Councilmember (*arrived at 5:46 pm)*

ADJOURNMENT TO CLOSED SESSION FOR THE FOLLOWING PURPOSES:

1. Conference with Labor Negotiator - Pursuant to Government Code Section 54957.6. Agency Negotiator: Vance Piggott. Employee Organization: Folsom Police Officers' Association

Motion by Vice Mayor Aquino, second by Councilmember Rodriguez to adjourn to closed session. Motion passed by the following roll-call vote:

AYES: Rohrbough, Aquino, Chalamcherla, Rodriguez, Kozlowski
NOES: None
ABSENT: None
ABSTAIN: None

RECONVENE

City Attorney Steven Wang announced that no final action was taken during closed session.

ADJOURNMENT

There being no further business to come before the City Council, the meeting was adjourned at 6:32 pm.

SUBMITTED BY:

_____
Jennifer Jimenez, Deputy City Clerk

ATTEST:

_____
Mike Kozlowski, Mayor

City Council Regular Meeting

MINUTES

Tuesday, October 8, 2024 6:30 PM

CALL TO ORDER

The regular City Council meeting was called to order at 6:32 pm with Mayor Mike Kozlowski presiding.

ROLL CALL:

Councilmembers Present: Anna Rohrbough, Councilmember
Sarah Aquino, Vice Mayor
YK Chalamcherla, Councilmember
Rosario Rodriguez, Councilmember
Mike Kozlowski, Mayor

Councilmembers Absent: None

PLEDGE OF ALLEGIANCE

The pledge of allegiance was recited.

BUSINESS FROM THE FLOOR:

The following speakers addressed the City Council:

1. Jackie Sellitti
2. Ronald Carter

AGENDA UPDATE

City Attorney Steven Wang advised that there was additional information for item 5.

SCHEDULED PRESENTATIONS:

1. Proclamation of the Mayor of the City of Folsom Proclaiming October 2024 as National Arts and Humanities Month in the City of Folsom

Councilmember Rohrbough presented the proclamation to the Visual and Performing Arts Coordinator Mindy Andrus.

2. Folsom Plan Area Semi-Annual Report

Community Development Director Pam Johns and City Engineer Rebecca Neves made a presentation and responded to questions from the City Council.

CONSENT CALENDAR:

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

3. Approval of September 10, 2024 Regular Meeting Minutes

4. Approval of September 24, 2024 Special and Regular and Joint Meeting Minutes

5. Pulled for discussion

6. Pulled for discussion

7. Resolution No. 11271 – A Resolution Authorizing the City Manager to Execute a Subdivision Improvement Agreement and Accept Offers of Dedication for the Toll Brothers at Folsom Ranch Phase 3B Subdivision, and Approval of the Final Map for the Toll Brothers at Folsom Ranch Phase 3B Subdivision

8. Resolution No. 11272- A Resolution Authorizing the City Manager to Execute an Agreement with Ray Gaskin Service to Purchase and Install New Side Loader Collection Equipment

9. Resolution No. 11273- A Resolution Authorizing the City Manager to Execute an Agreement with Folsom Lake Ford for the Purchase of Five Police Vehicles

Motion by Councilmember Rodriguez, second by Vice Mayor Aquino, to approve Consent Calendar items 3-4 and items 7-9. Motion passed by the following roll-call vote:

AYES: Rohrbough, Aquino, Chalamcherla Rodriguez, Kozlowski
NOES: None
ABSENT: None
ABSTAIN: None

CONSENT CALENDAR ITEMS PULLED FOR DISCUSSION:

5. Ordinance No. 1348 - An Ordinance of the City of Folsom Amending Sections 10.20.220 and 10.20.230 of the Folsom Municipal Code Pertaining to Parking in Alleys in the Historic District (Second Reading and Adoption)

Item was pulled for discussion from the public.

Public Works Director Mark Rackovan made a presentation and responded to questions from the City Council. Community Development Director Pam Johns further clarified Accessory Dwelling Unit (ADU) parking requirements.

The following speakers addressed the City Council:

1. Charlene Braun
2. Jackie Sellitti
3. John Morgan
4. Paul Kerfeld
5. Sue Chaffer

6. Leo Grover

Vice Mayor Aquino, Councilmember Rohrbough and Councilmember Rodriguez requested further information from Fire Department Chief Ken Cusano and Public Works Department Director Mark Rackovan at the next meeting. City Attorney Steven Wang asked City Council to give direction to staff and to clarify the motion.

Motion by Councilmember Chalamcherla, second by Councilmember Rohrbough, to continue the second reading of Ordinance No. 1348 [to the 10/22/2024 City Council meeting to allow for additional public comment time]. Motion passed by the following roll-call vote:

AYES: Rohrbough, Aquino, Chalamcherla, Rodriguez
NOES: Kozlowski
ABSENT: None
ABSTAIN: None

6.Resolution No. 11270 – A Resolution Authorizing the City Manager to Execute an Agreement with Mozingo Construction, Inc. for the Construction of the Phase 2 Water Improvements Project (Phase 2A) and Appropriation of Funds from the Community Facilities District No. 18

Councilmember Chalamcherla pulled this item to comment and thank the Environmental Water Resources Director Marcus Yasutake, the Parks and Recreation Department and staff.

Motion by Vice Mayor Aquino, second by Rodriguez to approve Resolution No. 11270. Motion passed by the following roll-call vote:

AYES: Rohrbough, Aquino, Chalamcherla, Rodriguez, Kozlowski
NOES: None
ABSENT: None
ABSTAIN: None

COUNCIL REQUESTS FOR FUTURE AGENDA ITEMS

None

CITY MANAGER REPORTS

City Manager Elaine Andersen spoke about the traffic improvements project and road closures. Also, the Fire Department at Station 35 will host an open house and pancake breakfast, the Folsom Police and Fire Departments' annual trunk-or-treat event, the upcoming Folsom Water Vision project meetings, and the Waste and Recycling Division's route reviews for proper recycling.

COUNCIL COMMENTS

Councilmember Chalamcherla discussed the Cable Commission outreach. He also thanked everyone for their thoughts and prayers while he was out of the country.

Vice Mayor Aquino spoke about attending a meeting with the Community Development Senior Planner Stephanie Henry and Alta Regional, a private non-profit that provides services to individuals with developmental disabilities and how Alta Regional can apply for gap funding for housing projects.

Councilmember Rodriguez reminded everyone of the election season.

Mayor Kozlowski spoke about the SACOG Land Use Committee meeting regarding priority project lists. He congratulated Murray Weaver from the Powerhouse Pub and Suzanne Cook with Scott's Seafood, two local businesses that have been in business for 25 years. He also attended a presentation for the Folsom High School Career Technical Education teacher, Mr. Bias, who received an award from Harbor Freight.

ADJOURNMENT

There being no further business to come before the City Council, the meeting was adjourned at 8:09 pm.

SUBMITTED BY:

_____
Jennifer Jimenez, Deputy City Clerk

ATTEST:

_____
Mike Kozlowski, Mayor

City Council Special Meeting

MINUTES

Tuesday, October 22, 2024 5:00 PM

CALL TO ORDER

The special City Council meeting was called to order at 5:00 pm with Mayor Kozlowski presiding.

ROLL CALL:

Councilmembers Present: Rosario Rodriguez, Councilmember
Sarah Aquino, Vice Mayor
Michael Kozlowski, Mayor

Councilmembers Absent: Anna Rohrbough, Councilmember *(arrived 5:01 pm)*
YK Chalamcherla, Councilmember *(arrived 5:02 pm)*

ADJOURNMENT TO CLOSED SESSION FOR THE FOLLOWING PURPOSES:

1. Conference with Legal Counsel - Existing Litigation - Pursuant to Government Code Section 54956.9(d)(1): Donald Brandt v. City of Folsom, et al., Sacramento County Superior Court Case No. 23CV011010

2. Conference with Legal Counsel - Existing Litigation - Pursuant to Government Code Section 54956.9(d)(1): Karen Agadzhanyan v. City of Folsom, et al., Sacramento County Superior Court Case No. 24CV019181

3. Conference with Labor Negotiator - Pursuant to Government Code Section 54957.6. Agency Negotiator: Vance Piggott. Employee Organization: Folsom Police Officers' Association

4. Public Employee Appointment – Recruitment to Fill the Position of City Manager Following Retirement Announcement of Current City Manager Pursuant to Government Code section 54957(b)(1)

Motion by Councilmember Rodriguez, second by Vice Mayor Aquino to adjourn to closed session. Motion passed by the following roll-call vote:

AYES: Rodriguez, Rohrbough, Aquino, Kozlowski
NOES: None

ABSENT: Chalamcherla
ABSTAIN: None

RECONVENE

City Attorney Steven Wang announced that no final action was taken during closed session.

ADJOURNMENT

There being no further business to come before the City Council, the meeting was adjourned at 6:30 pm.

SUBMITTED BY:

_____
Christina Kelley, Administrative Assistant

ATTEST:

_____
Michael Kozlowski, Mayor

City Council Regular Meeting

MINUTES

Tuesday, October 22, 2024 6:30 PM

CALL TO ORDER

The regular City Council meeting was called to order at 6:30 pm with Mayor Mike Kozlowski presiding.

ROLL CALL:

Councilmembers Present: Rosario Rodriguez, Councilmember
Anna Rohrbough, Councilmember
Sarah Aquino, Vice Mayor
YK Chalamcherla, Councilmember
Mike Kozlowski, Mayor

Councilmembers Absent: None

PLEDGE OF ALLEGIANCE

The pledge of allegiance was recited.

BUSINESS FROM THE FLOOR:

The following speaker addressed the City Council:

1. Ron Carter

AGENDA UPDATE

City Attorney Steven Wang advised that there was additional information for item 7.

SCHEDULED PRESENTATIONS:

1. Presentation of the 11th Annual Folsom Community Service Day Results

Recreation and Community Services Manager Tom Hellman and Community Service Day Steering Committee Chair Sandy Econome made a presentation.

CONSENT CALENDAR:

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

2. Resolution No. 11277 – A Resolution Authorizing the City Manager to Execute 1) Amendment No. 6 to the Agreement (Contract No. 174-21 13-052) with Superion, LLC (now known as Central Square Technologies) to Migrate the City's Permit Tracking System from on Premise to the Cloud; and 2) an Agreement with Bluebeam for the Purchase of Bluebeam Revu Licenses for Electronic Plan Review

3. Resolution No. 11278 – A Resolution Authorizing the City Manager to Execute a Construction Agreement with B&M Builders, Inc. for the North Granite Circle Drainage Improvement Project

4. Resolution No. 11279 -A Resolution Authorizing the Police Department to Accept a Selective Traffic Enforcement Program Grant in the Amount of $125,000 from the State of California Office of Traffic Safety and Appropriation of Funds

Motion by Councilmember Rodriguez, second by Vice Mayor Aquino, to approve the Consent Calendar. Motion passed by the following roll-call vote:

AYES: **Rodriguez, Rohrbough, Aquino, Chalamcherla, Kozlowski**
NOES: **None**
ABSENT: **None**
ABSTAIN: **None**

PUBLIC HEARING:

5. Resolution No. 11275 - A Resolution Amending Resolution No. 8792 with the Adoption of an Updated Community Facility Rental Fee Schedule with the Implementation of a Rental Fee Schedule on January 1, 2025, with an Annual Adjustment not to Exceed the Consumer Price Index (CPI) with 25% of Gross Revenue from the Community Facility Rental Fee Being Placed into a Maintenance, Replacement, and Renovation Fund for Infrastructure Needs in the Parks & Recreation Department (To be Postponed to 11/26/2024)

6. Resolution No. 11276 - A Resolution to Amend Resolution No. 10697 with the Adoption of a New Resolution to Update the Folsom City Zoo Sanctuary Entrance Fee and Establishing a Fee Range for Fees to Enter the Facility, with 25% of Gross Revenue Being Placed into a Maintenance, Replacement, and Renovation Fund for Infrastructure Needs at the Folsom City Zoo Sanctuary (To be Postponed to 11/26/2024)

Mayor Kozlowski announced that items 5 and 6 are being continued off calendar.

OLD BUSINESS:

7. Ordinance No. 1348 - An Ordinance of the City of Folsom Amending Sections 10.20.220 and 10.20.230 of the Folsom Municipal Code Pertaining to Parking in Alleys in the Historic District (Second Reading and Adoption) (Continued from 10/08/2024)

Public Works Director Mark Rackovan made a presentation and responded to City Council questions. Fire Chief Ken Cusano provided additional information.

Speaker Mike Sellitti addressed the City Council.

Motion by Vice Mayor Aquino, second by Councilmember Rodriguez to approve Ordinance No. 1348. Motion passed by the following roll-call vote:

AYES:	**Rodriguez, Aquino, Chalamcherla, Kozlowski**
NOES:	**Rohrbough**
ABSENT:	**None**
ABSTAIN:	**None**

COUNCIL REQUESTS FOR FUTURE AGENDA ITEMS

None

CITY MANAGER REPORTS

City Manager Elaine Andersen spoke about upcoming Halloween events, light rail service and zoo programs.

COUNCIL COMMENTS

Councilmember Rodriguez spoke of her attendance at the Cal Cities conference.

Vice Mayor Aquino complimented Christina Kelley on "clerking" her first Council meeting.

Mayor Kozlowski spoke of new businesses.

ADJOURNMENT

There being no further business to come before the City Council, the meeting was adjourned at 7:21 pm.

SUBMITTED BY:

_____
Christina Kelley, Administrative Assistant

ATTEST:

_____
Michael Kozlowski, Mayor

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CITY OF
FOLSOM
DISTINCTIVE BY NATURE

Folsom City Council
Staff Report

MEETING DATE:	11/12/2024
AGENDA SECTION:	Consent Calendar
SUBJECT:	5-Year Strategic Plan Implementation Report
FROM:	City Manager's Office

RECOMMENDATION / CITY COUNCIL ACTION

It is recommended that the Folsom City Council receive an updated report from the City Manager on the 5-Year City of Folsom Strategic Plan Implementation Action Plan. No action of the City Council is requested at this time.

BACKGROUND / ISSUE

In April 2023, the Folsom City Council unanimously approved a strategic plan, setting goals, strategies, and priorities to guide the City's work over the next five years (Attachment 2).

The plan outlines the City's vision, mission, operating principles, and priority areas of focus aimed at supporting financial sustainability, increasing public safety resources, boosting economic and community development, and improving organizational effectiveness.

The plan outlines the City Council's core goals:

- Financial Stability and Sustainability: Support fiscal health through long-term planning, cost control, heightened efficiency, increased revenue, and cost recovery.
- Public Safety and Infrastructure: Enhance the provision of public safety resources, invest in technological solutions, and maintain, repair, and improve public facilities and infrastructure.
- Economic and Community Development: Promote effective use of existing amenities and resources to create future opportunities that enrich the community.
- Organization Effectiveness: Build strong connections and support for the community and employees through a commitment to local government best practices and employee development, support, and retention to meet community needs.

The plan also highlights the City Council's identified short-term priorities:

- Identify a funding plan to expand police department facilities to meet department needs.
- Identify funding to increase police department staffing to meet community needs.
- Initiate technology solutions to streamline the organization and improve efficiency.
- Complete the River District Master Plan to enhance the City's waterfront and waterfront-adjacent recreation and development opportunities.
- Develop a funding/sponsorship plan for the Johnny Cash Art Trail.

An Implementation Action Plan provides an outline of actions for achieving strategic policy goals and tracking progress (Attachment 1). A new community progress report on the strategic plan has been added to the City website.

ATTACHMENTS

1. 5-Year Strategic Plan Implementation Report
2. 5-Year City of Folsom Strategic Plan

Submitted,

Elaine Andersen, City Manager

ATTACHMENT 1

CITY OF FOLSOM · IMPLEMENTATION ACTION PLAN FOR STRATEGIC PLAN

GOAL A: Financial Stability and Sustainability.

Support fiscal health through long-term planning, cost control, heightened efficiency, increased revenue, and cost recovery.

Strategy	FY 2022-23 FY 2023-24 FY 2024-25	FY 2025-26 FY 2026-27	Lead Department	Status
1. Evaluate current policies for cost recovery and actual revenue received and modify as needed to implement increased cost recovery.	x		Finance	In progress: In 2024, the Folsom Community Development Department updated its user and processing fees for building and engineering services, which were approved by the Folsom City Council on May 28. Additional evaluations of departmental fees are underway for FY 2024-25.
2. Identify and prioritize services needed, and determine the costs of those services, to meet current and increased population.	x		City Manager	Ongoing: As part of the annual budget process, the City's Executive Management Team identifies and prioritizes essential services to meet the community's needs. The City Manager concurs with departmental priorities presented to the City Council for FY 2024-25. However, due to a structural deficit, there are insufficient resources to fulfill fundamental budget requests and needs.
3. Assess the procurement process for contracts to streamline processes, identify inefficiencies, and achieve cost savings.	x		Environmental & Water Resources	In progress: Staff evaluated the City's professional services procurement processes, leading to citywide procedures that align with state and federal laws. A guideline has been created, and organization-wide training is scheduled for FY 2024-25.
4. Prepare and implement updated financial policies that incorporate a minimum emergency reserve and policy for use of any surplus funds at year-end.	x		Finance	Complete: The City Council approved an emergency reserve policy range in FY 2023-24.
5. Create a long-term funding plan that includes a fund-balance policy for deferred and ongoing infrastructure needs including asset replacement (e.g., drainage, parks, vehicle replacement, city facilities, technology, and other).	x		Finance	In progress: A long-term funding plan will be evaluated as part of the surplus funds policy discussion with the City Council.

CITY OF FOLSOM · IMPLEMENTATION ACTION PLAN FOR STRATEGIC PLAN

GOAL A: Financial Stability and Sustainability.

Support fiscal health through long-term planning, cost control, heightened efficiency, increased revenue, and cost recovery.

Strategy	FY 2022-23 FY 2023-24 FY 2024-25	FY 2025-26 FY 2026-27	Lead Department	Status
6. Develop new funding sources and strategies to build new facilities or expand and enhance existing facilities to meet the demands of a growing population.	x		City Manager	Research and Analysis: City staff is actively researching and evaluating new funding sources, including potential fee increases. At the Council's request, staff has presented items for consideration, such as draft general and special sales tax measures, discussions on fee increases, the transient occupancy tax (TOT), special event permit fees, and economic development strategies.
7. Develop additional revenue sources for consideration to provide sufficient revenues to deliver services to the community.	x		City Manager	
8. Quantify the costs and resources assigned to carry out major special events to ascertain any potential changes needed and determine the economic impacts of such events.	x		Parks & Recreation	In progress: Staff conducted a fee study that includes special event and rental fees for City Council consideration. They are also tracking large events and rentals to assess their impact on the Parks & Recreation Department and will provide a cost analysis. Additionally, planning fees, including special event fees, are set to return to the Council for 2025, along with the results of a Choose Folsom facilities survey.
9. Update the Public Facilities Financing Plan for the Folsom Plan Area.		x	Community Development Department and Finance Department	Planned: Scheduled as part of the 2025 General Plan and Specific Plan Area update.

GOAL B: Public Safety and Infrastructure.

Enhance provision of public safety resources, invest in technological solutions, and maintain, repair, and improve public facilities and infrastructure.

Strategy	FY 2022-23 FY 2023-24 FY 2024-25	FY 2025-26 FY 2026-27	Lead Department	Status
FIRE AND POLICE				
1. Complete plans for a new, second fire station in the Folsom Plan Area, including an initial staffing plan of nine additional employees for a single engine company.		x	Fire Department	Planned: Planning and design work to begin as early as FY 2024-25.
2. Develop a plan to meet future fire department needs, including review of need for additional stations, apparatus, and administrative and training facilities.	x		Fire Department	Research and analysis: The Fire Department will update its 5-year strategic plan in fall 2024. The plan will take effect in January 2025.
3. Identify a funding plan to expand police department facilities to meet department needs. [COUNCIL PRIORITY]	x		Police Department	In progress: The Police Department has identified its expansion needs, but a funding source remains unidentified.
4. Identify funding to increase police department staffing to meet community needs. [COUNCIL PRIORITY]	x		Police Department	In progress: The Police Department has identified its staffing needs, but a funding source remains unidentified.
PUBLIC WORKS				
5. Establish a plan and identify a funding source for completing a transition to full electric fleet by 2035.		x	Public Works	Planned: Public Works is complying with state clean fleet regulations and has begun incorporating electric vehicles and charging infrastructure into the City's fleet.
6. Conduct a full inventory of greenhouse gas emissions on the city's fixed assets.		x	Public Works	Planned.

CITY OF FOLSOM · IMPLEMENTATION ACTION PLAN FOR STRATEGIC PLAN

GOAL B: Public Safety and Infrastructure.

Enhance provision of public safety resources, invest in technological solutions, and maintain, repair, and improve public facilities and infrastructure.

Strategy	FY 2022-23 FY 2023-24 FY 2024-25	FY 2025-26 FY 2026-27	Lead Department	Status
TECHNOLOGY				
7. Conduct an organization-wide IT needs assessment that could lead to an IT strategic roadmap.	x		Information Systems	Planned: Staff will research and develop an organization-wide IT needs assessment if funding is available. No funding is available at this time.
8. Establish a funded replacement schedule for updating and replacing outdated hardware and software.	x		Information Systems	Planned: Staff has researched tools and best practices and will propose an IT internal service fund for hardware and software in the FY 2024-25 or FY 2025-26 budget. This fund aims to centralize citywide software and hardware purchases and maintenance.
9. Initiate technology solutions to streamline organization and improve efficiency. [COUNCIL PRIORITY]	x		Information Systems	In Progress: Efforts are underway to implement technology solutions that improve efficiencies. The Finance Department has updated its financial accounting software, enhancing financial reporting and streamlining payroll and accounts payable processes. Additional updates are in progress for timekeeping, budget software, and Police Department and GIS systems.
10. Assess what would be involved in becoming a "Smart City" and establish a plan that matches resources as feasible.		x	Public Works	Planned: The Public Works Department upgraded traffic control systems and is managing the installation of a high-speed fiber network. A comprehensive "Smart City" strategic plan is required.
11. Implement a robust Human Resources Information System (HRIS) that allows HR staff to track important employee information such as recruiting and talent acquisition, compensation, and organizational and absence management.		x	Human Resources	Planned

CITY OF FOLSOM · IMPLEMENTATION ACTION PLAN FOR STRATEGIC PLAN

GOAL B: Public Safety and Infrastructure.

Enhance provision of public safety resources, invest in technological solutions, and maintain, repair, and improve public facilities and infrastructure.

Strategy	FY 2022-23 FY 2023-24 FY 2024-25	FY 2025-26 FY 2026-27	Lead Department	Status
12. Create a city intranet for all forms, processes, templates, contracts, approved city documents, and internal files to increase efficiency and security of file and document use.	x		Communications	Complete: In January 2024, City staff launched Inside Folsom – a new intranet site for city employees. The site is a central hub for city employee news, resources, and information.
13. Create new ways for the public to access information and records for increased transparency and to meet Public Records Act requirements.	x		City Clerk	Complete: In FY 2023-24, the City Clerk's Office secured and implemented NextRequest software for processing and responding to public records requests.
PUBLIC WORKS				
14. Establish a method of assessing and comparing the relative costs and benefits of roundabouts in lieu of traffic signal controls and create criteria to apply in determining which alternative to employ.	x		Public Works	In progress: A feasibility study underway. A recommended policy document will be presented to the City Council in FY 2024-25.
15. Establish an asset management plan and program for fleet management and parts procurement.		x	Public Works	Planned: Staff researched and identified a software program to manage its fleet and submitted a request in the FY 2024-25 budget process. Funding is not available at this time.

GOAL B: Public Safety and Infrastructure.

Enhance provision of public safety resources, invest in technological solutions, and maintain, repair, and improve public facilities and infrastructure.

Strategy	FY 2022-23 FY 2023-24 FY 2024-25	FY 2025-26 FY 2026-27	Lead Department	Status
16. Study, design, and construct capital improvements to enhance traffic flow and improve safety citywide.		x	Public Works	Planned: In FY 2024-25, the Public Works Department will begin revising and updating existing planning documents related to transportation, including the 2035 General Plan Mobility Element, ITS Master Plan, Active Transportation Plan, and Local Road Safety Plan.
PARKS AND RECREATION				
17. Update the Zoo Sanctuary Master Plan to provide focus for future operations, funding, and development.		x	Parks & Recreation	Planned: Funding is required but not available.
18. Prepare an update to the Parks and Recreation Master Plan.		x	Parks & Recreation	Planned: Staff is beginning preliminary research for a Parks and Recreation Master Plan and is preparing a request for proposals; however, funding is currently unavailable.
19. Update the Arts and Culture Master Plan.		x	Parks & Recreation	Planned: Funding is required but not available.

CITY OF FOLSOM · IMPLEMENTATION ACTION PLAN FOR STRATEGIC PLAN

GOAL C: Economic and Community Development.

Promote effective use of existing amenities and resources to create future opportunities that enrich the community.

Strategy	FY 2022-23 FY 2023-24 FY 2024-25	FY 2025-26 FY 2026-27	Lead Department	Status
PREPARATION OF PLANS				
1. Complete the River District Master Plan to enhance the city's waterfront and waterfront-adjacent recreation and development opportunities. [COUNCIL PRIORITY]	x		Community Development	In Progress: The City of Folsom has released the proposed River District Vision Plan for community review and feedback. The Parks and Recreation Commission, Historic District Commission, and Planning Commission have unanimously recommended the draft plan, which is scheduled for presentation to the City Council for approval on November 12.
2. Complete a plan of the city's central business district with the goal to revitalize land use and infrastructure and set the foundation for future investments.	x		Community Development	The City of Folsom has released the draft Central Business District Vision Plan, developed through a year-long effort by the Citizens Advisory Committee. The plan was recommended for approval by the Planning Commission and is scheduled for presentation to the City Council for approval on November 12.
3. Create a plan for relocating the corporation yard, including funding and timing.		x	Public Works	In progress: Public Works staff seeks federal funding opportunities to support the future corporation yard relocation.

CITY OF FOLSOM · IMPLEMENTATION ACTION PLAN FOR STRATEGIC PLAN

GOAL C: Economic and Community Development.

Promote effective use of existing amenities and resources to create future opportunities that enrich the community.

Strategy	FY 2022-23 FY 2023-24 FY 2024-25	FY 2025-26 FY 2026-27	Lead Department	Status
OUTREACH AND BUSINESS DEVELOPMENT				
4. Evaluate market opportunities in Folsom to create opportunities to leverage existing high tech, healthcare, and other significant local industries.	x		City Manager	In progress: Consultants from Kosmont Companies developed a three-year economic development action plan for the City of Folsom, with implementation planned for inclusion in the FY 2025-26 budget. Additionally, City staff is collaborating with Choose Folsom to create opportunities to leverage target industries.
5. Develop funding/sponsorship plan for the Johnny Cash Trail (JCT) art trail to increase tourism focused on Lake Natoma. [COUNCIL PRIORITY]	x		Parks & Recreation	In progress: A sponsorship plan has been completed by staff and approved by the Parks and Recreation Commission in April 2024. The first public art piece (Pick #1) is set to be installed in November 2024, with future fundraising and sponsorship outreach to follow.
6. Establish a long-term vision for the Wye property and the Placerville and Sacramento Valley Railroad.	x		Public Works	Research and analysis: The Sacramento Placerville Transportation Corridor (SPTC) Joint Powers Authority is reviewing the license agreement with the Placerville & Sacramento Valley Railroad to assess the continuation of its operations. The City Council and staff will investigate potential future uses for the Wye property.
7. Develop a narrative plan (e.g., QR codes) along walking and bicycle trails, and historic sites for self-guided tours.	x		Communications	In progress: In FY 2024-25, City staff will continue collaborating with its partners to produce content detailing 20 historically significant locations. Staff will also work on establishing the technical infrastructure and signage necessary for delivering this content.

CITY OF FOLSOM · IMPLEMENTATION ACTION PLAN FOR STRATEGIC PLAN

GOAL C: Economic and Community Development.

Promote effective use of existing amenities and resources to create future opportunities that enrich the community.

Strategy	FY 2022-23 FY 2023-24 FY 2024-25	FY 2025-26 FY 2026-27	Lead Department	Status
8. Partner with Choose Folsom to market Folsom as a premier recreation and competitive events destination in northern California (e.g., Folsom Lake, Lake Natoma, the Historic District, scenic trails, bike trails, etc.).	x		Communications	Ongoing: City staff frequently collaborates with Choose Folsom to promote the city and attract visitors. These efforts include a "Support Local" campaign, social media-driven tourism efforts, an economic development webpage, a citywide tourism street banner program, and guides for new residents and businesses that highlight Folsom's tourism offerings.
OUTREACH AND BUSINESS DEVELOPMENT				
9. Identify funding and other factors to determine feasibility of large scale, highly visible facilities and events that could provide recreational and tourism benefits to the community.	x		Parks & Recreation	Planned: This strategy will be integrated into the upcoming update of the Parks & Recreation Master Plan. Additionally, Parks & Recreation staff are actively researching and identifying suitable sites for hosting large-scale community events. The Parks & Recreation Director has met with TedCorp to discuss the asset feasibility assessment for large events. Staff is considering a public-private partnership for the management of the Historic District amphitheater.
10. Conduct community outreach and collaborate with private developers to implement the vision-concept for a town center in the Folsom Plan Area (preliminary plans submitted and under review).	x		Community Development	Planned: In 2024, Community Development staff met with the development team for the town center project to align expectations with the Town Center Specific Plan. In accordance with the General Plan and Specific Plan amendments, the developer is expected to prepare for community outreach in 2025 to help determine the project's vision with community input.

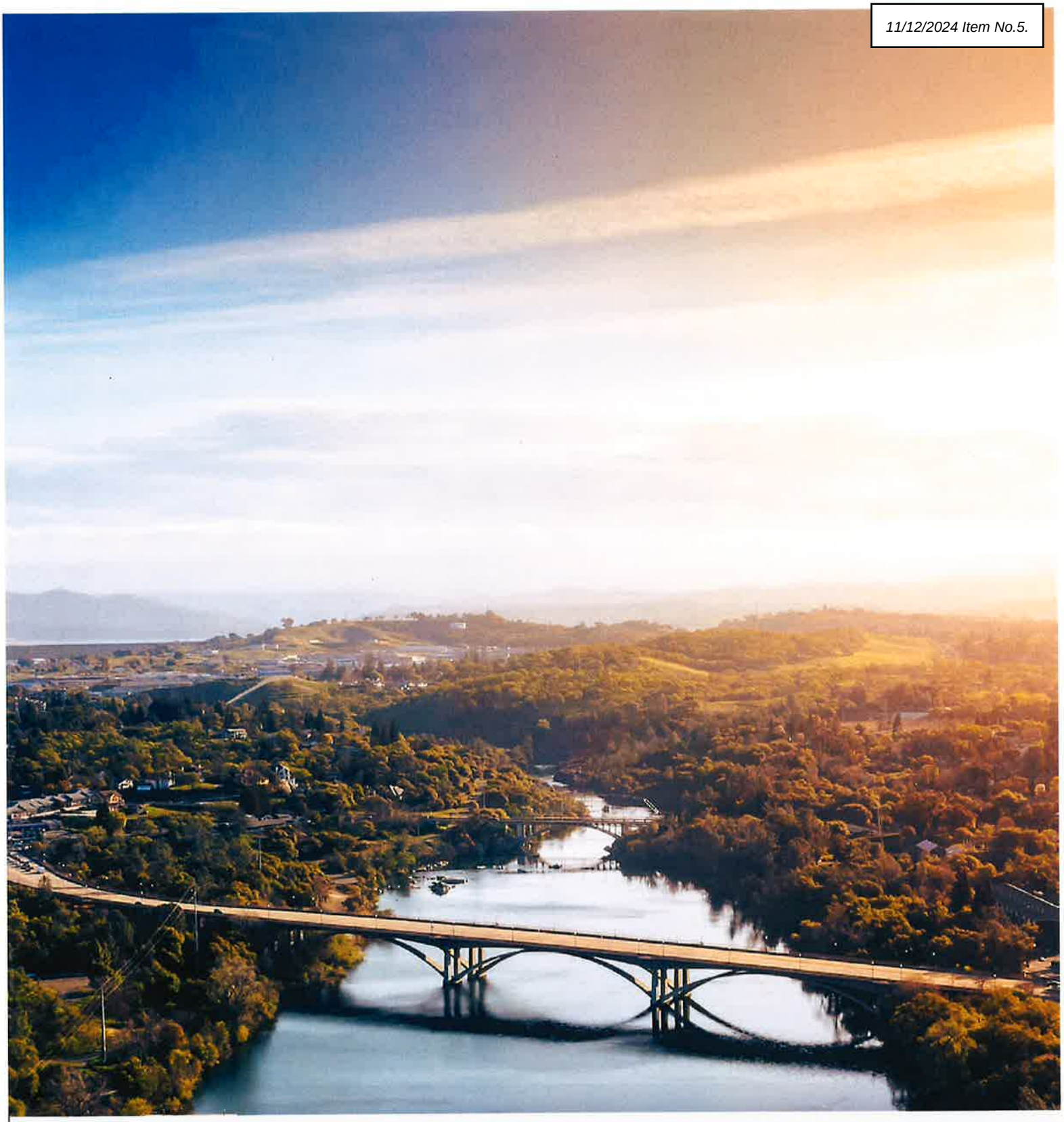
CITY OF FOLSOM · IMPLEMENTATION ACTION PLAN FOR STRATEGIC PLAN

GOAL D: Organization Effectiveness.

Build strong connections and support for the community and employees through a commitment to local government best practices and employee development, support, and retention to meet community needs.

Strategy	FY 2022-23 FY 2023-24 FY 2024-25	FY 2025-26 FY 2026-27	Lead Department	Status
1. Implement multi-year staffing and succession planning for each department in consideration of projected retirements and turnover.	x		City Manager	In progress: During her tenure, the City Manager has actively advanced succession planning efforts, which involved identifying key positions expected to become vacant due to retirements or other factors. The City Manager aims to ensure that there is an overlap between outgoing and incoming staff members to facilitate the transfer of internal knowledge while keeping the City Council informed of funding and professional recruitment service needs.
2. Establish an enhanced employee training program that includes the latest tools in technology, local government best practices, and new customer service approaches (e.g., Folsom University 2.0, lunch and learns, "how to" videos).		x	Information Systems	Planned
3. Establish customer service standards and corresponding resource funding.		x	City Manager	Planned. The goal is to implement citywide customer service training as resources permit.
4. Establish a diversity, equity, and inclusion (DEI) program to support an environment welcoming to people of all backgrounds.	x		Human Resources	In progress: The Folsom Police Department completed DEI training in January and February 2024. The Human Resources Department is researching and planning organization-wide DEI initiatives and training, which will begin in FY 2024-25.
5. Actively promote continuous improvement in City operations.	x		City Manager	Ongoing: The City Manager and Executive Management Team continue to work together to streamline and improve City operations and services within available resources.

ATTACHMENT 2



City of Folsom
Strategic Plan

FY 2023-24 through FY 2027-28

CITY OF FOLSOM
DISTINCTIVE BY NATURE

bakertilly

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The Folsom City Council is dedicated to ensuring Folsom's high standards for public health, safety, and quality of life.

Through responsible leadership, the City Council provides policy direction and financial oversight to the City Manager, who is hired by and is accountable to the City Council. The City Manager is responsible for the day-to-day operations of the City organization under the Council/Manager form of government. With an eye to the long-term, the City Council serves as careful stewards for residents and businesses as they guide the direction of the City.

Strategic Planning Guidance Provided By

- Elaine Andersen, City Manager
- Allison Garcia, Human Resources Director
- Christa Freemantle, City Clerk
- Christine Brainerd, Communications Director
- Ken Cusano, Fire Chief
- Lorraine Poggione, Parks and Recreation Director
- Marcus Yasutake, Environmental and Water Resources Director
- Mark Rackovan, Public Works Director
- Pam Johns, Community Development Director
- Rick Hillman, Police Chief
- Stacey Tamagni, Finance Director
- Steve Wang, City Attorney
- Thomas Gruneisen, Library Director

A Message from the City Manager

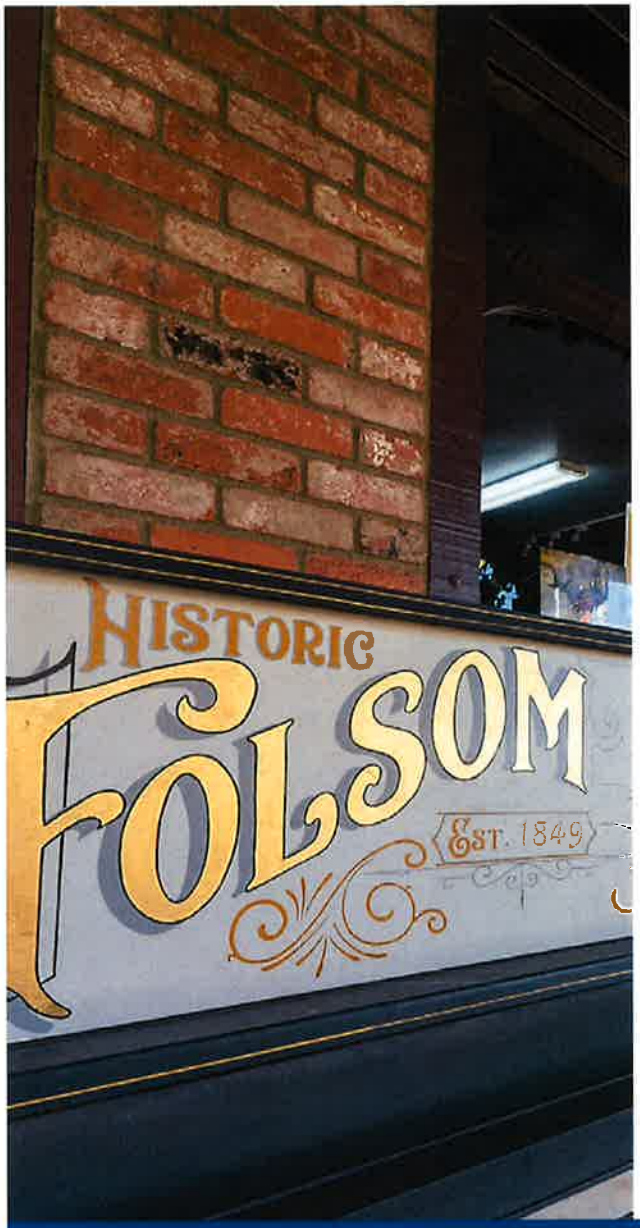
This Strategic Plan sets the path for the City of Folsom for the next five years. It contains the City Council's guidance regarding top policy priorities and establishes the framework for allocating resources to achieve important objectives.

Many people participated in developing this Strategic Plan. We started with seeking early input from members of the City Council through individual interviews conducted by our facilitators. The executive team provided detailed information about current and future plans and projects, as well as participated in a day-long workshop. Community input was obtained through the Godbe Research survey conducted in March 2022, and business community input was gathered through an online survey conducted by Baker Tilly in January 2023. See Attachment A for more information about our strategic planning process.

As we implement our Strategic Plan, we will continue to strengthen ties between the City of Folsom and our many community members and partners.

Success of the City of Folsom will always be a team effort.

Elaine Andersen
City Manager



About the City of Folsom

The City of Folsom was founded in 1856, incorporated in 1946, and chartered in 1990. The City is located approximately 110 miles northeast of San Francisco, and 20 miles east of Sacramento. A full-service Charter city, Folsom covers approximately 30 square miles and serves over 81,000 residents.

City services include police, fire, public works, planning, parks and recreation, library, water, wastewater, and solid waste utilities. The City is known for its high water quality, which has helped attract major corporations to Folsom. Major employers in Folsom include Intel, Kikkoman, Kaiser Permanente, Toshiba, Micron, Kioxia, Gekkeikan, and Safe Credit Union.

Folsom is rich in history and has connections to California's Gold Rush, the Pony Express, and the first railroad in the West. Folsom's revitalized Historic District includes the Folsom History Museum and the Folsom Hotel (a landmark since 1885), and offers premier dining, shopping, and historic architecture.

Folsom's Zoo Sanctuary, aquatic center, 48 parks, 50 miles of paved recreational trails, Folsom Lake, Lake Natoma, and American River are just a few of the attractions offering outdoor recreational and educational activities to residents and visitors.

Committees and Commissions

The City of Folsom has long benefited from the involvement of residents in many civic activities. One of the ways that residents can be involved is by serving on one of the City's commissions and committees, which are listed below.

- Arts and Culture Commission
- Historic District Commission
- Landscaping and Lighting Districts Advisory Committee
- Library Commission
- Parks and Recreation
- Planning Commission
- Traffic Safety Committee
- Utility Commission

Opportunities and Challenges

The City of Folsom has numerous opportunities and several challenges.

Opportunities

- Abundant historic and recreational amenities
- Strong interest in the River District and Central Business District
- Strong interest in creating a Folsom Plan Area town center
- Prominent healthcare and high-tech industries
- Capacity for revenue enhancement
- Strong community sense of volunteerism
- Greater efficiency through use of new technologies
- Grow public-private partnerships

Challenges

- Lack of financial capacity to provide existing and future needed services and infrastructure
- Outdated technology
- Need for greater planning for future needs
- Employee retirements and turnover
- Lack of affordable housing
- Growing population with new needs
- Inability to maintain current service levels

Major Factors Influencing Folsom's Future

Significant changes have occurred in recent years and other factors will influence the next 10 and more years. Some are listed below.

Effects of the pandemic

Folsom Plan Area

Threat of wildfires

Unfunded state mandates

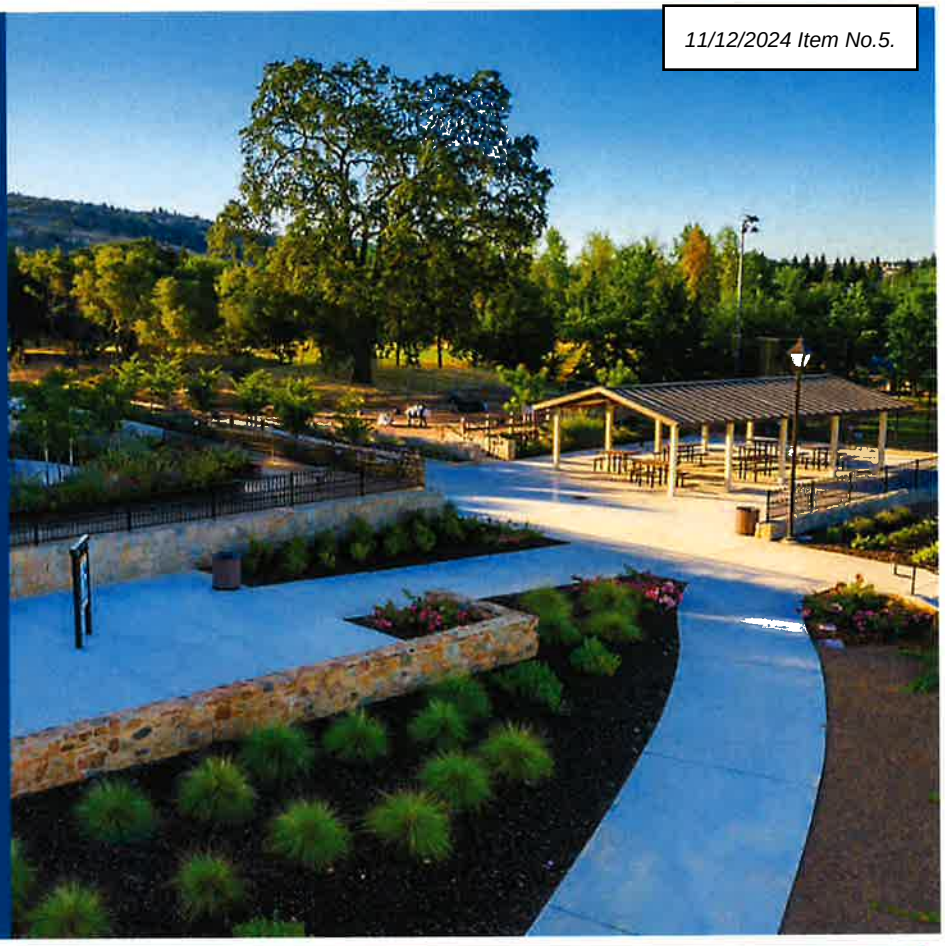
Tight labor market

Rising housing costs

Financial capacity

Vision, Mission and Values

Our vision is aspirational, a statement of the future. Our mission represents the purpose of the City of Folsom as an organization. Our values reflect expected behaviors of all members of the City of Folsom – including staff, appointed and elected officials. We are proud of where we are going as a city, and how we go about our work.



VISION

The City of Folsom serves as a role model and regional leader that blends its rich historical roots and diverse cultural, recreational, and business resources into a great community.

MISSION

The City of Folsom provides a safe, healthy, and vibrant community through innovative, responsive, and effective delivery of public services to maintain and enhance the quality of life of our residents.

VALUES

Integrity: Demonstrating honesty and strong ethical principles in all actions and decisions.

Professionalism: Delivering high-quality services based on the skills and competence of trained employees, and best industry practices.

Financial stability: Planning for the long term and making decisions in the short term to ensure the necessary resources are available to deliver City services and achieve goals established by the Council.

Multi-Year Goals

We have ambitious goals as we respond to community interests and organizational needs. Our Strategic Plan contains four multi-year goals covering a range of important initiatives intended to position the City well over five years.

Goal A: Financial Stability and Sustainability

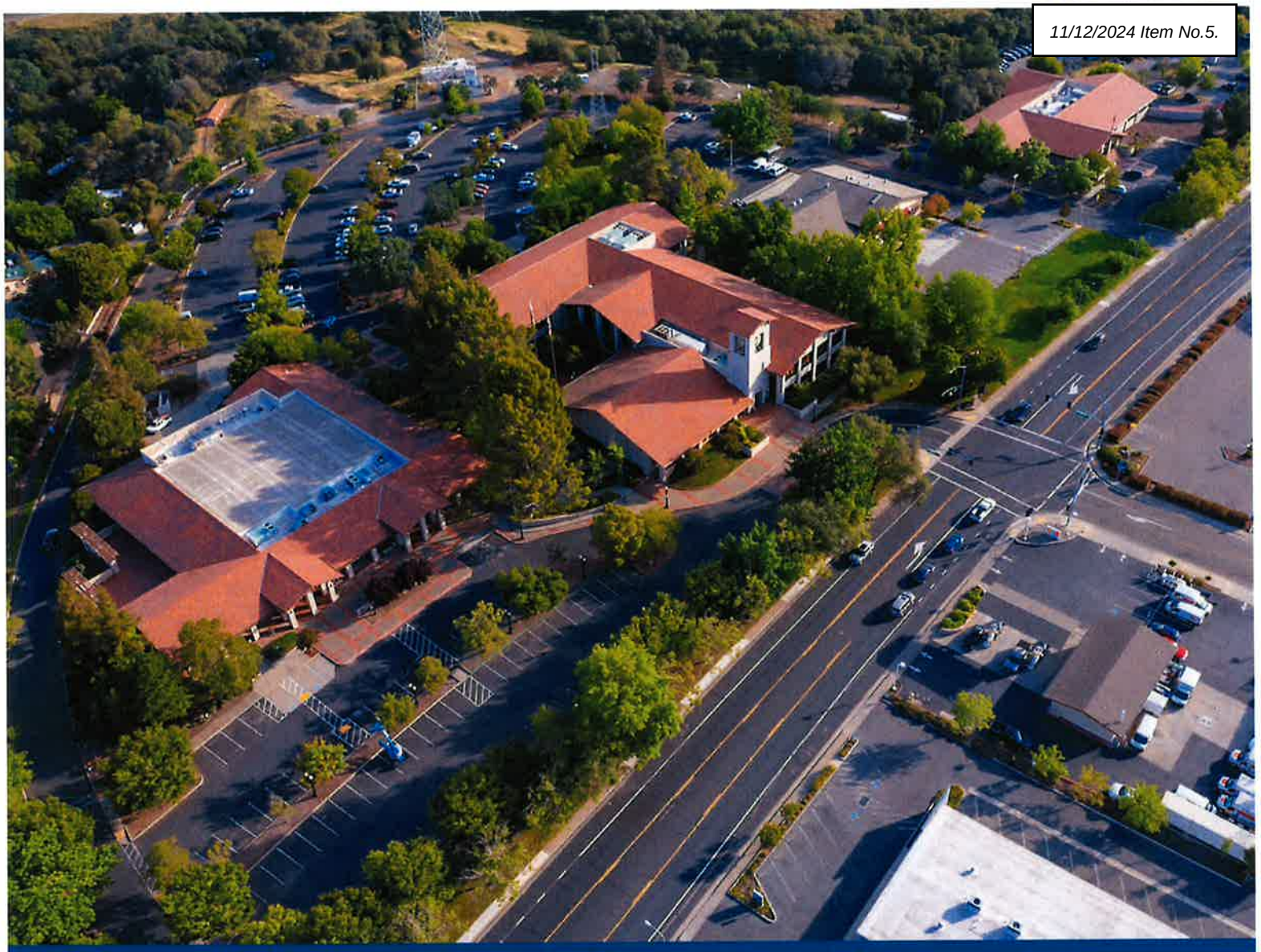
Goal B: Public Safety and Infrastructure

Goal C: Economic and Community Development

Goal D: Organization Effectiveness

Each of these goals has an associated set of strategies.

The City Council's top priorities for the first two years are shown on the next page.



City Council Priorities

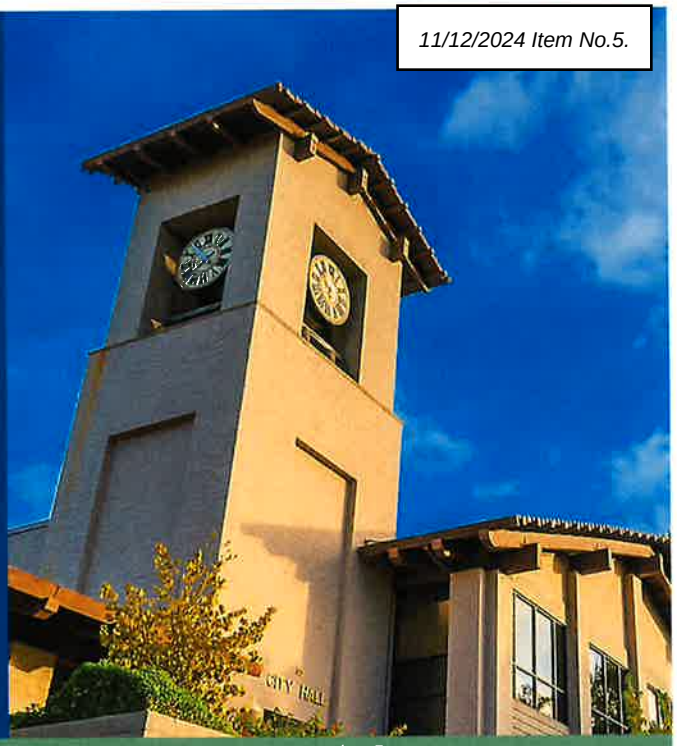
Our work is in alignment with City Council policies and priorities. The following strategies address specific Council priorities in the first two years of the Strategic Plan. Each strategy listed below is also shown in the relevant goal section later in this document. The numbers shown below are consistent with those in the goal sections.

- Identify a funding plan to expand police department facilities to meet department needs. (Goal B, Strategy 3)
- Identify funding to increase police department staffing to meet community needs. (Goal B, Strategy 4)
- Initiate technology solutions to streamline organization and improve efficiency. (Goal B, Strategy 9)
- Complete the River District Master Plan to enhance the City's waterfront and waterfront-adjacent recreation and development opportunities. (Goal C, Strategy 1)
- Develop funding/sponsorship plan for the Johnny Cash Trail (JCT) art trail to increase tourism focused on Lake Natoma. (Goal C, Strategy 5)

Goal A: Financial Stability and Sustainability

Support fiscal health through long-term planning, cost control, heightened efficiency, increased revenue, and cost recovery.

The following table contains nine strategies intended to help the City achieve the goal of financial stability and sustainability over the next several years. For each strategy, the time frame that work will begin has been noted. In a number of cases, the strategy is a continuation of work that began previously but significant effort will be needed to complete the strategy.

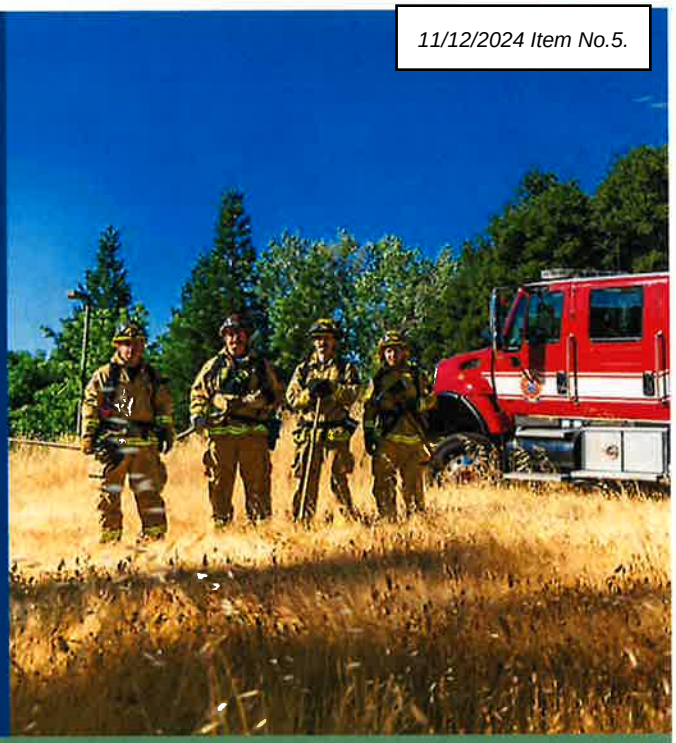


STRATEGIES	Year to Begin Strategy: FY 2022-23, FY 2023-24 and FY 2024-25	Year to Begin Strategy: FY 2025-26 and FY 2026-27
1. Evaluate current policies for cost recovery and actual revenue received and modify as needed to implement increased cost recovery.	X	
2. Identify and prioritize services needed, and determine the costs of those services, to meet current and increased population.	X	
3. Assess the procurement process for contracts to streamline processes, identify inefficiencies, achieve cost savings.	X	
4. Prepare and implement updated financial policies that incorporate a minimum emergency reserve and policy for use of any surplus funds at year-end.	X	
5. Create a long-term funding plan that includes a fund-balance policy for deferred and ongoing infrastructure needs including asset replacement (e.g., drainage, parks, vehicle replacement, city facilities, technology, and other).	X	
6. Develop new funding sources and strategies to build new facilities or expand and enhance existing facilities to meet the demands of a growing population.	X	
7. Develop additional revenue sources for consideration to provide sufficient revenues to deliver services to the community.	X	
8. Quantify the costs of and resources assigned to carry out major special events to ascertain any potential changes needed, and determine the economic impacts of such events.	X	
9. Update the Public Facilities Financing Plan for the Folsom Plan Area.		X

Goal B: Public Safety and Infrastructure

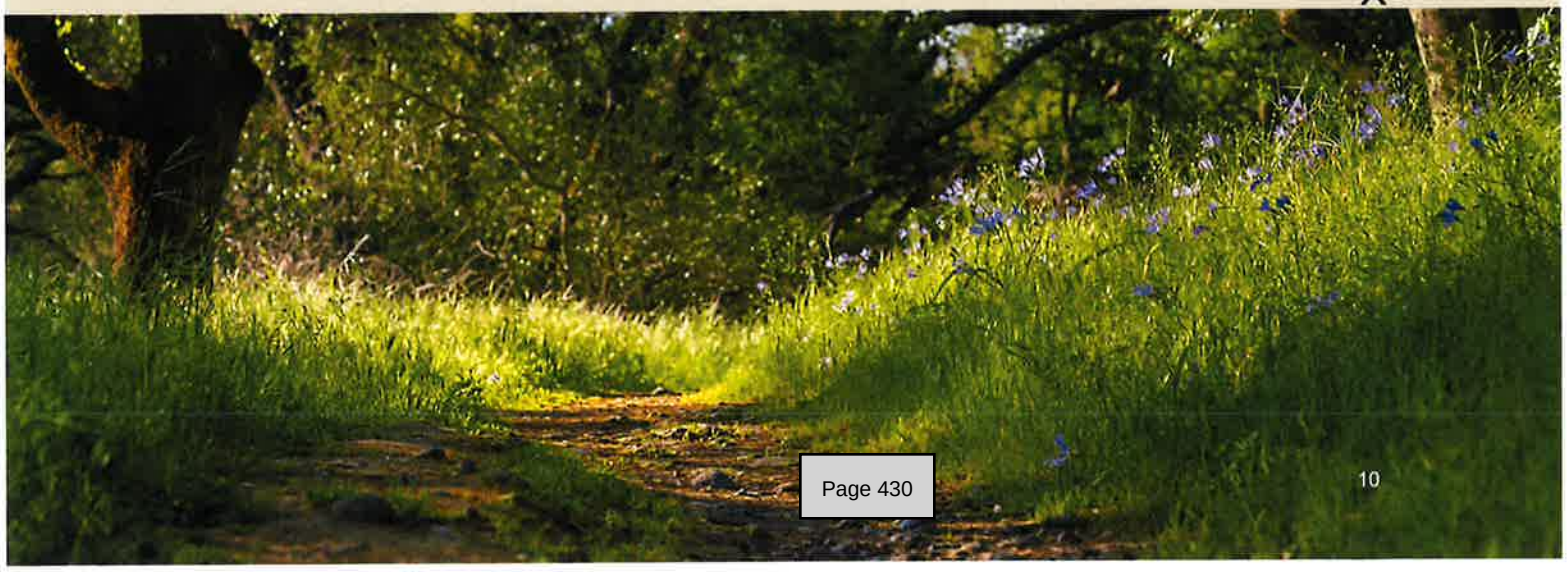
Enhance provision of public safety resources, invest in technological solutions, and maintain, repair, and improve public facilities and infrastructure.

The following table contains 19 strategies intended to help the City achieve the goal of public safety and infrastructure over the next several years. For each strategy, the time frame that work will begin has been noted. In a number of cases, the strategy is a continuation of work that began previously but significant effort will be needed to complete the strategy.



STRATEGIES	Year to Begin Strategy: FY 2022-23, FY 2023-24 and FY 2024-25	Year to Begin Strategy: FY 2025-26 and FY 2026-27
Fire and Police		
1. Complete plans for a new, second fire station in the Folsom Plan Area, including an initial staffing plan of nine additional employees for a single engine company.		X
2. Develop a plan to meet future fire department needs including review of need for additional stations, apparatus, and administrative and training facilities.	X	
3. Identify a funding plan to expand police department facilities to meet department needs.	X	
4. Identify funding to increase police department staffing to meet community needs.	X	
Environmental Sustainability		
5. Establish a plan and identify a funding source for completing a transition to full electric fleet by 2035.		X
6. Conduct a full inventory of greenhouse gas emissions on the City's fixed assets.		X
Technology		
7. Conduct an organization-wide IT needs assessment that could lead to an IT strategic roadmap.	X	
8. Establish a funded replacement schedule for updating and replacing outdated hardware and software.	X	
9. Initiate technology solutions to streamline organization and improve efficiency.	X	

STRATEGIES	Year to Begin Strategy: FY 2022-23, FY 2023-24 and FY 2024-25	Year to Begin Strategy: FY 2025-26 and FY 2026-27
Technology		
10. Assess what would be involved in becoming a "Smart City" and establish a plan that matches resources as feasible.		X
11. Implement a robust Human Resources Information System (HRIS) that allows HR staff to track important employee information such as recruiting and talent acquisition, compensation, and organizational and absence management.		X
12. Create a city intranet for all forms, processes, templates, contracts, approved City documents, and internal files to increase efficiency and security of file and document use.	X	
13. Create new ways for the public to access information and records for increased transparency and to meet Public Records Act requirements.	X	
Public Works		
14. Establish a method of assessing and comparing the relative costs and benefits of roundabouts in lieu of traffic signal controls and create criteria to apply in determining which alternative to employ.	X	
15. Establish an asset management plan and program for fleet management and parts procurement.		X
16. Study, design, and construct capital improvements to enhance traffic flow and improve safety citywide.		X
Parks and Recreation		
17. Update the Zoo Sanctuary Master Plan to provide focus for future operations, funding, and development.		X
18. Prepare an update to the Parks and Recreation Master Plan.		X
19. Update the Arts and Culture Master Plan.		X



Goal C: Economic and Community Development

Promote effective use of existing amenities and resources to create future opportunities that enrich the community.

The following table contains ten strategies intended to help the City achieve its economic and community development goals over the next several years. For each strategy, the time frame that work will begin has been noted. In a number of cases, the strategy is a continuation of work that began previously but significant effort will be needed to complete the strategy.

STRATEGIES	Year to Begin Strategy: FY 2022-23, FY 2023-24 and FY 2024-25	Year to Begin Strategy: FY 2025-26 and FY 2026-27
Preparation of Plans		
1. Complete the River District Master Plan to enhance the City's waterfront and waterfront-adjacent recreation and development opportunities.	X	
2. Complete a master plan of the City's central business district with the goal to revitalize land use and infrastructure and set the foundation for future investments.	X	
3. Create a plan for relocating the corporation yard, including funding and timing.		X
Outreach and Business Development		
4. Evaluate market opportunities in Folsom to create opportunities to leverage existing high tech, healthcare, and other significant local industries.	X	
5. Establish a long-term vision for the Wye property and the Placerville and Sacramento Valley Railroad.	X	
6. Develop funding/sponsorship plan for the Johnny Cash Trail (JCT) art trail to increase tourism focused on Lake Natoma.	X	
7. Develop a narrative plan (e.g., QR codes) along walking and bicycle trails, and historic sites for self-guided tours.	X	
8. Partner with Choose Folsom to market Folsom as a premier recreation and competitive events destination in northern California (e.g., Folsom Lake, Lake Natoma, the Historic District, scenic trails, bike trails, etc.).	X	

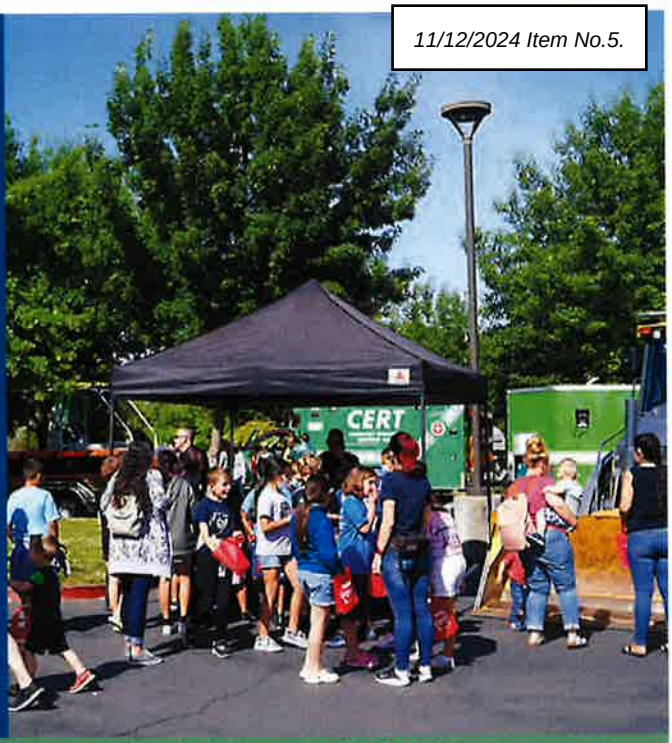
STRATEGIES

	Year to Begin Strategy: FY 2022-23, FY 2023-24 and FY 2024-25	Year to Begin Strategy: FY 2025-26 and FY 2026-27
Outreach and Business Development		
9. Identify funding and other factors to determine feasibility of large scale, highly visible facilities and events that could provide recreational and tourism benefits to the community.	X	
10. Conduct community outreach and collaborate with private developers to implement the vision-concept for a town center in the Folsom Plan Area (preliminary plans submitted and under review).	X	

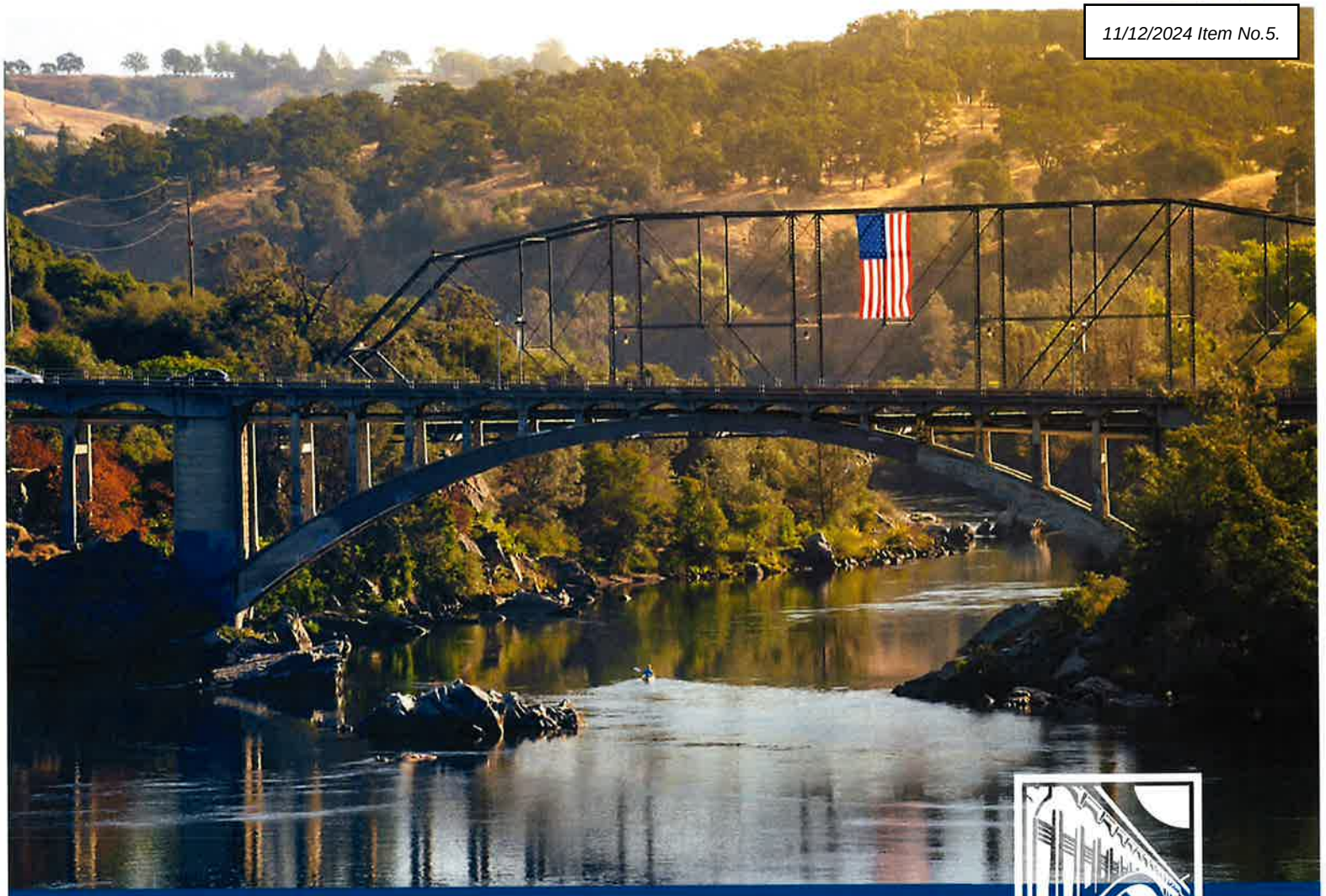
Goal D: Organization Effectiveness

Build strong connections and support for the community and employees through a commitment to local government best practices and employee development, support, and retention to meet community needs.

The following table contains five strategies intended to help the City achieve the goal of organizational effectiveness over the next several years. For each strategy, the time frame that work will begin has been noted. In a number of cases, the strategy is a continuation of work that began previously but significant effort will be needed to complete the strategy.



STRATEGIES	Year to Begin Strategy: FY 2022-23, FY 2023-24 and FY 2024-25	Year to Begin Strategy: FY 2025-26 and FY 2026-27
1. Implement multi-year staffing and succession planning for each department in consideration of projected retirements and turnover.	X	
2. Establish an enhanced employee training program that includes the latest tools in technology, local government best practices, and new customer service approaches (e.g., Folsom University 2.0, lunch and learns, "how to" videos).		X
3. Establish customer service standards and corresponding resource funding.		X
4. Establish a diversity, equity, and inclusion (DEI) program to support an environment welcoming to people of all backgrounds.	X	
5. Actively promote continuous improvement in City operations.	X	



Implementation and Tracking

CITY OF
FOLSOM
DISTINCTIVE BY NATURE

Implementation Action Plan

An Implementation Action Plan, contained in a separate document, provides further information. This includes the starting year, lead person and key tasks for each strategy. Timelines may be adjusted based on changing priorities, budget and personnel availability.

Tracking and Reporting Progress

Progress reports will be provided to the City Council on a regular basis.

Conclusion

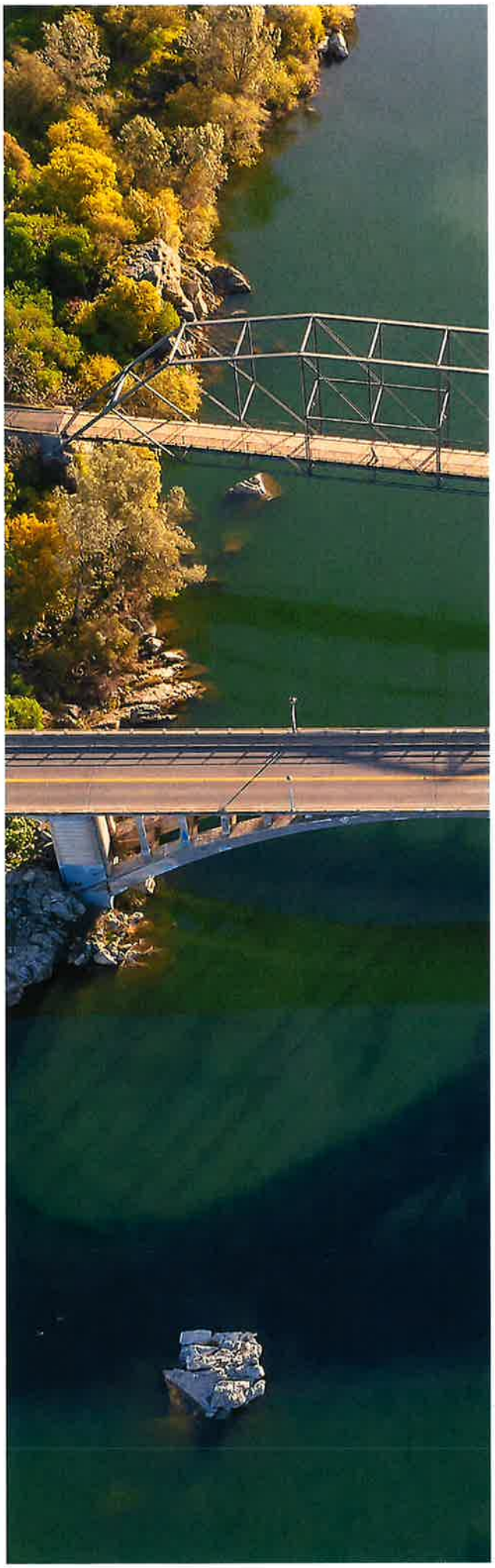
CITY OF
FOLSOM
DISTINCTIVE BY NATURE

This Strategic Plan is designed to guide the work and future of the City of Folsom. The plan articulates our vision, mission, and values and establishes a set of goals, strategies, and City Council priorities to guide the work of the City over the next five years.

The plan will be updated periodically as we accomplish our priorities and as needs change.

The City of Folsom is committed to continuing collaboration with our many partners in achieving the goals in this Strategic Plan.

Thank you to everyone who contributed to this important planning effort.



Attachment A: Strategic Planning Process

The strategic planning process included gathering input from members of the City Council, executive leadership team, community and businesses.

Early City Council Input
A first step in the planning process was interviews with each member of the City Council to gather their input about challenges and key priorities for the future.

Gap Analysis Questionnaire
A gap analysis questionnaire was completed by the City's executive team, providing input about strengths, weaknesses/limitations, opportunities, and threats (SWOT); goals; and mission, vision and values. Significant plans and projects were identified.

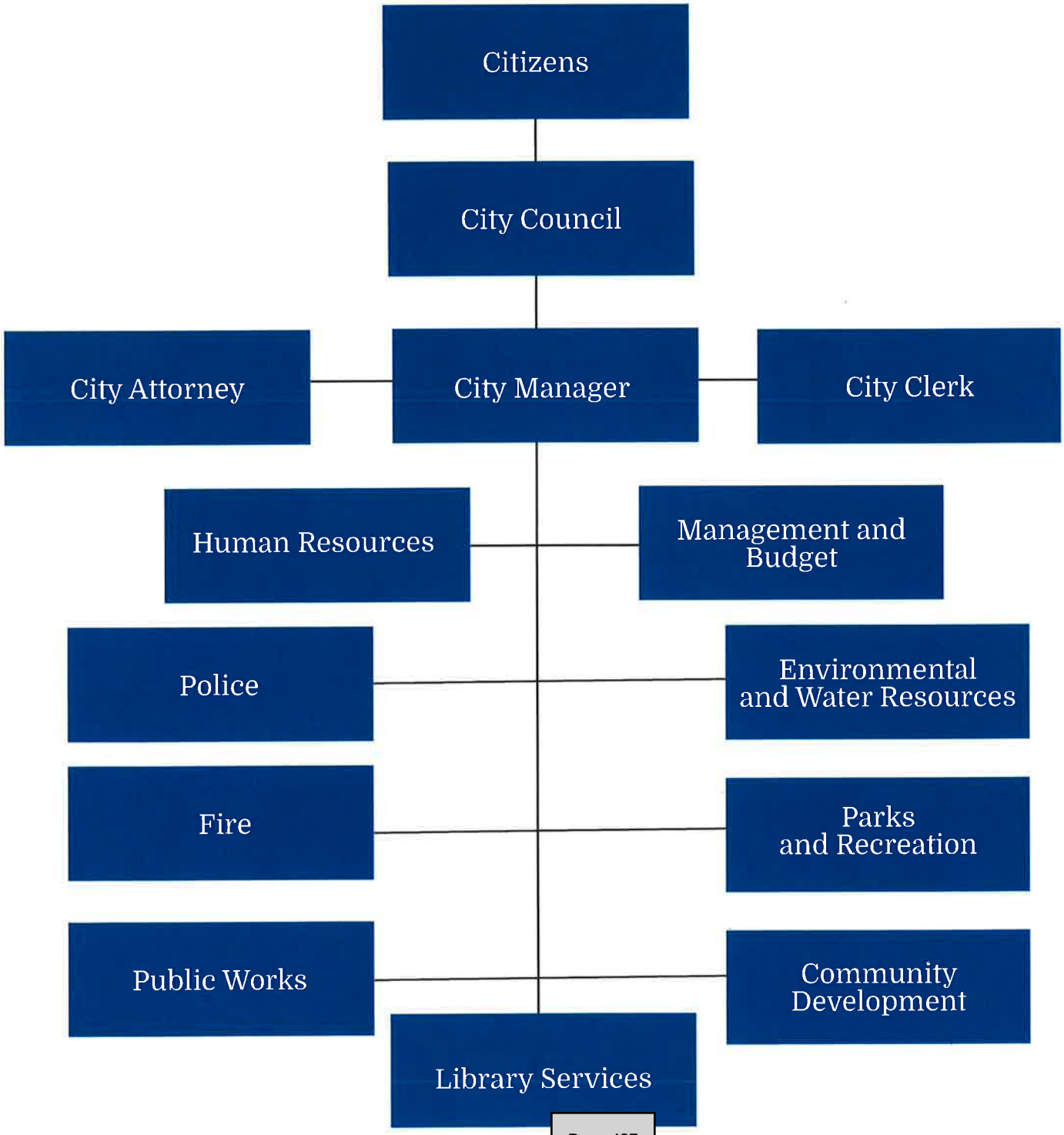
Community and Business Input
Input from the community was gathered through a survey conducted in March 2022 by Godbe Research. Input from the business community was gathered by Baker Tilly through an online survey conducted in January 2023.

Workshops
A full day workshop with the executive team was held in December 2022 to discuss the information gathered. A City Council workshop was held in February 2023 to discuss goals and strategies and to decide on top priorities.

Regular Updates
City staff will be providing updates on progress of the Strategic Plan. An Implementation Action Plan accompanies this Strategic Plan. Each year, the strategic plan will be reviewed, and updates and changes will be made as needed.

Attachment B: Organizational Chart

The City of Folsom is organized as shown in th following chart. The largest departments are police, fire, public works, library services, environmental and water resources, parks and recreation, and community development.



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CITY OF
FOLSOM
DISTINCTIVE BY NATURE

Folsom City Council
Staff Report

MEETING DATE:	11/12/2024
AGENDA SECTION:	Consent Calendar
SUBJECT:	Resolution No. 11274 – A Resolution Authorizing the City Manager to Execute an Agreement with U-Rock Utility Equipment Inc. for the Purchase of a Truck Mounted Hydro Excavator and Appropriation of Funds
FROM:	Environmental and Water Resources Department

RECOMMENDATION / CITY COUNCIL ACTION

The Environmental and Water Resources Department recommends the City Council pass and adopt Resolution No. 11274 – A Resolution Authorizing the City Manager to Execute an Agreement with U-Rock Utility Equipment Inc. for the Purchase of a Truck Mounted Hydro Excavator and Appropriation of Funds.

BACKGROUND / ISSUE

The Environmental and Water Resources Department (EWR) recognizes the need to maintain a fleet of vehicles that will be able to provide reliable, efficient and responsive service. In coordination with the City of Folsom Fleet Manager, current department vehicles are reviewed to assess expected service life and associated maintenance costs. This agreement will facilitate replacement of equipment that, based on this review, has exceeded its expected service life in terms of age, mileage and ongoing maintenance costs.

The Utility Maintenance Division uses hydro excavation to locate and expose underground utilities to perform pipe and sewer rehabilitation work. Hydro excavation is the process of removing or moving soil with pressurized water, with debris then vacuumed into a debris tank. It is the preferred method of digging because of its efficient and accurate results, with better damage and safety control compared to mechanical methods. Hydro excavation allows for a non-destructive and more accurate way to excavate soil and locate underground utilities, thereby limiting accidents and injuries, and avoiding damage to underground pipes, lines and cables.

The Utility Maintenance Division currently uses a sewer cleaning truck to perform hydro excavation work, which is less efficient and not directly manufactured for the purpose of locating and exposing underground utilities. This equipment was originally purchased in 2013 by the Wastewater Division for maintenance of sewer lines and to respond to sewer spills. In 2020, the vehicle was transferred to the Utility Maintenance Division to be utilized for hydro excavation work.

The sewer cleaning truck's engine has now recorded nearly 2,800 hours of use. Over recent months, this equipment has failed regularly and has become very expensive to maintain. Faults have resulted in the equipment being out of service for extended periods on multiple occasions. To complete crucial work during these times, the Division has had to loan equipment from other departments, putting strain on other's resources, or incurred additional expense by renting equipment from outside agencies.

The Utility Maintenance Division wishes to purchase a Truck Mounted Hydro Excavator to perform maintenance and repair work on water and wastewater infrastructure throughout the City. This equipment is essential for providing effective and reliable service to city residents and businesses, thereby protecting public health.

This resolution authorizes the City Manager to execute an agreement with U-Rock Utility Equipment Inc. for the purchase of a Truck Mounted Hydro Excavator and appropriation of funds.

POLICY / RULE

In accordance with Chapter 2.36 of the Folsom Municipal Code, supplies, equipment, services, and construction with a value of $73,209 or greater shall be awarded by City Council.

Section 2.36.170 of the Folsom Municipal Code permits cooperative purchasing agreements for the procurement of any supplies, equipment, service, or construction with one or more public procurement units in accordance with an agreement entered into or between the participants.

ANALYSIS

EWR staff coordinated with the Fleet staff to obtain a quote from Sourcewell, previously known as the National Joint Powers Agency, for the required vehicle. Sourcewell is a national cooperative purchasing entity of which the City of Folsom is a member. The City has purchased numerous items and vehicles through Sourcewell.

U-Rock Utility Equipment Inc. has a current contract with Sourcewell and provided a quote for the requested Truck Mounted Hydro Excavator for a total of $615,304.31.

The Environmental and Water Resources Department recommends that the City Council authorize the City Manager to execute an agreement with U-Rock Utility Equipment Inc. for the purchase of a Truck Mounted Hydro Excavator for a total amount of $615,304.31.

FINANCIAL IMPACT

U-Rock Utility Equipment Inc. has agreed to provide the Truck Mounted Hydro Excavator for a total amount of $615,304.31. The cost to purchase the Truck Mounted Hydro Excavator will be equally shared between the Water Operating Fund (Fund 520) and the Sewer Operating Fund (Fund 530).

Sufficient funds are budgeted and available in FY2024-25 in the Water Operating Fund (Fund 520) in the amount of $308,000. An additional appropriation in the amount of $308,000 will be required to purchase this vehicle in the Sewer Operating Fund (Fund 530). Staff is requesting an appropriation in the amount of $308,000 in the Sewer Operating Fund (Fund 530) for the purchase of the Truck Mounted Hydro Excavator.

ENVIRONMENTAL REVIEW

This action is exempt from environmental review under the California Environmental Quality Act. (CEQA).

ATTACHMENT

Resolution No. 11274 – A Resolution Authorizing the City Manager to Execute an Agreement with U-Rock Utility Equipment Inc. for the Purchase of a Truck Mounted Hydro Excavator and Appropriation of Funds

Submitted,

_____

Marcus Yasutake, Director
ENVIRONMENTAL AND WATER RESOURCES DEPARTMENT

RESOLUTION NO. 11274

A RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE AN AGREEMENT WITH U-ROCK UTILITY EQUIPMENT INC. FOR THE PURCHASE A TRUCK MOUNTED HYDRO EXCAVATOR AND APPROPRIATION OF FUNDS

WHEREAS, Environmental and Water Resources Department staff has validated the need to purchase a Truck Mounted Hydro Excavator based on an approved replacement schedule; and

WHEREAS, this purchase will be made through Sourcewell, which used its recognized cooperative purchasing agreement to award a contract to U-Rock Utility Equipment Inc. in an amount not to exceed $615,034.31; and

WHEREAS, the cost to purchase the Truck Mounted Hydro Excavator will be equally shared between the Water Operating Fund (Fund 520) and the Sewer Operating Fund (Fund 530); and

WHEREAS, sufficient funds are budgeted and available in the Water Operating Fund (Fund 520) for this purchase; and

WHEREAS, an additional appropriation will be required in the Sewer Operating Fund (Fund 530) for this purchase; and

WHEREAS, staff is requesting an appropriation in the Sewer Operating Fund (Fund 530), in the amount of $308,000; and

WHEREAS, sufficient funds are available in the Sewer Operating Fund (Fund 530) for the requested 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 an Agreement with U-Rock Utility Equipment Inc. for the purchase of a Truck Mounted Hydro Excavator for a not-to exceed amount of $615,034.31; and

BE IT FURTHER RESOLVED that the Finance Director is authorized to appropriate $308,000 in the Sewer Operating Fund (Fund 530).

PASSED AND ADOPTED this 12th day of November, 2024, by the following roll-call vote:

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

Michael D. Kozlowski, MAYOR

ATTEST:

Christa Freemantle, CITY CLERK

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CITY OF
FOLSOM
DISTINCTIVE BY NATURE

Folsom City Council
Staff Report

MEETING DATE:	11/12/2024
AGENDA SECTION:	Consent Calendar
SUBJECT:	Resolution No. 11280 – A Resolution Authorizing the City Manager to Execute Agreements for the Purchase of One Ford Vehicle for the Wastewater Collections Division and One Ford Vehicle for the Water Meters Division and Appropriation of Funds
FROM:	Environmental and Water Resources Department

RECOMMENDATION / CITY COUNCIL ACTION

The Environmental and Water Resources Department recommends the City Council pass and adopt Resolution No. 11280 – A Resolution Authorizing the City Manager to Execute Agreements for the Purchase of One Ford Vehicle for the Wastewater Collections Division and One Ford Vehicle for the Water Meters Division and Appropriation of Funds.

BACKGROUND / ISSUE

The Environmental and Water Resources Department (EWR) recognizes the need to maintain a fleet of vehicles that will be able to provide reliable, efficient and responsive service. In coordination with the City of Folsom Fleet Manager, current department vehicles are reviewed to assess expected service life and associated maintenance costs. This review identified two vehicles that have exceeded their expected service life in terms of age, mileage and ongoing maintenance costs, and are thus high priority for replacement

This resolution will authorize the City Manager to execute agreements for replacement of these vehicles and appropriation of funds.

POLICY / RULE

In accordance with Chapter 2.36 of the Folsom Municipal Code, supplies, equipment, services, and construction with a value of $73,209 or greater shall be awarded by City Council. The City

will dispose of surplus property in accordance with Section 2.36.220 of the Folsom Municipal Code.

Section 2.36.170 of the Folsom Municipal Code permits cooperative purchasing agreements for the procurement of any supplies, equipment, service, or construction with one or more public procurement units in accordance with an agreement entered into or between the participants.

ANALYSIS

EWR staff coordinate with the City of Folsom Fleet Manager to review current department vehicles, to help identify priority vehicles for replacement based on service life, mileage and purpose. Based on this review, it was concluded that two high priority vehicles for replacement are the Wastewater Division's truck #950, which was purchased in 2006 and has completed almost 92,000 miles, and the Water Meter Division's truck #503, which was purchased in 2000 and has completed more than 130,000 miles. EWR staff coordinated with the Fleet staff to obtain quotes for replacements for these two vehicles.

For replacement of Wastewater Division's truck #950, quotes for a Ford F250 chassis were requested from Downtown Ford, National Auto Fleet Group, and Folsom Lake Ford. Only Folsom Lake Ford responded, providing a quote for $51,721.88 for the chassis. Downtown Ford and National Auto Fleet Group were non-responsive. Separate quotes were requested for the utility bed to be fitted to the F250 chassis. The winning bid of $30,345.11 was submitted by Knapheide, by virtue of Sourcewell negotiated contract pricing. The combined cost of chassis and utility bed is $82,066.99.

In response to State Advanced Clean Fleet Regulations, EWR has reviewed current department vehicles to identify those that may be replaced by zero emission vehicles (ZEV). As it was concluded that ZEVs could meet the requirements of the Water Meter Division, Fleet staff requested quotes for a 2025 Ford Lightning to replace the Water Meter Division's truck #503. The winning bid of $61,441.34 was submitted by Downtown Ford, by virtue of the California State purchasing contract.

The Environmental and Water Resources Department recommends that the City Council authorize the City Manager to execute agreements for the purchase of one Ford vehicle for the Wastewater Collections Division and one Ford vehicle for the Water Meters Division.

FINANCIAL IMPACT

The combined cost of chassis and utility bed to replace Wastewater Division's truck #950 is $82,066.99. An additional appropriation in the amount of $82,000 will be required to purchase this vehicle in the Sewer Operating Fund (Fund 530). Staff is requesting an appropriation in the amount of $82,000 in the Sewer Operating Fund (Fund 530) for the purchase of the Ford F250 and utility bed installation. Sufficient funds are available in the Sewer Operating Fund (Fund 530) for this appropriation.

Downtown Ford has agreed to provide the Ford Lightning for $61,441.34. There is a remaining total of $56,900 available to replace water vehicles in the FY 2024-25 budget. An additional appropriation in the amount of $5,000 is required to purchase this vehicle. Staff is requesting an appropriation in the amount of $5,000 in the Water Operating Fund (Fund 520) for the purchase of the Ford Lightning. Sufficient funds are available in the Water Operating Fund (Fund 520) for this appropriation.

ENVIRONMENTAL REVIEW

This action is exempt from environmental review under the California Environmental Quality Act. (CEQA).

ATTACHMENT

Resolution No. 11280 — A Resolution Authorizing the City Manager to Execute Agreements for the Purchase of One Ford Vehicle for the Wastewater Collections Division and One Ford Vehicle for the Water Meters Division and Appropriation of Funds

Submitted,

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Marcus Yasutake, Director
ENVIRONMENTAL AND WATER RESOURCES DEPARTMENT

RESOLUTION NO. 11280

A RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE AGREEMENTS FOR THE PURCHASE OF ONE FORD VEHICLE FOR THE WASTEWATER COLLECTIONS DIVISION AND ONE FORD VEHICLE FOR THE WATER METERS DIVISION AND APPROPRIATION OF FUNDS

WHEREAS, Environmental and Water Resources Department staff has validated the need to purchase a Ford F250 for the Wastewater Division based on an approved replacement schedule; and

WHEREAS, Folsom Lake Ford submitted the winning bid for the F250 chassis by virtue of being the only responsive bidder; and

WHEREAS, the winning bid for utility bed installation on the F250 was submitted by Knapheide by virtue of Sourcewell negotiated contract pricing; and

WHEREAS, an additional appropriation will be required in the Sewer Operating Fund (Fund 530) for this purchase; and

WHEREAS, staff is requesting an appropriation in the Sewer Operating Fund (Fund 530), in the amount of $82,000; and

WHEREAS, Environmental and Water Resources Department staff has validated the need to purchase a Ford Lightning for the Water Meters Division based on an approved replacement schedule and the need to comply with State Advanced Clean Fleet Regulations; and

WHEREAS, the winning bid for the Ford Lightning was submitted by Downtown Ford by virtue of the California State purchasing contract; and

WHEREAS, an additional appropriation will be required in the Water Operating Fund (Fund 520) for this purchase; and

WHEREAS, staff is requesting an appropriation in the Water Operating Fund (Fund 520), in the amount of $5,000; and

WHEREAS, the City will dispose of surplus property in accordance with Section 2.36.220 of the Folsom Municipal Code; and

WHEREAS, the agreements 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 Agreements for the purchase of one Ford Vehicle for the Wastewater Collections Division and One Ford Vehicle for the Water Meters Division for a combined not-to exceed total amount of $143,509; and

BE IT FURTHER RESOLVED that the Finance Director is authorized to appropriate $82,000 in the Sewer Operating Fund (Fund 530) and $5,000 in the Water Operating Fund (Fund 520).

PASSED AND ADOPTED this 12th day of November 2024, by the following roll-call vote:

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

Michael D. Kozlowski, MAYOR

ATTEST:

Christa Freemantle, CITY CLERK

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CITY OF
FOLSOM
DISTINCTIVE BY NATURE

Folsom City Council
Staff Report

MEETING DATE:	11/12/2024
AGENDA SECTION:	Consent Calendar
SUBJECT:	Resolution No. 11281 - A Resolution Authorizing the City Manager to Execute Amendment No. 3 to the Agreement (Contract No. 173-21 22-006) with Stantec Consulting Services, Inc. for the Folsom Reservoir Raw Water Delivery Reliability Project and Appropriation of Funds
FROM:	Environmental and Water Resources Department

RECOMMENDATION / CITY COUNCIL ACTION

The Environmental and Water Resources Department recommends the City Council pass and adopt Resolution No. 11281 - A Resolution Authorizing the City Manager to Execute Amendment No. 1 to the Agreement (Contract No. 173-21 22-006) with Stantec Consulting Services, Inc. for the Folsom Reservoir Raw Water Delivery Reliability Project and Appropriation of Funds.

BACKGROUND / ISSUE

Presently, San Juan Water District (SJWD), the City of Roseville (Roseville), and the City of Folsom (Folsom), through an existing 84-inch intake pipeline and associated pumping plant, can take raw water from Folsom Lake near the main concrete dam at Folsom Reservoir. This intake also provides raw water to Folsom State Prison. The existing raw water system has been operated without major interruption or outages. Since there is not a current backup system in place for raw water supply, the three water agencies, the Bureau of Reclamation (Reclamation), and the United States Army Corps of Engineers (USACE) completed a Project Alternatives Solutions Study (PASS) in 2006 to identify potential redundant systems that could bring raw water to the agencies if unplanned outages were to occur again.

The Folsom Reservoir Raw Water Delivery Reliability Project (Project) seeks to improve the reliability of delivery of senior water rights by the U.S. Department of the Interior, Bureau of Reclamation's (Reclamation) pursuant to settlement contracts for Central Valley Project

(CVP) water from Folsom Dam to the City of Folsom, City of Roseville (Roseville), and San Juan Water District (SJWD). These three entities (collectively, Partners) share a single municipal and industrial (M&I) water supply intake within Folsom Dam that can become inoperable because of mechanical/structural failure, disaster, or low reservoir water levels.

This resolution will authorize the City Manager to execute Amendment No. 3 to the Agreement (Contract No. 173-21 22-006) with Stantec Consulting Services, Inc. for the Folsom Reservoir Raw Water Delivery Reliability Project and Appropriation for a not-to-exceed amount of $140,950, bringing the total contract amount to $410,660.

POLICY / RULE

In accordance with Chapter 2.36 of the Folsom Municipal Code, supplies, equipment, services, and construction with a value of $73,209 or greater shall be awarded by City Council.

ANALYSIS

On January 11, 2022, City Council approved Resolution No. 10784 authorizing the City Manager to enter into an agreement with Stantec Consulting, Inc. for engineering consulting services for the Folsom Reservoir Raw Water Delivery Reliability Project. Amendment No. 1 and Amendment No. 2 were no cost amendments that extended the date of the agreement. Amendment No. 3 will evaluate a potential raw water intake and pipeline specifically for the City of Folsom.

During the evaluation of the raw water vulnerabilities for the Partners, the team concluded that these vulnerabilities could impact water delivery in several ways. These include the following.

- The existing facilities cannot deliver peak season demands when the lake level drops below 391-feet in elevation (reservoir storage equivalent of 317,000 AF (or 317 TAF) and cannot deliver any water when lake levels drop below elevation 330-feet (89 TAF). Full pumping capacity is possible at a lake elevation of 340-feet (111 TAF) and above. Pumping capacity is reduced with lake elevations between 340 and 310-feet (55 TAF).

- To address the potential loss of supply during low lake level conditions, Reclamation and the City of Folsom have successfully implemented a temporary floating pump system that can provide 30 cubic feet per second (cfs) of emergency backup delivery to only Folsom and Folsom Prison. The start-up of the temporary pumps requires contractor involvement and time to implement (2 to 6 weeks).

- The delivery system from the municipal and industrial water intake, 84-inch tunnel through the dam, and pipeline to the Folsom Pumping Station have no redundancy when the lake levels are low or during an emergency, which forms a single failure point for water delivery reliability.

- When lake levels drop below 432-feet (623 TAF), and gravity flows to the Partners cease, the Folsom Pump Station is needed to maintain deliveries. The Folsom Pump Station has many non-redundant components, such as single-feed pipelines and valves, which are subject to potential failure.

The Project objectives were to develop engineering alternatives to secure a reliable water delivery system from Folsom Reservoir under a wide range of hydrologic conditions and emergencies to meet the Partners' demand requirements during: (1) planned outages for maintenance of Reclamation facilities, (2) unplanned outages, and (3) low lake levels potentially occurring under drought conditions. The Project included raw water delivery alternatives from Folsom Reservoir (six options) and from the American River (5 options). The Partners selected two alternatives, as defined in the scope of work, to evaluate in more detail and these alternatives are included in the final project report.

Although not part of the original Project list of alternatives, Stantec Consulting Services, Inc. indicated there was a City of Folsom specific alternative the City may want to consider further evaluating. Since this is a City-only alternative, the City of Roseville and San Juan Water District are excluded from the proposed costs of the evaluation. This alternative focuses on an intake and pump station near the Lake Natoma Crossing bridge that would be sufficient to deliver the City's contractual amount of 27,000 acre-feet of pre-1914 water rights at a rate not to exceed 60 cfs. This work will include the following.

- Project management
- Confirmation of intake and pump station location
- Raw water pipeline alignment from the intake to the City's water treatment plant
- Tie-in location to the existing raw water line near East Natoma Street and Randall Drive
- Development of conceptual design and construction estimates
- Development of an implementation schedule and life-cycle costs analysis
- Provide an analysis of governance, regulatory, and environmental considerations, including permitting requirements
- Development of a draft and final report

This resolution will authorize the City Manager to Execute Amendment No. 3 to the Agreement (Contract No. 173-21 22-006) with Stantec Consulting Services, Inc. for the Folsom Reservoir Raw Water Delivery Reliability Project and Appropriation of Funds.

FISCAL IMPACT

The City Council approved Resolution No. 10784 at the January 11, 2022, City Council meeting authorizing the City Manager to execute an agreement with Stantec Consulting Services, Inc. for engineering consulting services for the Folsom Reservoir Raw Water Delivery Reliability Project for a total amount not to exceed $269,710 with $134,855 appropriated in the Water Operating Fund (Fund 520) and $134,855 appropriated in the Water Impact Fee Fund (Fund 456). Staff recommends that Amendment No. 3 to the agreement for evaluation and project review services be executed with Stantec Consulting Services, Inc. for

an additional $140,950 for a not to exceed total of $410,660. The Folsom Reservoir Raw Water Delivery Reliability Project is not included in the FY 2024-25 Capital Improvement Plan budget and will require an appropriation in the amount of $140,950 for the amendment. The appropriation will be in the Water Impact Fee Fund (Fund 456) for $140,950, and sufficient funds are available for this appropriation.

ENVIRONMENTAL REVIEW

This project is a study 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, Section 15301 – Existing Facilities.

ATTACHMENT

Resolution No. 11281 - A Resolution Authorizing the City Manager to Execute Amendment No. 3 to the Agreement (Contract No. 173-21 22-006) with Stantec Consulting Services, Inc. for the Folsom Reservoir Raw Water Delivery Reliability Project and Appropriation of Funds

Submitted,

_____

Marcus Yasutake, Director
ENVIRONMENTAL AND WATER RESOURCES DEPARTMENT

RESOLUTION NO. 11281

A RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE AMENDMENT NO. 3 TO THE AGREEMENT (CONTRACT NO. 173-21 22-006) WITH STANTEC CONSULTING SERVICES, INC. FOR THE FOLSOM RESERVOIR RAW WATER DELIVERY RELIABILITY PROJECT AND APPROPRIATION OF FUNDS

WHEREAS, the Cities of Folsom and Roseville and San Juan Water District identified that the planning and feasibility study for this project is critical to ensuring raw water delivery to our agencies for treatment and delivery to all water customers; and

WHEREAS, a Technical Committee made up of the Cities of Folsom and Roseville, San Juan Water District, and the Bureau of Reclamation reviewed the proposed alternatives and prepared a final report to include construction cost estimates, regulatory constraints and environmental considerations; and

WHEREAS, on January 11, 2022, City Council approved Resolution No. 10784 authorizing the City Manager to enter into an agreement with Stantec Consulting, Inc. for engineering consulting services for the Folsom Reservoir Raw Water Delivery Reliability Project; and

WHEREAS, Amendment No. 1 and Amendment No. 2 were no cost amendments that extended the date of the agreement; and

WHEREAS, Amendment No. 3 will evaluate a City of Folsom specific alternative for an intake and pump station near the Lake Natoma Crossing bridge to deliver raw water to the City's water treatment plant; and

WHEREAS, the additional scope of work will include intake and pump station location confirmation, proposed raw water line alignments, conceptual design and construction estimates, life-cycle cost analysis, governance, regulatory and environmental considers, and a draft and final report; and

WHEREAS, sufficient funds are available in the Water Impact Fee Fund (Fund 456), however an appropriation in the amount of $140,950 is needed for the analysis and review; 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 Amendment No. 3 to the agreement (Contract No. 173-21 22-006) with Stantec Consulting Services, Inc. for the Folsom Reservoir Raw Water Reliability Project and Appropriation of Funds for $140,950 for a not to exceed contract total of $410,660; and

BE IT FURTHER RESOLVED that the Finance Director is directed to appropriate $140,950 for this agreement in the Water Impact Fee Fund (Fund 456), which has sufficient

funds available for the appropriation.

PASSED AND ADOPTED this 12th day of November 2024, by the following roll-call vote:

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

Michael D. Kozlowski, MAYOR

ATTEST:

Christa Freemantle, CITY CLERK

Folsom City Council
Staff Report

MEETING DATE:	11/12/2024
AGENDA SECTION:	Consent Calendar
SUBJECT:	Resolution No. 11282 – A Resolution Authorizing the City Manager to Execute Amendment No. 2 to the Agreement (Contract No. 173-21 23-037) with Black & Veatch Corporation for the Design of the Water Treatment Plant Caustic Soda System Project (WA2401)
FROM:	Environmental and Water Resources Department

RECOMMENDATION / CITY COUNCIL ACTION

The Environmental and Water Resources Department recommends the City Council pass and adopt Resolution No. 11282 – A Resolution Authorizing the City Manager to Execute Amendment No. 2 to the Agreement (Contract No. 173-21 23-037) with Black & Veatch Corporation for the Design of the Water Treatment Plant Caustic Soda System Project (WA2401).

BACKGROUND / ISSUE

The Environmental and Water Resources (EWR) Department identifies projects that are critical to ensuring the delivery of adequate and high-quality water supply to all water customers through water master plans, ongoing condition assessment programs, and regulatory changes. Through these efforts, City staff identified the Water Treatment Plant Caustic Soda System Project as a priority project.

In July 2023 through Resolution No. 11064, City Council authorized an agreement with Black & Veatch Corporation for the Design of the Water Treatment Plant Caustic Soda System Project. In July 2024, Amendment No.1 was approved by the City Manager and Environmental and Water Resources Director to extend the contractor period an additional two years to facilitate the design. No additional costs were associated with Amendment No.1.

This resolution will authorize the City Manager to execute Amendment No. 2 to the Agreement (Contract No. 173-21 23-037) with Black & Veatch Corporation for the design of the Water Treatment Plant Caustic Soda System Project for a not-to-exceed amount of $231,555.

POLICY / RULE

In accordance with Chapter 2.36 of the Folsom Municipal Code, supplies, equipment, services, and construction with a value of $73,209 or greater shall be awarded by City Council.

ANALYSIS

In August of 2020, the City hired Black & Veatch Corporation to provide an evaluation of the City's corrosion control methods and it was recommended by Black & Veatch Corporation to add orthophosphate to the City's water treatment process. A follow up evaluation that began in October 2021 was recommended to determine if the selected dosage of orthophosphate was able to be optimized or if any modifications to the target finished water pH could further improve the corrosion control treatment (CCT).

The recommendation from the finished water quality analysis and alternative bench-scale tests was for the City to switch from the existing lime system to sodium hydroxide (also known as caustic soda) which would allow Water Treatment Plant (WTP) operators to achieve a specific finished water pH even with seasonal changes in the raw water quality with greater reliability and reduced chemical costs. Overall, the optimal condition identified from bench-scale testing involves maintaining the current orthophosphate dosage (0.9 mg/L as PO4) and using sodium hydroxide to target a finished water pH of 8.5.

Black & Veatch Corporation was determined to provide the best value to the City based on the past municipal project experience involving work of similar scope and complexity including technical knowledge and specialty expertise in water treatment processes, as well as intimate knowledge of the City's water treatment processes and WTP operations. Additional engineering services during construction to be provided by Black & Veatch Corporation include the following:

- Engineering Services During Construction:
  - Construction Kickoff Meeting and Startup Assistance.
  - Responses to contractor initiated Requests-for-Information (RFIs).
  - Submittal Review.
  - Design Clarifications, Design Changes, and Change Order Assistance.
  - Site Visits.
  - Construction Punch List Preparation.
  - Preparation of Record Drawings.

This resolution will authorize the City Manager to execute Amendment No. 2 to the Agreement (Contract No. 173-21 23-037) with Black & Veatch Corporation for the design of the Water

Treatment Plant Caustic Soda System Project (WA2401) for a not-to-exceed amount of $231,555.

FINANCIAL IMPACT

The City Council approved Resolution No. 11064 at the July 11, 2023, City Council meeting authorizing the City Manager to execute an agreement with Black & Veatch Corporation for design services for the Water Treatment Plant Caustic Soda System Project (Project WA2401) for a total amount not to exceed $233,915. The Water Treatment Plant Caustic Soda System Project is included in the Capital Improvement Plan with a Fiscal Year 2024-25 project budget of $3,222,500. The EWR Department recommends that the amendment be executed with Black & Veatch Corporation for $231,555 for a total contract amount of $465,470. Sufficient funds are budgeted and available in the Water Operating Fund (Fund 520) for the cost of the amendment.

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. 11282 – A Resolution Authorizing the City Manager to Execute Amendment No. 2 to the Agreement (Contract No. 173-21 23-037) with Black & Veatch Corporation for the Design of the Water Treatment Plant Caustic Soda System Project (WA2401).

Submitted,

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Marcus Yasutake, Director
ENVIRONMENTAL AND WATER RESOURCES DEPARTMENT

RESOLUTION NO. 11282

A RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE AMENDMENT NO. 2 TO THE AGREEMENT (CONTRACT NO. 173-21 23-037) WITH BLACK & VEATCH CORPORATION FOR THE DESIGN OF THE WATER TREATMENT PLANT CAUSTIC SODA SYSTEM PROJECT (WA2401)

WHEREAS, the City identified that the project is critical to ensuring the treatment of high quality water supply to be delivered to all residents; and

WHEREAS, the City of Folsom has identified this project as a priority to maintain the integrity and operation of the water treatment system; and

WHEREAS, Black & Veatch Corporation, by reason of their knowledge and familiarity with the project, understanding of the background and requirements of the project, and qualifications and experience of the project team, are qualified to perform the required consulting and design services for the project; and

WHEREAS, the Water Treatment Plant Caustic Soda System Project (WA 2401) is included in the FY 2024-25 Capital Improvement Plan; and

WHEREAS, sufficient funds are budgeted and available in the Water Operating Fund (Fund 520) in the amount of $231,555; 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 Amendment No. 2 to the Agreement (Contract No. 173-21 23-037) with Black & Veatch Corporation for the design of the Water Treatment Plant Caustic Soda System Project (WA2401). Amendment No. 2 will be in the amount of $231,555 and the new total contract amount, including Amendment No. 2 is $465,470.

PASSED AND ADOPTED this 12th day of November 2024, by the following roll-call vote:

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

_____
Michael D. Kozlowski, MAYOR

ATTEST:

_____
Christa Freemantle, CITY CLERK

Folsom City Council
Staff Report

MEETING DATE:	11/12/2024
AGENDA SECTION:	Consent Calendar
SUBJECT:	Resolution No. 11283 - A Resolution Authorizing the City Manager to Execute Amendment No. 1 to the Agreement (Contract No. 173-21 23-034) with West Yost & Associates, Inc. for Construction Management and Inspection Services for the Ashland Water Rehabilitation Project No. 1 (WA2101) and Appropriation of Funds
FROM:	Environmental and Water Resources Department

RECOMMENDATION / CITY COUNCIL ACTION

The Environmental and Water Resources Department recommends the City Council pass and adopt Resolution No. 11283 - A Resolution Authorizing the City Manager to Execute Amendment No. 1 to the Agreement (Contract No. 173-21 23-034) with West Yost & Associates, Inc. for Construction Management and Inspection Services for the Ashland Water Rehabilitation Project No. 1 (WA2101) and Appropriation of Funds.

BACKGROUND / ISSUE

The Environmental and Water Resources (EWR) Department identifies water infrastructure rehabilitation and replacement projects through water master plans, ongoing water condition assessment programs, and regulatory changes. Through these efforts, portions of the water system have been identified as needing rehabilitation or replacement in order to improve the water distribution system reliability.

The Ashland Water Rehabilitation Project No. 1 involves rehabilitating an existing water transmission main along Folsom Auburn Boulevard and Greenback Lane to provide an emergency water intertie to the City from San Juan Water District. The project includes performing an inspection and condition assessment of the existing main, installation of new isolation valves, removal and replacement of water main that has reached the end of its service life, and replacement of an existing pressure reducing valve station and installation of electrical and instrumentation

upgrades including supervisory control and data acquisition programming. Amendment No. 1 is for additional Construction Management and Inspection services during construction.

This resolution will authorize the City Manager to execute Amendment No. 1 to the Agreement (Contract No. 173-21 23-034) with West Yost & Associates, Inc. for Construction Management and Inspection Services for the Ashland Water Rehabilitation Project No. 1 for a not-to-exceed amount of $157,332.

POLICY / RULE

In accordance with Chapter 2.36 of the Folsom Municipal Code, supplies, equipment, services, and construction with a value of $73,209 or greater shall be awarded by City Council.

ANALYSIS

In October 2018, the EWR Department completed a pre-qualification process for consultants for design and construction administration services for water and wastewater projects. The consulting firm West Yost & Associates, Inc. was one of the firms selected to provide these services for this type of project through this pre-qualification process. West Yost & Associates, Inc. was determined to provide the best value to the City based on their knowledge and familiarity with the project, understanding of the background and requirements of the project, and qualifications and experience of the project team.

The Ashland Water Rehabilitation Project No. 1 and the Greenback Sewer and Lift Station Improvements Project were initially scheduled to be constructed by the same contractor, in close proximity to each other, during the same timeframe. In order to minimize potential conflicts of two different construction management and inspection firms and to provide cost savings and efficiencies for these services to the City, the City executed of an agreement with West Yost & Associates, Inc. to provide the construction management and inspection services for the Ashland Water Rehabilitation Project No. 1 in conjunction with the Greenback Sewer and Lift Station Improvements Project.

City staff worked with West Yost & Associates, Inc. to negotiate a cost savings and overall inspection efficiency to perform the construction management and inspection of both projects, simultaneously. However, due to material procurement issues and unforeseen construction challenges, the Ashland Water Rehabilitation Project No. 1 has gone beyond the original, anticipated schedule and requires additional inspection services beyond the original inspection scope. This has resulted in the some of the inspection tasks being unable to be conducted simultaneously for the Ashland Water Rehabilitation Project No. 1 and the Greenback Sewer and Lift Station Improvements Project.

Services recommended to be provided by West Yost & Associates, Inc. include additional construction management and inspection services for the Ashland Water Rehabilitation Project No. 1. An additional 638 hours of construction management and inspection services is required due to the following:

- Delays in material procurement due to supply chain issues for the project resulted in an extended construction schedule for the Ashland project.
- The stopping and starting of construction over an extended period of time in order to have the designer provide design clarifications and to have items required for construction be custom fabricated.
- Unknown utility conflicts resulted in coordination with outside electrical providers and changes in the overall pipe alignment requiring additional detailed design clarifications.
- Additional nightwork resulted in increased costs for inspection services.

This resolution will authorize the City Manager to execute Amendment No. 1 to the Agreement (Contract No. 173-21 23-034) with West Yost & Associates, Inc. for Construction Management and Inspection Services for the Ashland Water Rehabilitation Project No. 1. Amendment No. 1 will be in the amount of $157,332 and the new total contract amount, including Amendment No. 1 is $482,332.

FISCAL IMPACT

The City Council approved Resolution No. 11037 at the May 5, 2023, City Council meeting authorizing the City Manager to execute an agreement with West Yost & Associates, Inc. for construction management services for the Ashland Water Rehabilitation Project No. 1 (Project WA2101) for a total amount not to exceed $325,000. The Ashland Water Rehabilitation Project No. 1 is included in the Capital Improvement Plan with a Fiscal Year 2024-25 project budget of $3,375,992. The Environmental and Water Resources Department recommends that Amendment No. 1 to the agreement (Contract No. 173-21 23-034) (Project WA 2101) for Construction Management and Inspection services be executed with West Yost & Associates, Inc. for an additional $157,332 for a not to exceed total of $482,332. The project budget will require an appropriation in the amount of $157,332 for this amendment. This will bring the total project budget to $3,533,324 and a new contract amount with West Yost & Associates, Inc. to $482,332. Sufficient funds are available in the Water Operating Fund (Fund 520) for the appropriation.

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. 11283 - A Resolution Authorizing the City Manager to Execute Amendment No. 1 to the Agreement (Contract No. 173-21 23-034) with West Yost & Associates, Inc. for Construction Management and Inspection services for the Ashland Water Rehabilitation Project No. 1 (Project WA2101) and Appropriation of Funds.

Submitted,

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Marcus Yasutake, Director
ENVIRONMENTAL AND WATER RESOURCES DEPARTMENT

RESOLUTION NO. 11283

A RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE AMENDMENT NO. 1 TO THE AGREEMENT (CONTRACT NO. 173-21 23-034) WITH WEST YOST & ASSOCIATES, INC. FOR CONSTRUCTION MANAGEMENT AND INSPECTION SERVICES FOR THE ASHLAND WATER REHABILITATION PROJECT NO. 1 (WA2101) AND APPROPRIATION OF FUNDS

WHEREAS, the City of Folsom has identified this project as a priority to maintain integrity and operation of the water distribution system; and

WHEREAS, the infrastructure improvements identified to enhance the City's water distribution system includes installing new water transmission mains, isolation valves, an emergency intertie, and rehabilitation and upgrade to an existing pressure reducing station; and

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

WHEREAS, West Yost & Associates, Inc. by reason of their past experience and abilities for performing these types of services, are qualified to perform the required construction management and inspection services for the project; and

WHEREAS, the Ashland Water Rehabilitation Project No. 1 (Project WA2101) was included in the FY 2024-25 Capital Improvement Plan with a project budget of $3,375,992; and

WHEREAS, an additional appropriation of funds in the amount of $157,332 is needed for a revised project budget of $3,533,324 and sufficient funds are available in the Water Operating Fund (Fund 520) for this 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 Amendment No. 1 to the Agreement (Contract No. 173-21 23-034) with West Yost & Associates, Inc. for Construction Management and Inspection Services for the Ashland Water Rehabilitation Project No. 1 (WA2101) in the amount of $157,332 and the contract not-to-exceed amount, including Amendment No. 1 is $482,332; and

BE IT FURTHER RESOLVED that the Finance Director is authorized to appropriate $157,332 in the Fiscal Year 2024-25 Water Operating Fund (Fund 520) for the Ashland Water Rehabilitation Project No.1 (Project WA2101) for a total project budget of $3,533,324.

PASSED AND ADOPTED this 12th day of November 2024, by the following roll-call vote:

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

Michael D. Kozlowski, MAYOR

ATTEST:

Christa Freemantle, CITY CLERK

Folsom City Council
Staff Report

MEETING DATE:	11/12/2024
AGENDA SECTION:	Consent Calendar
SUBJECT:	Resolution No. 11284 - A Resolution Authorizing the City Manager to Execute Amendment No. 1 to the Agreement (Contract No. 173-21 24-040) with Dewberry, Inc. for Construction Management and Inspection Services and Appropriation of Funds from the Community Facilities District Fund for the Phase 2 Water Improvements Project (Phase 2A)
FROM:	Environmental and Water Resources Department

RECOMMENDATION / CITY COUNCIL ACTION

The Environmental and Water Resources Department recommends the City Council pass and adopt Resolution No. 11284 - A Resolution Authorizing the City Manager to Execute Amendment No. 1 to the Agreement (Contract No. 173-21 24-040) with Dewberry, Inc. for Construction Management and Inspection Services and Appropriation of Funds from the Community Facilities District Fund for the Phase 2 Water Improvements Project (Phase 2A).

BACKGROUND / ISSUE

The City of Folsom currently supplies treated and untreated water to an array of residential, commercial, institutional, and industrial users for over 25,000 connections. Based on land use, water demand, and water supply detailed in the City's Water Master Plan, the ultimate Folsom Plan Area (FPA) maximum daily demand is 8.8 million gallons per day (MGD), which does not include the 0.4 MGD demand within the El Dorado Irrigation District service area.

The proposed phase of the project will construct a new 24" diameter water transmission pipeline that extends from an existing manifold located at the intersection of East Bidwell and Iron Point, on the northerly side of US 50, and extends north to the City's Water Treatment Plant (WTP) by ways of the rail and trail shoulder located on East Bidwell to Oak Avenue Parkway and placement within Oak Avenue Parkway and the Oak Avenue trail corridor. The project generally consists of the following:

- Utility potholing as needed to identify potential utility conflicts.
- Development of Traffic Control Plans for work covered in the project plans and specifications.
- Construction of approximately 18,500 L.F. of new 24" pipeline along the Oak Avenue and East Bidwell corridors.
- Construction of tie-ins to existing pipelines at the WTP, Scholar Way and Broadstone Parkway.
- Trail modifications, grading, paving, drainage system modifications, and tree protection.

The Phase 2 Water Improvements Project (Phase 2A) construction contract was released for public bidding on August 14, 2024, with a public bid opening to be held on September 17, 2024. The item under consideration is for consultant services related to the agreement with Dewberry, Inc. for Construction Management and Inspection Services for the project.

POLICY / RULE

In accordance with Chapter 2.36 of the Folsom Municipal Code, supplies, equipment, services, and construction with a value of $73,209 or greater shall be awarded by City Council.

ANALYSIS

Due to the volume of work required to deliver the Phase 2 Water Improvements Project (Phase 2A), on June 14, 2024, the City issued a Request for Proposals (RFP) from consultants to provide construction management services consisting of full-time, on-site inspection, project constructability review, pre and post construction documentation, project schedule tracking, review and/or coordination of project submittals, labor compliance review, customer coordination, materials testing, and overall owner representation throughout construction. As part of this selection process, City staff selected Dewberry, Inc. to provide these services. Work will also include the following support from sub-consultants to Dewberry, Inc.

- Arborist services from ECORP.
- Surveying services from R.E.Y. Engineers, Inc.
- Materials testing services from ENGEO.
- Communications and outreach services from AIM Consulting.
- Storm Water Pollution Prevention Plan (SWPPP) services from VERUX.
- Engineering services during construction from HydroScience.

On September 10, 2024, City Council approved Resolution No. 11257 authorizing the City Manager to execute a Consultant Services Agreement with Dewberry, Inc. for Construction Management and Inspection Services and appropriation of funds from the Community Facilities District No. 17 Fund (Fund 737) and authorizing a Partial Notice to Proceed for pre-construction tasks for an amount not to exceed $200,000 for the Phase 2 Water Improvements Project (Phase 2A). On October 8, 2024, City Council approved Resolution No. 11270 authorizing the City Manage to execute a construction agreement with Mozingo Construction, Inc. for the construction of the Phase2 Water Improvement Project (Phase 2A).

This resolution will authorize City Manager to execute Amendment No. 1 (Contract No. 173-21 24-040) to the Agreement with Dewberry, Inc. for Construction Management and Inspection Services and appropriation of funds from the Community Facilities District No. 18 Fund (Fund 738) for a total contract amount not to exceed $2,909,298 for the Phase 2 Water Improvements Project (Phase 2A).

FISCAL IMPACT

The Phase 2 Water Improvements Project (Phase 2A) was not included in the FY 2024-25 Capital Improvement Plan and therefore an appropriation is needed for construction management and inspection services. Staff is requesting an appropriation of $2,909,298 in the Community Facilities District No. 18 Fund (Fund 738) for the total contract amount, including this amendment. The City Council approved Resolution No. 11266 and Resolution No. 012-FRFA on September 24, 2024, approving the issuance of special tax revenue bonds to fund this project. The bonds were priced was on October 8, 2024, and closed with sufficient funds available for the appropriation in the Community Facilities District No. 18 (Fund 738) on October 23, 2024.

On September 10, 2024 City Council approved Resolution No. 11257 for the agreement with Dewberry, Inc. with an appropriation of funds for partial notice to proceed for up to $200,000 and this agreement (Contract No. 173-21 24-040) was funded by pay-as-you-go (PAYGO) funds from the established Community Facilities District No. 17 (the District) (Fund 737). The District is located within the Folsom Plan Area, with boundaries contiguous with the Plan Area but excluding Folsom Heights. Staff is proposing to use the Community Facilities District No. 18 Fund (Fund 738) for the entire amount of the Dewberry, Inc. agreement, including the previously approved partial notice to proceed amount of $200,000.

The EWR Department recommends the City Manager execute Amendment No. 1 (Contract No. 173-21 24-040) to the Agreement with Dewberry, Inc. for Construction Management and Inspection Services and appropriation of funds from the Community Facilities District No. 18 Fund (Fund 738) for an amount not to exceed $2,909,298 for construction management and inspection services for the Phase 2 Water Improvements Project (Phase 2A) for a total contract amount of $2,909,278.

ENVIRONMENTAL REVIEW

On December 11, 2012, through Resolution No. 9096, the Folsom City Council approved and certified an addendum to the Environmental Impact Report, along with its related Mitigation Monitoring and Reporting Program, for the Folsom Plan Area (FPA) Specific Plan Project for purposes of analyzing an alternative water supply for the Project. The Addendum concluded that the use of the FPA Water Supply and the changes in the facilities to treat and convey that water supply to the FPA will not (1) result in new significant impacts not identified in the FPA EIR/EIS; (2) substantially increase the severity of impacts previously disclosed in the FPA EIR/EIS; or (3) involve any of the other conditions related to new information that can require a subsequent or supplemental EIR under Public Resources Code section 21166 and CEQA Guidelines section 15162, and that therefore the use of the FPA Water Supply and changes in the facilities to treat and convey that supply will not have any incrementally significant effects on the environment and

that the impacts of the use of the FPA Water Supply are within the range of potential impacts identified in the FPA EIR/EIS. Environmental review for the public infrastructure subject to this action was completed in the South of Highway 50 Backbone Infrastructure Project Initial Study/Mitigated Negative Declaration and resultant Mitigation Monitoring and Reporting Program dated February 2015. No further environmental review is required.

ATTACHMENT

Resolution No. 11284 - A Resolution Authorizing the City Manager to Execute Amendment No. 1 to the Agreement (Contract No. 173-21 24-040) with Dewberry, Inc. for Construction Management and Inspection Services and Appropriation of Funds from the Community Facilities District Fund for the Phase 2 Water Improvements Project (Phase 2A)

Submitted,

_____

Marcus Yasutake, Director
ENVIRONMENTAL AND WATER RESOURCES DEPARTMENT

RESOLUTION NO. 11284

A RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE AMENDMENT NO. 1 (CONTRACT NO. 173-21 24-040) TO THE AGREEMENT WITH DEWBERRY, INC. FOR CONSTRUCTION MANAGEMENT AND INSPECTION SERVICES AND APPROPRIATION OF FUNDS FROM THE COMMUNITY FACILITIES DISTRICT FUND FOR THE PHASE 2 WATER IMPROVEMENTS PROJECT (PHASE 2A)

WHEREAS, the City has identified this project as a priority to maintain integrity and operation of the water distribution system; and

WHEREAS, the City issued a Request for Proposals (RFP) on June 14, 2024 and advertised on the City's webpage, on CIPList, on Public Purchase, and through direct contact with various consulting firms and selected Dewberry, Inc. to perform the Construction Management and Inspection services; and

WHEREAS, City Council approved Resolution No. 11257 on September 10, 2024 authorizing the City Manager to execute a Consultant Services Agreement with Dewberry, Inc. for Construction Management and Inspection Services and appropriation of funds from the Community Facilities District No. 17 Fund (Fund 737) and authorizing a Partial Notice to Proceed for pre-construction tasks for an amount not to exceed $200,000 for the Phase 2 Water Improvements Project (Phase 2A); and

WHEREAS, sub-consultant services to Dewberry will include arborist services, surveying, materials testing, communications and outreach, engineering services during construction and storm water pollution prevention plan support; and

WHEREAS, City Council approved Resolution No. 11266 and Resolution No. 012-FRFA on September 24, 2024, approving the issuance of special tax revenue bonds to fund this project; and

WHEREAS, the bonds were priced was on October 8, 2024, and closed with sufficient funds available for the appropriation in the Community Facilities District No. 18 (Fund 738) on October 23, 2024; and

WHEREAS, the Phase 2 Water Improvements Project (Phase 2A) was not included in the FY 2024-25 Capital Improvement Plan and therefore an appropriation is needed for construction management and inspection services; and

WHEREAS, sufficient funds are available in the Community Facilities District No. 18 Fund (Fund 738); 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 Amendment No. 1 to the Agreement (Contract No. 173-

21 24-040) with Dewberry, Inc. for Construction Management and Inspection Services and Appropriation of Funds from the Community Facilities District Fund for the Phase 2 Water Improvements Project (Phase 2A).

BE IT FURTHER RESOLVED that the Finance Director is authorized to appropriate $2,909,298 in the Fiscal Year 2024-25 Budget for this agreement. The appropriation will be in the Community Facility District No. 18 Fund (Fund 738) for the Phase 2 Water Improvements Project (Phase 2A).

PASSED AND ADOPTED this 12th day of November 2024, by the following roll-call vote:

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

Michael D. Kozlowski, MAYOR

ATTEST:

Christa Freemantle, CITY CLERK

Folsom City Council
Staff Report

MEETING DATE:	11/12/2024
AGENDA SECTION:	Consent Calendar
SUBJECT:	Resolution No. 11285 - A Resolution Repealing Resolution No. 11260 and Designating Conflict of Interest Filing Positions and Disclosure Categories
FROM:	City Clerk's Department

RECOMMENDATION / CITY COUNCIL ACTION

Staff recommends that the City Council approve Resolution No. 11285 - A Resolution Repealing Resolution No. 11260 and Designating Conflict of Interest Filing Positions and Disclosure Categories.

BACKGROUND / ISSUE

All local California agencies are required to establish a Conflict of Interest Code. The purpose of a Conflict of Interest Code is to ensure that public officials and employees make decisions impartially, without undue influence from personal financial interests. This code aims to promote transparency and accountability by requiring individuals in positions of authority to disclose their financial interests that could potentially conflict with their public duties. By clearly defining disclosure requirements and prohibitions, the Conflict of Interest Code helps prevent corruption and maintains public trust in the integrity of city government operations.

Resolution No. 11260 was approved by the City Council on September 24, 2024. After approval, staff discovered that the resolution's exhibit was incorrect. Accordingly, an updated and corrected resolution and exhibit are now submitted for approval.

POLICY / RULE

Under the Political Reform Act, specifically Government Code Section 87303 et seq., agencies must review their Conflict of Interest Codes every two years to assess the need for revisions. The City's last update was completed in 2022.

Section 7.01 of the City's Charter stipulates that "[t]he use of public office for private gain is prohibited. The City Council shall implement this prohibition by ordinance adopting and ensuring compliance with the laws of the State of California regarding such conflicts…"

Folsom Municipal Code Section 2.34.030 et seq. grants the City Council the authority to designate by resolution those positions involved in making or participating in decisions that could materially affect any financial interest.

ANALYSIS

The City of Folsom's Conflict of Interest Code designates specific staff positions within the City that make or are involved in making financial decisions. Examples of financial decisions made by staff include contracting for services, purchasing goods and supplies, and overseeing financial investments or expenditures. Each designated position is assigned one or more disclosure categories based on the position's responsibility and authority. For example, positions involving contracting and purchasing are categorized under Disclosure Category 2.

For this year's update, department heads have reviewed the 2022 list of designated positions and their corresponding disclosure categories to identify any necessary updates. This review assessed whether positions should be added, removed, or reclassified based on their decision-making responsibilities and potential impact on personal financial interests.

Since the 2022 update to the Conflict of Interest Code, there have been changes in positions, including additions, reassignments, deletions, and re-titling. As a result, the appendix of designated positions also requires revision to accurately reflect the current structure and titles.

ATTACHMENTS

1. Resolution No. 11285 - A Resolution Repealing Resolution No. 11260 and Designating Conflict of Interest Filing Positions and Disclosure Categories

2. Resolution No. 11260 - A Resolution Repealing Resolution No. 10900 and Designating Conflict of Interest Filing Positions and Disclosure Categories

Submitted,

Christa Freemantle, CMC
City Clerk

ATTACHMENT 1

Resolution No. 11285 - A Resolution Repealing Resolution No. 11260 and Designating Conflict of Interest Filing Positions and Disclosure Categories

RESOLUTION NO. 11285

A RESOLUTION REPLACING RESOLUTION NO. 11260 AND DESIGNATING CONFLICT OF INTEREST FILING POSITIONS AND DISCLOSURE CATEGORIES

WHEREAS, the Political Reform Act, Government Code Section 87303 et seq. requires that agencies review biennially in even-numbered years the provisions of their Conflict of Interest Code, which includes designated positions and disclosure categories; and

WHEREAS, persons holding these positions are designated public officials, officials, employees and consultants as defined in Government Code Section 82019 et seq. are deemed to make or participate in the making of decisions which may foreseeably have a material effect on any personal financial interest; and

WHEREAS, Chapter 2.34 of the Folsom Municipal Code pertaining to the Conflict of Interest Code, authorizes the City Council to designate by resolution those designated Conflict of Interest staff positions which should file statements of economic interests; and

WHEREAS, that as a result of the review mandated by Government Code Section 87300 et seq. it has been determined that the current list of designated positions and disclosure categories should be updated:

NOW THEREFORE, BE IT RESOLVED, that Resolution No. 11260, which established the prior list of designated filers and disclosure categories is hereby replaced; and

BE IT FURTHER RESOLVED, that all public officials, officials, elected and appointed officers, persons holding designated positions and consultants that are subject to the filing and disclosure requirements pursuant to Exhibit "A" in accordance to the disclosure categories as set forth in Exhibit "B" shall file statements of economic interests in accordance with the forms and procedures established by the California Fair Political Practices Commission.

PASSED AND ADOPTED on this 12th day of November, 2024, by the following roll-call vote:

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

_____
Michael D. Kozlowski, MAYOR

ATTEST:

_____
Christa Freemantle, CITY CLERK

EXHIBIT "A"

CITY OF FOLSOM
CONFLICT OF INTEREST CODE
APPENDIX OF DESIGNATED OFFICIALS/EMPLOYEES

I. Designated Positions.

The positions listed below constitute the list of designated positions required by the City of Folsom's conflict of interest code (Folsom Municipal Code Chapter 2.34). Individuals holding these positions as designated public officials, officials, employees and consultants as defined in Government Code Section 82019 et seq. are deemed to make or participate in the making of decisions which may foreseeably have a material effect on any financial interest. The individuals occupying the designated positions shall disclose their economic interests in accordance with the corresponding disclosure categories, defined in Exhibit B.

Dept	Position/Category
City Attorney's Dept	Assistant City Attorney / CAT-01
City Attorney's Dept	City Attorney / 87200* Filer
City Attorney's Dept	Legal Analyst / CAT-02, CAT-04
City Attorney's Dept	Legal Secretary / CAT-01
City Clerk's Dept	City Clerk / CAT-01
City Clerk's Dept	Deputy City Clerk / CAT-02
City Manager's Dept	Administrative Support Specialist / CAT-02
City Manager's Dept	City Manager / 87200* Filer
City Manager's Dept	Communications Director / CAT-02
City Manager's Dept	Digital Communications Specialist / CAT-02
Community Development Dept	Associate Planner / CAT-03
Community Development Dept	Building Inspector I/II / CAT-03, CAT-04
Community Development Dept	Building Inspector Supervisor / CAT-03, CAT-04
Community Development Dept	City Engineer / CAT-02, CAT-03
Community Development Dept	Code Enforcement Officer I/II / CAT-02, CAT-03
Community Development Dept	Code Enforcement Supervisor / CAT-03
Community Development Dept	Community Development Director / CAT-01
Community Development Dept	Plan Check Engineer / CAT-03, CAT-04
Community Development Dept	Planning Manager / CAT-01
Community Development Dept	Principal Civil Engineer / CAT-01
Community Development Dept	Principal Planner / CAT-02, CAT-03
Community Development Dept	Senior Civil Engineer / CAT-02, CAT-03
Community Development Dept	Senior Planner / CAT-03, CAT-04

Community Development Dept	Urban Forester / CAT-03, CAT-04
Environmental and Water Resources Dept	Associate Civil Engineer / CAT-02, CAT-03
Environmental and Water Resources Dept	Director of Environmental/Water Resources / CAT-01
Environmental and Water Resources Dept	Management Analyst / CAT-02
Environmental and Water Resources Dept	Principal Engineer / CAT-02, CAT-03
Environmental and Water Resources Dept	Utility Maintenance Supervisor / CAT-02, CAT-04
Environmental and Water Resources Dept	Utility Manager / CAT-02, CAT-03, CAT-04
Environmental and Water Resources Dept	Wastewater Collection Supervisor / CAT-02, CAT-04
Environmental and Water Resources Dept	Water Distribution Supervisor / CAT-02
Environmental and Water Resources Dept	Water Treatment Plant Supervisor / CAT-02, CAT-04
Finance Dept	Deputy Treasurer / CAT-02
Finance Dept	Finance Director / Chief Financial Officer / 87200* Filer
Finance Dept	Financial Services Manager / CAT-01
Finance Dept	Information Systems Manager / CAT-02
Finance Dept	Revenue Supervisor / CAT-01, CAT-03
Finance Dept	Revenue/Disbursements Manager / CAT-01
Fire Dept	Fire Battalion Chief / CAT-02
Fire Dept	Fire Chief / CAT-01
Fire Dept	Fire Division Chief / CAT-02
Fire Dept	Fire Prevention Officer / CAT-02
Human Resources Dept	Human Resources Director / CAT-01
Human Resources Dept	Management Analyst / CAT-02
Human Resources Dept	Senior Management Analyst / CAT-02
Library Services	Library Director / CAT-02
Library Services	Library Supervisor / CAT-01
Lobbyist	Consultant / CAT-01
Parks and Recreation Dept	Community & Cultural Services Manager / CAT-02, CAT-03
Parks and Recreation Dept	Facilities Maintenance Supervisor / CAT-02, CAT-03
Parks and Recreation Dept	Parks and Recreation Director / CAT-01
Parks and Recreation Dept	Parks Maintenance Supervisor / CAT-02, CAT-03
Parks and Recreation Dept	Parks/Facilities Maintenance Manager / CAT-02, CAT-03
Parks and Recreation Dept	Recreation Supervisor / CAT-02, CAT-03

Parks and Recreation Dept	Senior Management Analyst / CAT-02
Parks and Recreation Dept	Senior Recreation Coordinator / CAT-01
Parks and Recreation Dept	Senior Trails Planner / CAT-02, CAT-03
Parks and Recreation Dept	Zoo Manager / CAT-02, CAT-03
Police Dept	Animal Control Officer / CAT-02, CAT-04
Police Dept	Commander / CAT-01
Police Dept	Police Chief / CAT-01
Police Dept	Police Lieutenant / CAT-02
Public Works Dept	Engineering Manager / CAT-02, CAT-03
Public Works Dept	Environmental Specialist Supervisor / CAT-02, CAT-04
Public Works Dept	Public Works Director / CAT-01
Public Works Dept	Section Manager / CAT-02, CAT-04
Public Works Dept	Senior Civil Engineer / CAT-02, CAT-03
Public Works Dept	Senior Environmental Specialist / CAT-01
Public Works Dept	Senior Management Analyst / CAT-02
Public Works Dept	Senior Traffic Control/Light Technician / CAT-01
Public Works Dept	Solid Waste Supervisor / CAT-01
Public Works Dept	Solid Waste/Fleet Manager / CAT-02, CAT-04
Public Works Dept	Streets Operations Supervisor / CAT-02, CAT-03
Special Counsel	Consultant / CAT-01

* "87200 Filer(s)" refers to filers identified within Government Code section 87200* et seq, This section establishes certain requirements for members of planning commissions, mayors, city managers, city attorneys, city treasurers, members of city councils, other public officials who manage public investments, and candidates for any of these offices to file statements of economic interest disclosing investments, interests in real property (excluding principal or personal residence) and any income received.

EXHIBIT "B"

CITY OF FOLSOM
CONFLICT OF INTEREST CODE
DISCLOSURE CATEGORIES

Disclosure Categories

Category 1 – Officials and employees whose duties are broad and indefinable:

Investments and business positions in business entities, and income including loans, gifts, and travel payments from sources located in or doing business in the jurisdiction.

Interests in real property located in the jurisdiction, including property located within a two-mile radius of any property owned or used by the City or within two miles of the boundaries of the City.

Category 2 – Officials and employees whose duties involve contracting or purchasing:

Investments and business positions in business entities and sources of income including those that provide services, supplies, materials, machinery or equipment of the type utilized by the City.

Category 3 – Officials and employees whose decisions may affect real property interests:

Investments and business positions in business entities and income including loans, gifts, and travel payments from sources that provide services, supplies, materials, machinery, or equipment of the type utilized by the City.

Engage in land development, construction or the acquisition or sale of real property.

Interests in real property located within the jurisdiction, including property located within a two-mile radius of any property owned or used by the City.

Category 4 – Officials and employees with regulatory powers:

Investments and business positions in business entities and sources of income including loans, gifts, and travel payments from sources that provide services, supplies, materials, machinery, or equipment of the type utilized by the Dept or division to which the filer is assigned.

Regulations Regarding Gifts

Gifts from outside the agency's jurisdiction shall not be required to be reported if the purpose of disclosure of the gift does not have some connection with or bearing upon the duties of the position. (18730.1, Title 2, Div 6, CA Code of Regulations)

ATTACHMENT 2

Resolution No. 11260- A Resolution Repealing Resolution No.10900 and Designating Conflict of Interest Filing Positions and Disclosure Categories

RESOLUTION NO. 11260

A RESOLUTION REPEALING RESOLUTION NO. 10900 AND DESIGNATING CONFLICT OF INTEREST FILING POSITIONS AND DISCLOSURE CATEGORIES

WHEREAS, the Political Reform Act, Government Code Section 87303 et seq. requires that agencies review biennially in even-numbered years the provisions of their Conflict of Interest Code, which includes designated positions and disclosure categories; and

WHEREAS, persons holding these positions are designated public officials, officials, employees and consultants as defined in Government Code Section 82019 et seq. are deemed to make or participate in the making of decisions which may foreseeably have a material effect on any personal financial interest; and

WHEREAS, Chapter 2.34 of the Folsom Municipal Code pertaining to the Conflict of Interest Code, authorizes the City Council to designate by resolution those designated Conflict of Interest staff positions which should file statements of economic interests; and

WHEREAS, that as a result of the review mandated by Government Code Section 87300 et seq. it has been determined that the current list of designated positions and disclosure categories should be updated:

NOW THEREFORE, BE IT RESOLVED, that Resolution No. 10900, which established the prior list of designated filers and disclosure categories is hereby replaced; and

BE IT FURTHER RESOLVED, that all public officials, officials, elected and appointed officers, persons holding designated positions and consultants that are subject to the filing and disclosure requirements pursuant to Exhibit "A" in accordance to the disclosure categories as set forth in Exhibit "B" shall file statements of economic interests in accordance with the forms and procedures established by the California Fair Political Practices Commission.

PASSED AND ADOPTED on this 24th day of September 2024, by the following roll-call vote:

AYES: Councilmember(s): Aquino, Rodriguez, Rohrbough, Kozlowski
NOES: Councilmember(s): None
ABSENT: Councilmember(s): Chalamcherla
ABSTAIN: Councilmember(s): None

Mike Kozlowski

Michael D. Kozlowski, MAYOR

ATTEST:

Christa Freemantle

Christa Freemantle, CITY CLERK

EXHIBIT "A"

CITY OF FOLSOM
CONFLICT OF INTEREST CODE
APPENDIX OF DESIGNATED OFFICIALS/EMPLOYEES

I. Designated Positions.

The positions listed below constitute the list of designated positions required by the City of Folsom's conflict of interest code (Folsom Municipal Code Chapter 2.34). Individuals holding these positions as designated public officials, officials, employees and consultants as defined in Government Code Section 82019 et seq. are deemed to make or participate in the making of decisions which may foreseeably have a material effect on any financial interest. The individuals occupying the designated positions shall disclose their economic interests in accordance with the corresponding disclosure categories, defined in Exhibit B.

Department	Designated Position/Category
City Attorney's Department	Assistant City Attorney / CAT-01
City Attorney's Department	City Attorney / 87200 Filer
City Attorney's Department	Legal Analyst / CAT-02, CAT-04
City Attorney's Department	Legal Secretary / CAT-01
City Clerk's Department	City Clerk / CAT-01
City Clerk's Department	Deputy City Clerk / CAT-02
City Council	87200 Filers
City Manager's Department	Administrative Support Specialist / CAT-01
City Manager's Department	City Manager / 87200 Filer
City Manager's Department	Communications Director / CAT-02
City Manager's Department	Digital Communications Specialist / CAT-01
Commission / Committee Members	Planning Commissioners / 87200 Filer All Others: CAT-03, CAT-04
Community Development Department	Associate Planner / CAT-03

Community Development Department	Building Inspector I/II / CAT-03, CAT-04
Community Development Department	Building Inspector Supervisor / CAT-03, CAT-04
Community Development Department	City Engineer / CAT-02, CAT-03
Community Development Department	Code Enforcement Officer I/II / CAT-02, CAT-03
Community Development Department	Code Enforcement Supervisor / CAT-03
Community Development Department	Community Development Director / CAT-01
Community Development Department	Plan Check Engineer / CAT-03, CAT-04
Community Development Department	Planning Manager / CAT-01
Community Development Department	Principal Civil Engineer / CAT-01
Community Development Department	Senior Civil Engineer / CAT-02, CAT-03
Community Development Department	Senior Planner / CAT-03, CAT-04
Community Development Department	Urban Forester / CAT-03, CAT-04
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Environmental and Water Resources Department	Director of Environmental/Water Resources / CAT-01
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Environmental and Water Resources Department	Utility Maintenance Supervisor / CAT-02, CAT-04
Environmental and Water Resources Department	Utility Manager / CAT-02, CAT-03, CAT-04
Environmental and Water Resources Department	Wastewater Collection Supervisor / CAT-02, CAT-04
Environmental and Water Resources Department	Water Distribution Supervisor / CAT-02

Environmental and Water Resources Department	Water Treatment Plant Supervisor / CAT-02, CAT-04
Finance Department	Deputy Treasurer / CAT-02
Finance Department	Finance Director / Chief Financial Officer / 87200 Filer
Finance Department	Financial Services Manager / CAT-01
Finance Department	Information Systems Manager / CAT-02
Finance Department	Revenue Supervisor / CAT-01, CAT-03
Finance Department	Revenue/Disbursements Manager / CAT-01
Fire Department	Administrative Assistant / CAT-02
Fire Department	Administrative Technician / CAT-02
Fire Department	Fire Battalion Chief / CAT-02
Fire Department	Fire Chief / CAT-01
Fire Department	Fire Division Chief / CAT-02
Fire Department	Fire Prevention Officer / CAT-02
Human Resources Department	Human Resources Director / CAT-01
Human Resources Department	Senior Management Analyst / CAT-02
Library Services	Librarian / CAT-01
Library Services	Library Manager / CAT-02
Library Services	Senior Librarian / CAT-01
Lobbyist	Consultant / CAT-01
Parks and Recreation Department	Community and Cultural Services Manager / CAT-02, CAT-03
Parks and Recreation Department	Facilities Maintenance Supervisor / CAT-02, CAT-03

Parks and Recreation Department	Parks and Recreation Director / CAT-01
Parks and Recreation Department	Parks Maintenance Supervisor / CAT-02, CAT-03
Parks and Recreation Department	Parks Maintenance Supervisor / CAT-02, CAT-03
Parks and Recreation Department	Parks/Facilities Maintenance Manager / CAT-02, CAT-03
Parks and Recreation Department	Recreation Supervisor / CAT-02, CAT-03
Parks and Recreation Department	Senior Management Analyst / CAT-02
Parks and Recreation Department	Senior Recreation Coordinator / CAT-01
Parks and Recreation Department	Senior Trails Planner / CAT-02, CAT-03
Parks and Recreation Department	Zoo Manager / CAT-02, CAT-03
Police Department	Administrative Assistant / CAT-01
Police Department	Animal Control Officer / CAT-02, CAT-04
Police Department	Commander / CAT-01
Police Department	Police Chief / CAT-01
Police Department	Police Lieutenant / CAT-01
Public Works Department	Environmental Specialist Supervisor / CAT-02, CAT-04
Public Works Department	Public Works Director / CAT-01
Public Works Department	Section Manager / CAT-02, CAT-04
Public Works Department	Senior Civil Engineer / CAT-02, CAT-03
Public Works Department	Senior Environmental Specialist / CAT-01
Public Works Department	Senior Management Analyst / CAT-02
Public Works Department	Senior Traffic Control/Light Technician / CAT-01
Public Works Department	Solid Waste Supervisor / CAT-01

Public Works Department	Solid Waste/Fleet Manager / CAT-02, CAT-04
Public Works Department	Streets Operations Supervisor / CAT-02, CAT-03
Special Counsel	Consultant / CAT-01

* "87200 Filer(s)" refers to filers identified within Government Code section 87200 et seq, This section establishes certain requirements for members of planning commissions, mayors, city managers, city attorneys, city treasurers, members of city councils, other public officials who manage public investments, and candidates for any of these offices to file statements of economic interest disclosing investments, interests in real property (excluding principal or personal residence) and any income received.

EXHIBIT "B"

CITY OF FOLSOM
CONFLICT OF INTEREST CODE
DISCLOSURE CATEGORIES

Disclosure Categories

Category 1 – Officials and employees whose duties are broad and indefinable:

Investments and business positions in business entities, and income including loans, gifts, and travel payments from sources located in or doing business in the jurisdiction.

Interests in real property located in the jurisdiction, including property located within a two-mile radius of any property owned or used by the City or within two miles of the boundaries of the City.

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Category 3 – Officials and employees whose decisions may affect real property interests:

Investments and business positions in business entities and income including loans, gifts, and travel payments from sources that provide services, supplies, materials, machinery, or equipment of the type utilized by the City.

Engage in land development, construction or the acquisition or sale of real property.

Interests in real property located within the jurisdiction, including property located within a two-mile radius of any property owned or used by the City.

Category 4 – Officials and employees with regulatory powers:

Investments and business positions in business entities and sources of income including loans, gifts, and travel payments from sources that provide services, supplies, materials, machinery, or equipment of the type utilized by the department or division to which the filer is assigned.

Regulations Regarding Gifts

Gifts from outside the agency's jurisdiction shall not be required to be reported if the purpose of disclosure of the gift does not have some connection with or bearing upon the duties of the position. (18730.1, Title 2, Div 6, CA Code of Regulations)

Folsom City Council
Staff Report

MEETING DATE:	11/12/2024
AGENDA SECTION:	Consent Calendar
SUBJECT:	Resolution No. 11286 – A Resolution of the City Council Accepting Additional Hazard Mitigation Grant Program Funds and Authorize Appropriation of General Fund (Fund 010) Contingency Budget for the Completion of Ladder Fuel Removal in all Identified General Fund Fire Hazard Areas Associated with the FEMA Hazard Mitigation Grant Received on June 23, 2022
FROM:	Parks and Recreation Department

RECOMMENDATION / CITY COUNCIL ACTION

Staff recommends the City Council approve Resolution No. 11286 – A Resolution of the City Council Accepting Additional Hazard Mitigation Grant Program Funds and Authorize Appropriation of General Fund (Fund 010) Contingency Budget for the Completion of Ladder Fuel Removal in all Identified General Fund Fire Hazard Areas Associated with the FEMA Hazard Mitigation Grant Received on June 23, 2022.

BACKGROUND / ISSUE

The City of Folsom is responsible for the maintenance and servicing of approximately 1,100 acres of city-owned open space across 70 different sites. Of that 1,100 acres, 335 acres have been identified as containing ladder fuels. Ladder fuels are generally defined as any combustible material that could facilitate the spread of ground and surface fires into the tree canopies resulting in a crown fire. Crown fires are much harder to fight and threaten the health of trees more than a ground fire. Traditionally, the City has completed annual weed abatement to address seasonal grasses but has only recently implemented a program to address other combustibles that exist from low growth in trees to establish defensible space adjacent structures. This request is for the second and third phase of a three-phase program to systematically address the city-owned open spaces and establish tolerances so that in subsequent years less work will be required to address ladder fuel and thus the annual, more

routine work, will be more focused on the abatement of annual grasses and maintenance of adequate fuel breaks. Once completed there will be a defined separation between our developed and undeveloped areas.

POLICY / RULE

Section 3.02.030 (L) of the Folsom Municipal Code: Only the city council may transfer appropriations between funds and from unappropriated balances, contingency appropriations or accounts, or fund balances to any fund or appropriation account, or increase the total budget of any fund.

City of Folsom Finance Policies state that, "The Contingency Appropriation may be used to provide for unanticipated or unforeseen needs that arise during the year;" examples include, new public safety or health needs, service enhancements, or opportunities to achieve cost savings.

ANALYSIS

On June 12th, 2018, the City Council approved Resolution No. 10137 - A Resolution Authorizing the Application for Grant Funds from the Federal Emergency Management Agency's Hazard Mitigation Grant Program for the Folsom Defensible Space and Vegetation Management Plan.

On September 13, 2022, the City Council approved Resolution No. 10918 - A Resolution Authorizing and Accepting a Grant Award from the Federal Emergency Management Agency's Hazard Mitigation Grant Program and California Office of Emergency Services for the Implementation of the City of Folsom Defensible Space and Vegetation Management Plan.

Staff bid the project through the RFP process and the City Council awarded the contract to Loggers Unlimited on June 27, 2023, with Resolution No. 11058 - A Resolution Authorizing the City Manager to Execute an Agreement with Loggers Unlimited for Shaded Fuel Break Creation and Ladder Fuel Removal.

On April 26, 2024, staff requested additional funds through the Hazard Mitigation Grant Program as the total cost of the project exceeded the 2018 grant request. On September 16, 2024, staff received a notification of approval of supplemental funds approving $207,412.50 in additional funding. This additional funding increased the federal share from $279,000 to $486,412.50, and the total project cost to $648,550.

Total project completion to date is 136.5 acres or 38 percent. Staff is requesting $191,000 in contingency funds to complete the remaining 148.5 acres of general fund areas. The grant period ends on June 14, 2025.

ENVIRONMENTAL REVIEW

Part of the grant award process for FEMA was to conduct an environmental review; their Record of Environmental Consideration (REC) is included below:

FEMA has determined that the Proposed Action is covered by the Region IX Programmatic Environmental Assessment for Recurring Actions in Arizona, California, and Nevada (PEA) under Section 2.5.1, Mechanical or Hand Clearing of Vegetation. This category covers the implementation of the above project elements and, therefore, the Proposed Action is consistent with this PEA category.

FINANCIAL IMPACT

On September 16, 2024, the Federal Emergency Management Agency (FEMA) and the California Office of Emergency Services (CalOES) through the Hazard Mitigation Grant Program awarded the City additional grant funding in the amount of $207,412.50, increasing the federal share of the grant award from $279,000 to $486,412.50. The remaining General Fund sites have a total ladder fuel removal cost of $191,000 of which 75% is reimbursable through the additional grant funding awarded. If approved the additional grant award would increase revenue estimates and appropriations $191,000 in the General Fund (Fund 010) and utilize $47,750 of the General Fund contingency budget.

ATTACHMENT

1. Resolution No. 11286 – A Resolution of the City Council Accepting Additional Hazard Mitigation Grant Program Funds and Authorize Appropriation of General Fund (Fund 010) Contingency Budget for the Completion of Ladder Fuel Removal in all Identified General Fund Fire Hazard Areas Associated with the FEMA Hazard Mitigation Grant Received on June 23, 2022.
2. Site List and Cost breakdown

Submitted,

Kelly Gonzalez,
Parks & Recreation Director

ATTACHMENT 1

RESOLUTION NO. 11286

A RESOLUTION OF THE CITY COUNCIL ACCEPTING ADDITIONAL HAZARD MITIGATION GRANT PROGRAM FUNDS AND AUTHORIZE APPROPRIATION OF GENERAL FUND (FUND 010) CONTINGENCY BUDGET FOR THE COMPLETION OF LADDER FUEL REMOVAL IN ALL IDENTIFIED GENERAL FUND FIRE HAZARD AREAS ASSOCIATED WITH THE FEMA HAZARD MITIGATION GRANT RECEIVED ON JUNE 23, 2022

WHEREAS, on June 12, 2018, the City Council approved Resolution 10137 - A Resolution Authorizing the Application for Grant Funds from the Federal Emergency Management Agency's Hazard Mitigation Grant Program for the Folsom Defensible Space and Vegetation Management Plan; and

WHEREAS, on September 13, 2022, the City Council approved Resolution 10918 - A Resolution Authorizing and Accepting a Grant Award from the Federal Emergency Management Agency's Hazard Mitigation Grant Program and California Office of Emergency Services for the Implementation of the City of Folsom Defensible Space and Vegetation Management Plan; and

WHEREAS, on September 16, 2024, staff received a notification of approval of supplemental funds approving $207,412.50 in additional funding; and

WHEREAS, this appropriation will allow the city to complete the ladder fuel removal in all designated hazard areas; and

WHEREAS, the city has received grant funding from FEMA to complete this project which expires on June 14, 2025; and

WHEREAS, grant funding will allow the city to recover seventy-five percent of the total cost of work:

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Folsom authorizes the Finance Director to increase revenue estimates and appropriate $191,000 in the General Fund (Fund 010) utilizing contingency budget in the amount of $47,750 for the completion of ladder fuel removal in all identified General Fund areas.

BE IT FURTHER RESOLVED that the City Council of the City of Folsom accepts the additional Hazard Mitigation Grant Program funds awarded in the amount of $207,412.50.

PASSED AND ADOPTED this 12th day of November 2024, by the following roll-call vote:

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

Michael D. Kozlowski, MAYOR

ATTEST:

Christa Freemantle, CITY CLERK

ATTACHMENT 2

Attachment 2 Site List and Cost Breakdown

Location Number	Location	Acres of Fuel ladder to be completed	Width of defensible space	Cost
15	BT Collins open spaces East of park	11.5	30-50 ft wide	**$ 4,102.51**
24	BT Collins open spaces West of park	12	50 ft average with one area out to 250 ft wide	**$ 8,205.00**
25	West of Rodeo Park	4	30-100 ft wide	**$ 16,410.12**
26	Between Heaton Way and Teceira Way	4.7	70 ft near homes	**$ 3,856.40**
27	Willow Hill reservoir and surrounding open spaces	10.9	up to 270 ft wide	**$ 5,589.74**
28	Natoma, Briggs Ranch, Folsom Lake crossing	1.4	up to 150 ft wide	**$ 574.35**
29	Humbug creek from riley to Cummings Park	29.2	up tp 200 ft wide	**$ 30,457.06**
31	Willow Creek From Riley to E Bidwell	12.7	up to 200 ft wide	**$ 13,025.50**
46	West side of John Kemp Park	2.3	30-90 ft wide	**$ 2,370.59**
47	Dos Coyotes trail area	5.5	30-100 ft wide	**$ 22,675.13**
48	Ponds SE of Iron Pt and Buckingham	4.3	30-60 ft wide	**$ 19,261.55**
49	SE of Iron Pt Circle	1	30-100 ft wide	**$ 2,061.37**
50	Parkshore outer limits	19.9	30-100 ft wide	**$ 27,347.58**
51	JPA from Blue Ravine to Natoma Station Drive	5.28	entire lot between rail tracks and property boundaries 30-90 ft	**$ 3,627.99**

52	Between Lembi Park and Station 35	1.1	80 ft wide	**$ 2,061.38**
63	Chinese Diggins Mine Site	1.3	100 ft wide	**$ 2,061.37**
64	Empire Ranch Rd and Ritchie	2.3	50-70 ft wide	**$ 2,061.38**
65	Mercy housing	1.5	100 ft wide	**$ 2,061.38**
66	Sun Country	3.9	30-100 ft wide	**$ 4,019.69**
69	Willow Creek Parkway-East Natoma	13.7	10ft along road and both sides of trail, 30ft near homes	**$ 18,827.23**
			Total	**$ 190,657.32**

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CITY OF
FOLSOM
DISTINCTIVE BY NATURE

Folsom City Council
Staff Report

MEETING DATE:	11/12/2024
AGENDA SECTION:	Consent Calendar
SUBJECT:	Resolution No. 11287 - A Resolution Authorizing the Appropriation of Funds from the Zoo Special Revenue Fund for the Folsom Zoo Sanctuary Improvements
FROM:	Parks and Recreation Department

RECOMMENDATION / CITY COUNCIL ACTION

Staff recommends the City Council approve Resolution No. 11287 - A Resolution Authorizing the Appropriation of Funds from the Zoo Special Revenue Fund for the Folsom Zoo Sanctuary Improvements.

BACKGROUND / ISSUE

The Zoo Special Revenue Fund was set up and is used for revenues and expenditures related to the Zoo other than the normal operating revenues and expenditures. Revenue in this fund comes primarily from donations and mini-railroad fees and are specifically dedicated to enhancing the enrichment of the lives of the animals living at the Folsom City Zoo Sanctuary. The Zoo Special Revenue Fund had a cash balance of about $205,000 as of September 30, 2024.

POLICY / RULE

Pursuant to FMC 3.02.030 section H: The city council may make supplemental appropriations during the course of the fiscal year provided that the city manager certifies that moneys are available. All such supplemental appropriations shall be made for the fiscal year by resolution, up to the amount of any excess moneys certified by the city manager as being available.

ANALYSIS

The Folsom City Zoo Sanctuary provides homes for non-releasable and confiscated wildlife and other animals needing placement under human care. The Zoo's mission statement is "Teaching

Responsible Behavior Toward All Animals." The majority of the animals are native to North America. There is an ongoing need to enhance the enrichment of the lives of the animals living at the Folsom City Zoo Sanctuary.

The Folsom City Zoo Sanctuary is requesting the appropriation of $150,000 from the Zoo Special Revenue Fund to create new exhibits, improve existing exhibits, and supplement veterinary equipment needs in fiscal year 24-25.

ENVIRONMENTAL REVIEW

This action is exempt from environmental review under the California Environmental Quality Act (CEQA).

FINANCIAL IMPACT

Staff is requesting the City Council authorize an appropriation of $150,000 from the Zoo Special Revenue Fund (Fund 753) for projects associated with the welfare of animals at the Folsom City Zoo Sanctuary. Sufficient funds are available in the Zoo Special Revenue Fund (Fund 753), and there is no fiscal impact on the City of Folsom General Fund.

ATTACHMENTS

1. Resolution No. 11287 - A Resolution Authorizing the Appropriation of Funds from the Zoo Special Revenue Fund for the Folsom Zoo Sanctuary Improvements.

Submitted,

Kelly Gonzalez,
Parks and Recreation Director

RESOLUTION NO. 11287

A RESOLUTION AUTHORIZING THE APPROPRIATION OF FUNDS FROM THE ZOO SPECIAL REVENUE FUND FOR THE FOLSOM ZOO SANCTUARY IMPROVEMENTS

WHEREAS, the City of Folsom maintains the Folsom City Zoo Sanctuary as a safe haven for non-releasable and rescued wildlife, primarily native to North America, and is dedicated to the care, welfare, and enrichment of animals housed within; and

WHEREAS, the Zoo Special Revenue Fund was established for revenues and expenditures related to the Folsom City Zoo Sanctuary, separate from normal operating funds, to enhance the enrichment and quality of life of the animals; and

WHEREAS, the City of Folsom recognizes the importance of providing high-quality, humane care and facilities for the animals at the Folsom City Zoo Sanctuary and seeks to utilize dedicated funds for exhibit improvements, new enrichment devices, and supplemental veterinary equipment to benefit the animals; and

WHEREAS, sufficient funds are available within the Zoo Special Revenue Fund (Fund 753) to support the recommended projects without impact to the City of Folsom General Fund: and

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Folsom authorizes the Finance Director to appropriate $150,000 in the Zoo Special Revenue Fund (Fund 753) for fiscal year 2024-2025 to support projects for the welfare and enrichment of the animals at the Folsom City Zoo Sanctuary, including but not limited to new exhibit creation, existing exhibit enhancements, and veterinary equipment.

PASSED AND ADOPTED this 12 day of November 2024, by the following roll call vote:

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

Michael D. Kozlowski, MAYOR

ATTEST:

Christa Freemantle, CITY CLERK

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CITY OF
FOLSOM
DISTINCTIVE BY NATURE

Folsom City Council
Staff Report

MEETING DATE:	11/12/2024
AGENDA SECTION:	Consent Calendar
SUBJECT:	Resolution No. 11288 – A Resolution Authorizing the City Manager to Replace Two Contracted Roles with In-House Maintenance Worker Positions in the Parks and Recreation Department
FROM:	Parks and Recreation Department

RECOMMENDATION / CITY COUNCIL ACTION

Staff recommends the City Council approve Resolution No. 11288 – A Resolution Authorizing the City Manager to Replace Two Contracted Roles with In-House Maintenance Worker Positions in the Parks and Recreation Department.

BACKGROUND / ISSUE

The Parks and Recreation Department maintains over 400 acres of irrigated landscaping in parks, streetscapes, medians, and trail corridors. These areas include more than 350 irrigation controllers and 6,600 valves. For decades, the city has been utilizing contracted irrigation technicians to complete the maintenance and repair of these systems; however, the cost of the contracted technicians has risen substantially over that time, now exceeding the annual cost of a full-time Maintenance Worker employee by $15,853 per technician. The city currently has eight irrigation technicians through various contracts. Converting these roles to city staff could save up to $49,224 annually in excess contract costs. The current annual contract cost per technician is $118,111 or $944,888 for all eight technicians, whereas employing Maintenance Worker 1 (MW1) staff with benefits, at step 1 within the pay range, is $102,258 or $818,064 for all eight positions. There are other costs associated with the positions, including vehicle, fuel and tools. These costs add up to an average of $9,700 annually per technician. Taking these additional costs into account the annual savings would be about $6,153 per technician or $49,224 for all eight positions.

In addition to the cost savings, the benefits of bringing these positions in-house as city staff will allow higher service levels and response times that will result in water waste reduction and less plant die-off. Currently the quality levels of the contractors and response times has declined due to vacancies. The contractor has not been successful in retaining quality employees. By bringing staff in-house we can train and develop our own team of irrigation specialists which has been the trend in the industry.

POLICY / RULE

Section 3.02.030 (C) of the Folsom Municipal Code: the budget shall establish the number of authorized positions to be filled by employees, the number of hours for which part-time or seasonal employees may be hired, and the dollar amount of overtime which may be utilized by the employee of any budgetary program.

ANALYSIS

Irrigation staffing was outsourced to landscape maintenance contractors as a cost-saving measure in the early 2000's. Although outsourcing initially offered savings, employing city staff now presents the most cost-effective option. As stewards of public funds, staff continually review costs and processes to ensure responsible use of tax dollars. Bringing irrigation staff in-house is economically feasible and will be funded through the contract cost savings in both the general fund and CFD funds that are the beneficiaries of the services.

Currently, staff is requesting two positions, with the remaining six positions to be requested in pairs through the standard annual budget process until fully staffed. This phased approach allows for thorough training and onboarding of new maintenance workers, ensuring they can perform technical repairs to city standards without any drop in service levels.

FINANCIAL IMPACT

Sufficient funding for the two proposed positions, plus vehicle, fuel and tool costs, for the remainder of the fiscal year is budgeted and available in the Parks and Recreation Department in the General Fund (Fund 010) and in the Community Facilities District #18 Maintenance Fund (Fund 288).

ATTACHMENT

1. Resolution No. 11288 – A Resolution Authorizing the City Manager to Replace Two Contracted Roles with In-House Maintenance Worker Positions in the Parks and Recreation Department

2. Cost Analysis

Submitted,

Kelly Gonzalez,
Parks & Recreation Director

ATTACHMENT 1

RESOLUTION NO. 11288

A RESOLUTION AUTHORIZING THE CITY MANAGER TO REPLACE TWO CONTRACTED ROLES WITH IN-HOUSE MAINTENANCE WORKER POSITIONS IN THE PARKS AND RECREATION DEPARTMENT

WHEREAS, the City of Folsom desires to replace two contracted roles with in-house maintenance worker positions to complete irrigation repairs in general and special fund areas; and

WHEREAS, the cost of these positions are a savings compared to the current contract costs for similar services through various landscape maintenance contracts; and

WHEREAS, these positions will allow the department to standardize repairs and provide consistent levels of service; and

WHEREAS, these positions will be funded through contract cost savings in the funds who are the beneficiaries of the services; and

WHEREAS, sufficient funds are available in the General Fund, and Community Facilities Districts Fiscal Year 2024-25 budgets: and

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Folsom authorizes the City Manager to replace two contracted roles with in-house maintenance worker positions in the Parks & Recreation Department and increase the total approved full-time position count in the Parks and Recreation Department by two.

AND BE IT FURTHER RESOLVED

PASSED AND ADOPTED this 12th day of November 2024, by the following roll-call vote:

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

Michael D. Kozlowski, MAYOR

ATTEST:

Christa Freemantle, CITY CLERK

ATTACHMENT 2

Attachment 2-Cost Saving Analysis

Step	Maintanence 1	MW1 + Benefits	W/2.5 COLA
1	$ 51,916.73	$ 102,257.47	
2	$ 53,474.23	$ 105,325.19	$ 107,958.32
3	$ 55,078.46	$ 108,484.95	$ 111,197.07
4	$ 56,730.46	$ 111,738.80	$ 114,532.27
5	$ 56,730.81	$ 111,739.49	$ 114,532.98
6	$ 58,432.73	$ 115,091.67	$ 117,968.96
7	$ 60,185.72	$ 118,544.43	$ 121,508.04
8	$ 61,991.29	$ 122,100.76	$ 125,153.28
9	$ 63,851.03	$ 125,763.79	$ 128,907.88

Year	Contract staff @ 3%	Salary Savings
2024	$ 118,111.00	$ 15,853.53
2025	$ 121,654.33	$ 13,696.01
2026	$ 125,303.96	$ 14,106.89
2027	$ 129,063.08	$ 14,530.81
2028	$ 132,934.97	$ 18,401.99
2029	$ 136,923.02	$ 18,954.06
2030	$ 141,030.71	$ 19,522.67
2031	$ 145,261.63	$ 20,108.35
2032	$ 149,619.48	$ 20,711.60

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CITY OF
FOLSOM
DISTINCTIVE BY NATURE

Folsom City Council
Staff Report

MEETING DATE:	11/12/2024
AGENDA SECTION:	Consent Calendar
SUBJECT:	Resolution No. 11289 – A Resolution Authorizing the City Manager to Execute an Agreement with Leed Mechanical for the HVAC Replacement Project at 405 Natoma Station Drive
FROM:	Parks and Recreation Department

RECOMMENDATION / CITY COUNCIL ACTION

Staff recommends the City Council approve Resolution No. 11289 – A Resolution Authorizing the City Manager to Execute an Agreement with Leed Mechanical for the HVAC Replacement Project at 405 Natoma Station Drive

BACKGROUND / ISSUE

The city-owned property at 405 Natoma Station Drive is currently being leased to Kids Inc, a licensed daycare facility. To provide heating and air-conditioning, the building has 9 roof-top HVAC units (RTU). These RTUs are original to the building and have been in place since 1998. The entire HVAC system has exceeded the system's useful life, and several replacement components for the RTUs are no longer available. Service calls have increased considerably over the past 3 years, and two of the RTUs had to be replaced this summer. It is no longer reasonable to expect to get another summer season out of the 7 remaining units. The scope of the project includes the removal of the existing HVAC units and thermostats, and then following up with the installation of energy-efficient RTUs and "Smart" thermostats.

As stated above, the building opened in 1998. The HVAC system is 26 years old. As stated above, all major components are original to the building and have an operational life of 26 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

Installation of a new HVAC system will save on utility costs and provide reliable heating and air, which is an important consideration due to the usage of the space.

POLICY / RULE

In accordance with Chapter 2.36 of the Folsom Municipal Code, Public Works projects costing $73,209 or greater shall be competitively bid and contracted for by the City Council.

Public Contract Code (PCC) § 10290 et seq. and 12101.5 include approval for local government agencies to use CMAS for acquisition of information technology and non-information technology products and services.

Public Contract Code (PCC) § 10298 and 10299 authorizes local government agencies and school districts to use CMAS and other Department of General Services (DGS) agreements without competitive bidding.

ANALYSIS

The Parks & Recreation Department is utilizing California Multiple Award Schedules (CMAS) cooperative purchasing for this project. Cooperative purchasing enables public agencies to leverage collective buying power, resulting in cost savings, efficiency, and a streamlined procurement process. CMAS is not established through a competitive bid process, however, all pricing, products and/or services offered must have been previously bid and awarded on a Federal General Services Administration (GSA) multiple award schedule. Contractors must offer to provide products and/or services at prices based on an existing GSA schedule, or "base" contract. The State of California adds standard contract terms and conditions and procurement codes, policies, and guidelines, which result in the award of a CMAS, an independent California agreement for the same products and services at equal or lower prices.

LEED Mechanical is a qualified CMAS vendor for HVAC equipment and air compressors and the estimate for this project is $200,000.

FINANCIAL IMPACT

Installation of new HVAC and controls should not exceed $220,000 which is the total of the Leed Mechanical bid ($200,000) and a 10% contingency of $20,000 for unanticipated HVAC structural or infrastructure-related issues.

As part of the 2023-24 fiscal year budget, the Parks and Recreation Department received funding in their capital budget for the replacement of the HVAC system at 405 Natoma. This funding has been carried over for FY 2024-25 and is available in the General Fund (Fund 010).

ENVIRONMENTAL REVIEW

This project is exempt from environmental review under the California Environmental Quality Act (CEQA).

ATTACHMENTS
Resolution No. 11289 – A Resolution Authorizing the City Manager to Execute an Agreement with Leed Mechanical for the HVAC Replacement Project at 405 Natoma Station Drive

Submitted,

Kelly Gonzalez,
Parks & Recreation Director

RESOLUTION NO. 11289

A RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE AN AGREEMENT WITH LEED MECHANICAL FOR THE HVAC REPLACEMENT PROJECT AT 405 NATOMA STATION DRIVE

WHEREAS, The Parks & Recreation Department staff has validated the need to replace the existing 405 Natoma Station Drive HVAC system; and

WHEREAS, staff is utilizing Cooperative Purchasing (California Multiple Award Schedules "CMAS") for the replacement of the existing HVAC system; and

WHEREAS, Leed Mechanical is a certified CMAS vendor; and

WHEREAS, Leed Mechanical provided an estimate of $200,000 for this project and a 10% contingency of $20,000 for unanticipated HVAC structural or infrastructure-related issues, bringing the total of the project to $220,000; and

WHEREAS, funds are budgeted and available in the General Fund (Fund 010) for this project; 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 Leed Mechanical for the HVAC replacement project at 405 Natoma Station Drive for the amount not to exceed $220,000

PASSED AND ADOPTED this 12 day of November 2024, by the following roll-call vote:

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

Michael D. Kozlowski, MAYOR

ATTEST:

Christa Freemantle, CITY CLERK

Folsom City Council
Staff Report

MEETING DATE:	11/12/2024
AGENDA SECTION:	Consent Calendar
SUBJECT:	Resolution No. 11290 – A Resolution Authorizing the City Manager to Execute an Agreement with THP Mechanical for the HVAC Replacement Project at the Folsom Senior and Art Center
FROM:	Parks and Recreation Department

RECOMMENDATION / CITY COUNCIL ACTION

The Parks and Recreation Department recommends the City Council approve Resolution No. 11290 – A Resolution Authorizing the City Manager to Execute an Agreement with THP Mechanical for the HVAC Replacement Project at the Folsom Senior and Art Center.

BACKGROUND / ISSUE

The Senior & Arts Center HVAC system is over 18 years old and has exceeded its useful life. During the past two years, calls for service have increased, and in one example, a blower motor caught on fire, resulting in the temporary evacuation of the facility. Given that the Senior & Arts Center supports senior citizens, who are particularly vulnerable to temperature fluctuations and the effects of COVID-19, the current units are inadequate in providing reliable air conditioning, airflow, and filtration. Upgrading the system is expected to enhance overall air quality, efficiency, and cooling sustainability through improved ventilation and filtration.

As stated above, the units are 18 years old. The American Society of Heating, Refrigeration, and Air-Conditioning Engineers (ASHRAE) has developed standards for the expected useful life of building components. The expected useful life of commercial "air to air" heat pumps is 15 years. Installation of a new system will save on utility costs and provide reliable heating and cooling for a building that sees high usage.

POLICY / RULE

In accordance with Chapter 2.36.120 of the Folsom Municipal Code, contracts for supplies, equipment, services, and construction with an estimated value of $73,209 or greater shall be awarded by the City Council.

ANALYSIS

The Senior and Arts Center building is used daily by Folsom residents for a variety of programs and classes. Due to the condition of the existing HVAC units, as well as increasing costs to maintain aging equipment, it was determined that the best course of action was to replace the existing HVAC system.

In May 2024, the City Council approved Resolution No. 11195, allowing the City to accept American Rescue Plan Act (ARPA) funds from Sacramento County for the HVAC Upgrade Project at the Folsom Senior and Arts Center. Given the extensive deferred maintenance and needs of the city, staff recommended to the City Council to fund one of many HVAC replacement projects through this mechanism. The award of the ARPA funds from Sacramento County is not a guarantee, but staff are following Federal procurement guidelines in the instance that the funds are awarded and can be used to reimburse the City for this HVAC Upgrade Project.

On August 26, 2024, the Parks and Recreation Department advertised on CIPlist.com the availability of an HVAC replacement contract that will service the Folsom Senior & Arts building. The city requested a proposal from contractors for the advertised bid package.

The overall bid process consisted of the following steps:

- Posting of bid package: August 26, 2024
- Mandatory Pre-Bid meeting: September 03, 2024
- RFP's Due to City: September 12, 2024 (3:00 PM)
- RFP's of Qualified Contractors Opened: September 12, 2024
- Notice of Award: October 22, 2024

The following bids were received by the City of Folsom:

Contractor	Bid
THP Inc.	$150,567.00
HCI Inc.	$187,600.00
LEED Mechanical	$269,566.00

FINANCIAL IMPACT

On May 14, 2024 the City Council approved Resolution No. 11195 approving the acceptance of American Rescue Plan Act (ARPA) funds from the County of Sacramento in the amount of $1,200,000 and authorized the appropriation of the ARPA funds in the City's General Fund (Fund 010). The Parks and Recreation Department recommends executing the agreement with

THP Mechanical, Inc. for $150,567 for the HVAC Replacement Project at the Folsom Senior and Art Center. Sufficient ARPA funds reimbursable from the County of Sacramento are budgeted in the General Fund (Fund 010) for the cost of the agreement.

ENVIRONMENTAL REVIEW

This project is exempt from environmental review under the California Environmental Quality Act (CEQA).

ATTACHMENTS

1. Resolution No. 11290- A Resolution Authorizing the City Manager to Execute an Agreement with THP Mechanical for the HVAC Replacement Project at the Folsom Senior and Art Center.

Submitted,

Kelly Gonzalez
Parks and Recreation Director

RESOLUTION NO. 11290

A RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE AN AGREEMENT WITH THP MECHANICAL FOR THE HVAC REPLACEMENT PROJECT AT THE FOLSOM SENIOR AND ART CENTER

WHEREAS, the HVAC system at the Folsom Senior and Arts Center is over 18 years old, and has exceeded its useful life; and

WHEREAS, the American Society of Heating, Refrigeration, and Air-Conditioning Engineers (ASHRAE) recommends a 15-year useful life for commercial "air to air" heat pumps; and

WHEREAS, the City Council previously passed and adopted Resolution No. 11195 on May 14, 2024, approving the acceptance of American Rescue Plan Act (ARPA) funds from Sacramento County in the amount of $1,200,000 and authorized appropriations of $1,200,000 in the City's General Fund (Fund 010); and

WHEREAS, the Parks and Recreation Department advertised a bid for the HVAC replacement project on August 26, 2024, conducted a mandatory pre-bid meeting, and received three bids by the September 12, 2024 deadline, with THP Mechanical providing the lowest qualified bid at $150,567; 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 THP Mechanical for the HVAC replacement project at the Folsom Senior and Art Center for the not to exceed amount of $150,567 funded with ARPA funds reimbursable from the County of Sacramento and budgeted in the General Fund (Fund 010)..

PASSED AND ADOPTED this 12 day of November, 2024, by the following roll-call vote:

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

Michael D. Kozlowski, MAYOR

ATTEST:

Christa Freemantle, CITY CLERK

Folsom City Council
Staff Report

MEETING DATE:	11/12/2024
AGENDA SECTION:	Consent Calendar
SUBJECT:	Resolution No. 11291- A Resolution Authorizing the City Manager to Execute Amendment No. 2 to the Contract with Kimley-Horn and Associates, Inc. for Mangini Ranch Trails Project (Project PK2201) Design and Engineering (Contract No. 173-21 17-054)
FROM:	Parks and Recreation Department

RECOMMENDATION / CITY COUNCIL ACTION

Staff recommends the City Council approve Resolution No. 11291 - A Resolution Authorizing the City Manager to Execute Amendment No. 2 to the Contract with Kimley-Horn and Associates, Inc. for Mangini Ranch Trails Project (Project PK2201) Design and Engineering (Contract No. 173-21 17-054).

BACKGROUND / ISSUE

The Mangini Ranch Trails Project is located within the Folsom Plan Area Specific Plan (FPASP), specifically in the Mangini Ranch area bounded by Alder Creek Parkway to the north, Old Placerville Road to the east, East Bidwell Street to the west, and White Rock Road to the south. The FPASP includes over 30 miles of planned trails. Currently, there are approximately 9 miles of trails already constructed in the FPA. With the recent construction of two phases of the Mangini Ranch development and future phases underway, staff has commenced the process of designing and engineering additional trail segments within the Mangini Ranch development to connect to parks, schools, and other FPA neighborhoods. The trail alignments through this new residential development were approved as part of the FPASP and the Mangini Ranch development project approvals.

In September 2021, the City Council awarded a contract to Kimley-Horn and Associates to prepare the design/engineering plans for the Folsom Plan Area Mangini Ranch Trails project. The original contract was to procure specialized professional services to design and engineer the proposed trails. After completing the design of the trails, a separate process will be

initiated to solicit bids from licensed contractors to construct the Mangini Ranch Trails Project.

In July 2024, the City Council approved Contract Amendment No. 1 which added two additional Class I trail improvement areas to the Mangini Ranch Trails project that were outside of the original contract scope of services with Kimley-Horn and Associates. One of the areas will continue the Class I trail constructed by a developer north of the SMUD substation to connect to the existing Class I trail to the east, crossing the former Old Placerville Road and existing Sacramento Placerville Transportation Corridor (SPTC) Joint Powers Authority (JPA) railroad tracks. The other area will continue the Class I trail on the east side parallel to the railroad tracks from the existing Class I trail south of Grand Prairie to White Rock Road (approximately 2,400 feet in length).

Contract Amendment No. 2 would include conducting a feasibility analysis for a grade-separated pedestrian and bicycle crossing of East Bidwell Street between Savannah Parkway and Mangini Parkway to increase safety for Class I trail users. The Folsom Plan Area Specific Plan (FPASP) included an at-grade crossing bicycle/pedestrian-activated traffic signal of East Bidwell Street. Over the last couple of months, staff have had internal discussions about switching from an at-grade East Bidwell Street crossing (traffic signal) for bicycles and pedestrians to a grade-separated crossing (overcrossing/undercrossing), between Savannah Parkway and Mangini Parkway. These discussions included issues such as safety, visibility, and connectivity of an at-grade crossing versus a grade-separated crossing of East Bidwell Street.

POLICY / RULE

In accordance with Sections 2.36.090(A)(1) and 2.36.120 of the Folsom Municipal Code, professional services are not subject to competitive sealed bidding requirements, and those costing $73,209 or greater shall be awarded by the City Council.

ANALYSIS

The existing built environment around the proposed East Bidwell Street grade-separated crossing is complex and includes an existing drainage culvert, floodway, sound/privacy walls, retaining walls, underground utilities, and under-construction residential housing that will need to be considered with the construction of a grade-separated crossing.

The analysis will determine the feasibility of a grade-separated crossing and document the anticipated constructability challenges of an undercrossing and overcrossing. The feasibility analysis will consider known surrounding improvements that will affect the geometry of the proposed grade-separated crossing options including, but not limited to, the following:

- The existing channel box culvert that flows under East Bidwell Street;
- The high water elevation of the channel/existing FEMA floodplain mapping;
- Any available geotechnical reports from previous work in the area;
- Any available environmental documents, technical studies, etc.;

- As-built plans for East Bidwell Street and the detention basin located north of the channel and its inflow and outflow piping, including wet and dry utilities within the roadway; and
- Existing sound/privacy walls and retaining walls.

The original contract with Kimley-Horn and Associates was $180,240, and this amount is included in the FY 2024-25 Capital Improvement Plan budget. Contract Amendment 1 for the two new Class I trail segments was $31,734, for a total contract amount of $211,974. The proposed Contract Amendment 2 for the grade-separated crossing feasibility analysis is $143,944.50, for an updated total contract amount not-to-exceed $355,918.50.

FINANCIAL IMPACT

The City Council approved Resolution No. 10681 at the September 14, 2021, City Council meeting authorizing the City Manager to execute an agreement with Kimley-Horn and Associates for planning and design services for the Folsom Plan Area Mangini Ranch Trails Project (Project PK2201). The City Council approved Resolution No. 11229 at the July 9, 2024, City Council meeting authorizing the City Manager to execute Contract Amendment No. 1 to include two additional Class I trail improvement areas to the project. The project is included in the Capital Improvement Plan with a Fiscal Year 2024-25 total project budget of $3,380,240.

The Parks and Recreation Department recommends that Contract Amendment No. 2, which provides East Bidwell Street bicycle and pedestrian crossing grade-separated feasibility analysis, be executed with Kimley-Horn for $143,944.50 for a new contract total amount not-to-exceed $355,918.50. Sufficient funds are budgeted and available in the Folsom Plan Area Mangini Ranch Trails Project (Project PK2201) budget for the cost of the amendment.

ENVIRONMENTAL REVIEW

The city, as the lead agency, previously certified an EIR/EIS for the Folsom Plan Area Specific Plan (FPASP). Subsequently, the City determined that the Mangini Ranch Subdivision project, including the future Mangini Ranch Trails, was entirely consistent with the FPASP. In reviewing this project, staff has determined that none of the events specified in Public Resources Code section 21166 has occurred. Therefore, the proposed project is exempt from CEQA as previously determined per Government Code section 65457 and CEQA Guidelines section 15182.

ATTACHMENT

1. Resolution No. 11291 - A Resolution Authorizing the City Manager to Execute Amendment No. 2 to the Contract with Kimley-Horn and Associates, Inc. for Mangini Ranch Trails Project (Project PK2201) Design and Engineering (Contract No. 173-21 17-054)

Submitted,

Kelly Gonzalez,
Parks and Recreation Director

RESOLUTION NO. 11291

A RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE AMENDMENT NO. 2 TO THE CONTRACT WITH KIMLEY-HORN AND ASSOCIATES, INC. FOR MANGINI RANCH TRAILS PROJECT (PROJECT PK2201) DESIGN AND ENGINEERING (CONTRACT NO. 173-21 17-054)

WHEREAS, the City Council approved Resolution No. 10681 at the September 14, 2021, City Council meeting authorizing the City Manager to execute an agreement with Kimley-Horn for design services for the Mangini Ranch Trails Project (Project PK2201); and

WHEREAS, it was determined that additional funding is necessary to conduct additional analysis for the feasibility of a grade-separated bicycle and pedestrian crossing of East Bidwell Street in the Folsom Plan Area; and

WHEREAS, there are sufficient funds budgeted and available in the Folsom Plan Area Mangini Ranch Trails Project (Project PK2201) budget for the additional amount of $143,944.50 for an updated contract amount not-to-exceed $355,918.50.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Folsom authorizes the City Manager to execute Contract Amendment No. 2 in the amount of $143,944.50 to the contract with Kimley-Horn and Associates for the new contract total amount not to exceed $355,918.50 for additional consultant services for the Folsom Plan Area Mangini Ranch Trails Project (Project PK2201).

PASSED AND ADOPTED this 12th day of November 2024, by the following roll-call vote:

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

Michael D. Kozlowski, MAYOR

ATTEST:

Christa Freemantle, CITY CLERK

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CITY OF
FOLSOM
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Folsom City Council
Staff Report

MEETING DATE:	11/12/2024
AGENDA SECTION:	Consent Calendar
SUBJECT:	Resolution No. 11293 - A Resolution Authorizing the City Manager to Execute a Contract Change Order with Central Valley Engineering and Asphalt, Inc. for the Construction of Sidewalks on Old Ranch Way and Savannah Parkway at Neighborhood Park 2 in the Folsom Plan Area (Contract 174-21 24-056) 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. 11293 – A Resolution Authorizing the City Manager to Execute a Contract Change Order with Central Valley Engineering and Asphalt, Inc. for the Construction of Sidewalks on Old Ranch Way and Savannah Parkway at Neighborhood Park 2 in the Folsom Plan Area (Contract 174-21 24-056) and Appropriation of Funds.

BACKGROUND / ISSUE

In September 2024, the City Council approved Resolution No. 11264, authorizing a contract with Central Valley Engineering and Asphalt, Inc. (CVE) for the Construction of Sidewalks on Old Ranch Way and Savannah Parkway at Neighborhood Park 2 in the Folsom Plan Area. The sidewalks included in the original scope of work were completed on October 21, 2024, within the budget of the original contract. Following the award of this contract, an additional location for sidewalk installation was identified on Savannah Parkway to fill in a gap in the sidewalk system that leads to Alder Creek Elementary. The location is on the south side of Savannah Parkway between Moseley Drive and Persimmon Way. This additional 175 linear feet of 6-foot-wide sidewalk will connect an existing end of the sidewalk to an existing crosswalk along the future Mangini Ranch Class I Bike Trail.

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 $73,209 or greater shall be awarded by City Council.

ANALYSIS

CVE has agreed to perform the additional sidewalk installation at the prime contract unit price, plus an additional cost to install the necessary Americans with Disabilities (ADA) ramp. Staff has compared the unit price of the ADA ramp to other recent similar project costs and found it to be within the expected price range.

FINANCIAL IMPACT

The City Council's approval of Resolution No. 11264 authorized the contract with CVE for the Construction of Sidewalks on Old Ranch Way and Savannah Parkway at Neighborhood Park 2 in the Folsom Plan Area for $101,869, with a total not-to-exceed amount of $112,056.00, which included a 10% contingency in the amount of $10,187 for potential change orders. The original scope of work was completed on budget and without the use of the 10% contingency fund, which staff is requesting be utilized towards this contract change order.

The total cost for the additional sidewalk and ADA ramp related to this contract change order is $29,957. If approved, this contract change order would increase the authorized amount by $19,770 to a total not-to-exceed contract amount of $131,826. Funds in the amount of $19,770 are available in the Measure A Fund (Fund 276) to be appropriated to this project.

ENVIRONMENTAL REVIEW

This project has been deemed categorically exempt from environmental review.

ATTACHMENT

Resolution No. 11293 - A Resolution Authorizing the City Manager to Execute a Contract Change Order with Central Valley Engineering and Asphalt, Inc. for the Construction of Sidewalks on Old Ranch Way and Savannah Parkway at Neighborhood Park 2 in the Folsom Plan Area (Contract 174-21 24-056) and Appropriation of Funds

Submitted,

_____

Mark Rackovan, PUBLIC WORKS DIRECTOR

RESOLUTION NO. 11293

A RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE A CONTRACT CHANGE ORDER WITH CENTRAL VALLEY ENGINEERING AND ASPHALT, INC. FOR THE CONSTRUCTION OF SIDEWALKS ON OLD RANCH WAY AND SAVANNAH PARKWAY AT NEIGHBORHOOD PARK 2 IN THE FOLSOM PLAN AREA (CONTRACT 174-21 24-056) AND APPROPRIATION OF FUNDS

WHEREAS, the City Council adopted Resolution No. 11264, authorizing contract 174-21 24-056 with Central Valley Engineering and Asphalt, Inc. for the Construction of Sidewalks on Old Ranch Way and Savannah Parkway at Neighborhood Park 2 in the Folsom Plan Area and Appropriation of Funds; and

WHEREAS, the Public Works Department was asked to install an additional 175 feet of 6-foot-wide sidewalk and one ADA Ramp on the south side of Savannah Parkway between Moseley Drive and Persimmon Way to fill in a gap in the sidewalk network leading to Alder Creek Elementary; and

WHEREAS, Central Valley Engineering and Asphalt, Inc. provided a quote of $29,957 for this additional work that staff found to be in the price range of recent similar projects; and

WHEREAS, the original contract contingency, in the amount of $10,187, will be utilized towards this contract change order; and

WHEREAS, an additional appropriation is required in the amount of $19,770; and

WHEREAS, staff is requesting the additional appropriation be funded from Measure A Fund (Fund 276) for a total project budget of $131,826; 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 Contract Change Order with Central Valley Engineering and Asphalt, Inc. for the Construction of Sidewalks on Old Ranch Way and Savannah Parkway at Neighborhood Park 2 in the Folsom Plan Area in the amount of $29,957.

NOW, THEREFORE, BE IT FURTHER RESOLVED that the Finance Director is authorized to appropriate $19,770 from the Measure A Fund (Fund 276) for the Construction of Sidewalks on Old Ranch Way and Savannah Parkway at Neighborhood Park 2 in the Folsom Plan Area Project, for a total not-to-exceed contract amount of $131,826.

PASSED AND ADOPTED this 12th day of November 2024, by the following roll-call vote:

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

Michael D. Kozlowski, MAYOR

ATTEST:

Christa Freemantle, CITY CLERK

Folsom City Council
Staff Report

MEETING DATE:	11/12/2024
AGENDA SECTION:	Consent Calendar
SUBJECT:	Resolution No. 11296 - A Resolution Authorizing the City Manager to Execute the Third Amendment to the Joint Powers Agreement between the City of Elk Grove, City of Folsom, City of Rancho Cordova, City of Sacramento, and the County of Sacramento for the Sacramento Central Groundwater Authority
FROM:	Environmental and Water Resources Department

RECOMMENDATION / CITY COUNCIL ACTION

The Environmental and Water Resources Department recommends that the City Council pass and adopt Resolution No. 11296 - A Resolution Authorizing the City Manager to Execute the Third Amendment to the Joint Powers Agreement between the City of Elk Grove, City of Folsom, City of Rancho Cordova, City of Sacramento, and the County of Sacramento for the Sacramento Central Groundwater Authority.

BACKGROUND / ISSUE

On April 25, 2006, the City Council approved Resolution No. 7786, a resolution endorsing the concept of a Joint Powers Agreement (JPA) between the Cities of Elk Grove, Folsom, Sacramento, and Rancho Cordova, and the County of Sacramento that would create the Central Sacramento County Groundwater Management Authority, known as the Sacramento Central Groundwater Authority (SCGA).

The City of Folsom has been directly involved in the development of the Central Sacramento Groundwater Management Plan and the governance structure for the implementation of this Management Plan. This activity was pursued as part of the City's participation under the Water Forum Agreement (WFA), and this element of the WFA provided for the formation of a groundwater management authority for the South American Subbasin (SASb) called the

Sacramento Central Groundwater Authority (SCGA). SASb is within an area south of the American River within the County of Sacramento.

The JPA was first amended in 2017 to allow the Florin Resources Conservation District/Elk Grove Water Service, the Omochumne-Hartnell Water District, and the Rancho Murieta Community Services District to appoint a designated employee to the SCGA Governing Board. The JPA was amended a second time to incorporate adjustment of SCGA's boundaries and change in governing board membership based on the boundary adjustments, modify its governing board membership eligibility criteria, and update technical definitions.

This JPA amendment was prompted by the County of Sacramento's decision to discontinue services as treasurer and controller for SCGA, which was directly listed in the JPA. Therefore, staff recommends that the city council adopt the third amendment to the JPA.

POLICY / RULE

As a signatory to the JPA for the formation of the SCGA, it is necessary for the City Council to approve by resolution authority for the Mayor to execute the JPA Amendment.

ANALYSIS

The SCGA Board, at its August 14, 2024, meeting, voted unanimously to recommend changes to the Agreement (Attachment 3). These modifications are prompted by the County of Sacramento's decision to discontinue services as treasurer and controller for SCGA. The County of Sacramento is identified as the SCGA Treasurer in the Agreement (Section 13), so the Agreement must be amended to effect this change. Any amendments to the JPA must be approved by each of the five signatory agencies. The SCGA Board is proposing to contract with a consultant for accounting services, as well as appoint a treasurer that will replace the County's role.

A draft of proposed amendments is provided (Attachment 3). In addition to making the change to the treasurer role, other amendments include:

- Additional references to the Sustainable Groundwater Management Act (SGMA) as a defining purpose of SCGA.
- Reflecting the revised name of Sacramento Area Sewer District.
- Reflecting the correct name of the Elk Grove Water District.
- Clarity where the term "Board" refers to the Sacramento County Board of Supervisors.
- Removal of the requirement that the Sacramento County Water Agency concur with the Board's choice of an executive director (Section 14).
- Removal of language referring to the 2006 Groundwater Management Plan (Section 19).
- Removal of language referring to the Well Protection Program (Section 20).

Any amendment of the JPA requires the affirmative vote of all governing bodies of the five signatory agencies. Adoption of this resolution will authorize the City Council to approve the third JPA amendment.

FINANCIAL IMPACT

The cost that SCGA historically pays the County of Sacramento for financial services is anticipated to be the same for an outside consulting company. Therefore, there is no anticipated financial impact.

ENVIRONMENTAL REVIEW

This action is exempt from environmental review under Section 15320 of the California Environmental Quality Act (CEQA) as the project consists of changes in the organization of local governmental agencies. A Notice of Exemption will be filed with the County Clerk after the City Council adopts the resolution authorizing the execution of the JPA.

ATTACHMENTS

1. Resolution No. 11296 - A Resolution Authorizing the City Manager to Execute the Third Amendment to the Joint Powers Agreement between the City of Elk Grove, City of Folsom, City of Rancho Cordova, City of Sacramento, and the County of Sacramento for the Sacramento Central Groundwater Authority

2. SCGA Board of Directors Approval of JPA Amendments to Signatory Agencies August 14, 2024 Agenda Item #4.

3. SCGA JPA 3rd Amendment Proposed Revisions - Clean Version.

Submitted,

_____

Marcus Yasutake, Director
ENVIRONMENTAL AND WATER RESOURCES DEPARTMENT

ATTACHMENT 1

RESOLUTION NO. 11296

A RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE THE THIRD AMENDMENT TO THE JOINT POWERS AGREEMENT BETWEEN THE CITY OF ELK GROVE, CITY OF FOLSOM, CITY OF RANCHO CORDOVA, CITY OF SACRAMENTO, AND THE COUNTY OF SACRAMENTO FOR THE SACRAMENTO CENTRAL GROUNDWATER AUTHORITY

WHEREAS, the Sacramento Central Groundwater Authority ("SCGA") was established on August 29, 2006 pursuant to the Joint Exercise of Powers Act (Chapter 5 (commencing with Section 6500) of Division 7 of Title 1 of the California Government Code) by agreement of the County of Sacramento and the cities of Elk Grove, Folsom, Rancho Cordova, and Sacramento ("Parties") to regulate groundwater by a collaborative process composed of stakeholders in the Central Sacramento County Groundwater Basin ("Central Basin") and to develop and implement a Groundwater Sustainability Plan ("GSP") to promote the use of groundwater resources within the Central Basin for agricultural and municipal and industrial uses in the public interest and for the common benefit of all water users within the County of Sacramento ("Agreement"); and

WHEREAS, the Agreement identifies SCGA's governing body representing various public agencies and interests, sets the boundaries managed by SCGA, and sets membership criteria; and

WHEREAS, SCGA desires to amend the Agreement for the third time to incorporate changes to the JPA including modifications to discontinue services provided by the County of Sacramento as treasurer and controller for SCGA, in addition to other revisions. The County of Sacramento is specifically identified as the SCGA Treasurer in the Agreement (Section 13), so the Agreement must be amended to effect this change; and

WHEREAS, SCGA's Board took formal action on August 14, 2024 recommending approval of the Third Amendment to the Agreement; and

WHEREAS any amendment of the Agreement requires the affirmative vote of all governing bodies of the Parties:

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Folsom authorizes the City Manager to Execute the Third Amendment to the Joint Powers Agreement between the City of Elk Grove, City of Folsom, City of Rancho Cordova, City of Sacramento, and the County of Sacramento for the Sacramento Central Groundwater Authority.

PASSED AND ADOPTED this 12th day of November 2024, by the following roll-call vote:

AYES: Councilmember(s):
NOES: Councilmember(s):
ABSENT: Councilmember(s):

ABSTAIN: Councilmember(s):

Michael D. Kozlowski, MAYOR

ATTEST:

Christa Freemantle, CITY CLERK

ATTACHMENT 2

AGENDA ITEM 4: CONSIDERATION OF AMENDMENTS TO THE SCGA JOINT POWERS AGREEMENT

Background:
Sacramento County staff has informed SCGA that they intend to discontinue providing financial and accounting services and serving as the SCGA Treasurer. SCGA must provide these services through another mechanism. The transition is targeted to be finalized by June 30, 2025 to begin Fiscal Year 2025-26.

Sacramento County is identified as the SCGA Treasurer in the Joint Powers Agreement (Section 13), so the Agreement must be amended to effect this change. The amended Agreement must be approved by each of the five signatory agencies.

A draft of proposed amendments is provided. In addition to making the change to the treasurer role, other amendments include:

- Additional references to SGMA as a defining purpose of SCGA
- Reflecting the revised name of Sacramento Area Sewer District
- Reflecting the name of the Elk Grove Water District
- Clarity where the term "Board" refers to the Sacramento County Board of Supervisors
- Removal of the requirement that the Sacramento County Water Agency concur with the Board's choice of an executive director (Section 14)
- Removal of language referring to the 2006 Groundwater Management Plan (Section 19)
- Removal of language referring to the Well Protection Program (Section 20)

If the SCGA Board approves the proposed amendments, the SCGA representatives from the cities of Elk Grove, Folsom, Rancho Cordova and Sacramento, and Sacramento County will expedite the consideration of the amendments by their respective Councils and Board.

Attachments:

- Draft JPA Amendments

Recommended Action:

- Recommend amendments to the SCGA Joint Powers Agreement for consideration of the signatory city councils and board of supervisors.

The recommended action was unanimously approved by the SCGA Board on August 14, 2024

John Woodling, Executive Director

Valerie Kincaid, General Counsel/Clerk

~~SECOND~~ THIRD AMENDMENT TO THE JOINT POWERS AGREEMENT BETWEEN THE CITY OF ELK GROVE, THE CITY OF FOLSOM, THE CITY OF RANCHO CORDOVA, THE CITY OF SACRAMENTO AND THE COUNTY OF SACRAMENTO CREATING THE SACRAMENTO CENTRAL GROUNDWATER AUTHORITY

This ~~Second~~ THIRD Amendment to the Joint Powers Agreement ("Second Amendment") is made
and entered into this _____ day of _____, 2024, by and between the City of Elk Grove, a municipal corporation, the City of Folsom, a municipal corporation, the City of Rancho Cordova, a municipal corporation, the City of Sacramento, a municipal corporation, and the County of Sacramento, a political subdivision of the State of California.

RECITALS

WHEREAS, each of the parties to this Agreement is a local government entity functioning within the County of Sacramento; and

WHEREAS, pursuant to the Joint Exercise of Powers Act (Chapter 5 (commencing with Section 6500) of Division 7 of Title 1 of the California Government Code), two or more public agencies may by agreement jointly exercise any power held in common by the agencies entering into such an agreement; and

WHEREAS, the Parties approved and fully executed the First Amendment to this Joint Powers Agreement on April 21, 2017 allowing non-elected staff of three Authority member entities to be nominated and appointed as Authority Board members; and

WHEREAS, the Parties approved and fully executed the Second Amendment to this Joint Powers Agreement on July 25, 2022 adjusting the boundaries and removing two of the board seats; and

WHEREAS, the Parties desire to further amend the Joint Powers Agreement to ~~incorporate adjustment of the Authority's boundaries, change in governing board membership based on the boundary adjustments, modification to governing board membership eligibility criteria, and updated technical definitions~~rescind the requirement that the County of Sacramento serve as Treasurer and Controller; remove references to the Central County Groundwater Management Plan and Well Protection Program; and remove the concurrence authority of the Sacramento County Water Agency in appointing the executive director.

WHEREAS, each of the parties hereto has under its police power the authority to regulate groundwater; and

WHEREAS, the parties are cognizant of the process commonly referred to as the Sacramento Area Water Forum (Water Forum) and of the Water Forum Agreement (WFA); and

WHEREAS, the WFA provided for the creation of a collaborative process composed of stakeholders in the Central Sacramento County Groundwater Basin, then known as the South Basin, but now identified as the Sacramento Valley - South American Subbasin (State Department of Water Resources Groundwater Basin ID 5-021.65), also abbreviated herein as SASb, to develop a groundwater management plan (GMP) for the basin and make recommendations on how and by whom the basin should be managed and the GMP implemented; and

WHEREAS, in accordance with the provisions of the WFA, the Sacramento Area Water Forum Successor Effort convened such a collaborative process, known as the Central Sacramento County Groundwater Forum (CSCGF); and

WHEREAS, the CSCGF has completed its work on the GMP and recommended the establishment of a joint powers authority to manage the basin and implement the plan; and

WHEREAS, the parties hereto find that it is to their mutual advantage and benefit, and in the public interest, to establish such an authority pursuant to this Agreement in order to implement the GMP developed by the CSCGF; and

WHEREAS, the parties hereto find and declare that the conservation of groundwater resources within the SASb for agricultural and municipal and industrial uses is in the public interest and for the common benefit of all water users within the County of Sacramento; and

WHEREAS, one of the primary purposes of the joint powers authority established pursuant to this Agreement is to maintain the sustainable yield of the SASb as set forth in the GMP; and

WHEREAS, it is the desire of the parties hereto to use the groundwater management powers which they have in common that are necessary and appropriate to further the purposes for which the joint powers authority is being established; and

WHEREAS, to accomplish the above stated goals and purposes, the Sacramento Central Groundwater Authority (SCGA) elected, by Resolution 2016-06, to become the Groundwater Sustainability Agency (GSA) pursuant to the Sustainable Groundwater Management Act (SGMA) for a portion of the groundwater subbasin overlying the County of Sacramento within the SASb and further identified as SCGA GSA, graphically depicted in Exhibit A and incorporated herein to this Agreement; and.

WHEREAS, the Sacramento Central Groundwater Authority, in partnership with five other GSAs, prepared, adopted and submitted a Groundwater Sustainability Plan (GSP) to the California Department of Water Resources in compliance with SGMA and the GSP was subsequently approved; and

WHEREAS, the parties hereto may amend this Agreement in the future to incorporate changes that may be the result of discussions with other public agencies both inside and outside the County of Sacramento which have a specific and relevant interest in the SASb.

NOW, THEREFORE, in consideration of the promises, terms, conditions, and covenants contained herein, the City of Elk Grove, the City of Folsom, the City of Rancho Cordova, and the City of Sacramento and the County of Sacramento hereby agree as follows:

1. **Incorporation of Recitals.** The foregoing recitals are hereby incorporated by reference.

2. **Definitions.** As used in this Agreement, the following words and phrases shall have the meanings set forth below unless the context clearly indicates otherwise.

(a) "Authority" shall mean the Sacramento Central Groundwater Authority that is established pursuant to the Joint Powers Act and this Agreement.

(b) "Conjunctive use" shall mean the planned management and use of both groundwater and surface water in order to maintain the sustainable yield of the SASb.

(c) "SASb" shall mean Sacramento Valley - South American Subbasin (State Department of Water Resources Groundwater Basin ID 5-021.65).

(d) "Sustainable yield" shall mean the amount of groundwater which can be safely extracted from the SASb on an estimated average annual basis while maintaining groundwater elevations and groundwater quality at acceptable levels as set forth in the Groundwater Management Plan. Sustainable yield requires a balance between extraction and basin recharge and is expressed as the number of acre feet of groundwater per year which can be extracted from the SASb on an average annual basis as set forth in the GMP.

(e) "Conservation land owner" shall mean a non-profit land trust holding a fee or easement interest in one thousand five hundred (1500) acres or more of land located within the boundaries of the Authority, as defined in Section 4 below.

(f) "Annual pumping" for purposes of determining assessments, fees or charges for management and operations of the Authority shall mean the total amount of groundwater produced within the boundaries of the Authority by each retail provider, by agricultural interests, by agricultural-residential groundwater users, by commercial/industrial self supplied groundwater users and by public agency self-supplied groundwater users, for use within the boundaries of the Authority and other areas approved by the Authority's Board of Directors excluding the first five thousand (5000) acre-feet of groundwater pumping by each such user.

(g) "GMP" means the Central Sacramento Groundwater Management Plan produced by the Central Sacramento County Groundwater Forum and dated February 2006.

3. **Purpose.** This Agreement is being entered into in order to establish a joint powers authority for the following purposes:

(a) to maintain the long-term sustainable yield of the SASb;

(b) to ensure implementation of the Basin Management Objectives that are prescribed by the GMP;

(c) to oversee the operation of any Well Protection Program that may be prescribed by the GMP;

(d) to manage the use of groundwater within the boundaries of the Authority and facilitate implementation of an appropriate conjunctive use program by water

purveyors; (e) to coordinate efforts among those entities represented on the governing body of the joint powers authority to devise and implement strategies to safeguard groundwater quality; and

(f) to work collaboratively with other entities, including the Sacramento Groundwater Authority, the Southeast Sacramento County Agriculture Water Authority and other groundwater management authorities that may be formed in the County of Sacramento and adjacent political jurisdictions, in order to promote coordination of policies and activities throughout the region.

4. Establishment Of The Authority. There is hereby established pursuant to the Joint Exercise of Powers Act a joint powers authority which shall be a public entity separate from the parties to this Agreement. The name of such entity shall be the Sacramento Central Groundwater Authority. The boundaries of the Authority shall be as follows: That portion of the Sacramento Valley South American Subbasin (Basin 5-21.65) bounded on the north by the American River; bounded on the south by the Cosumnes River to the intersection with State Highway 99, Grant Line Road to the intersection with Jackson Highway, and the southern boundary of Kiefer Landfill; on the west by the Sacramento River and Interstate 5, and on the east by the Sacramento County Urban Services Boundary, as further and more precisely depicted in the boundary map, attached hereto and incorporated herein as Exhibit A.

5. Membership Of The Governing Board. The governing body of the Authority shall be a Board of Directors of fourteen (14) members consisting of the following representatives who shall be appointed in the manner set forth in Section 7 of this Agreement:

(a) An elected member of the governing board or designated employee of each of the following public agencies: the City of Elk Grove, the City of Folsom, the City of Rancho Cordova, the City of Sacramento, the County of Sacramento and the Sacramento ~~Regional County Sanitation~~Area Sewer District.

(b) An elected member of the governing board or designated employee of the Florin Resource Conservation District/Elk Grove Water District.

(c) A member of the board of directors, or designee thereof, of each of the following private water purveyors or investor owned utilities the California-American Water Company, and the Golden State Water Company.

(d) One representative of agricultural interests within the boundaries of the Authority.

(e) One representative of agriculture-residential groundwater users within the boundaries of the Authority.

(f) One representative of commercial/industrial self-supplied groundwater users within the boundaries of the Authority.

(g) One representative of conservation landowners within the boundaries of the Authority.

(h) One representative of public agencies that are self-supplied groundwater users within the boundaries of the Authority.

6. **Adjustment To Composition Of Governing Board.** Should circumstances change in the future, any person or entity may petition the parties hereto to amend this Agreement so as to add or delete representatives to the governing board to accurately reflect groundwater production within the boundaries of the Authority.

7. **Appointment Of Members Of Governing Board.**

(a) The members of the governing board of the Authority shall be appointed as follows:

(i) The City of Elk Grove representative shall be appointed by the Elk Grove City Council.

(ii) The City of Folsom representative shall be appointed by the Folsom City Council.

(iii) The City of Rancho Cordova representative shall be appointed by the Rancho Cordova City Council.

(iv) The City of Sacramento representative shall be appointed by the Sacramento City Council.

(v) The County of Sacramento representative shall be appointed by the Sacramento County Board of Supervisors ("Board").

(vi) The Florin Resource Conservation District/Elk Grove Water ~~Service~~ District representative shall be appointed by the Elk Grove City Council.

(vii) The Golden State Water Company representative shall be appointed by the Rancho Cordova City Council.

(viii) The California-American Water Company representative shall be appointed by the Sacramento County Board of Supervisors.

(ix) In addition to the representative of the County of Sacramento provided for in Section 7 (a)(v), the following representatives shall be appointed by the Sacramento County Board of Supervisors:

1. Agricultural interests. After considering the nomination by the Sacramento County Farm Bureau, as required by sub-section (b) of this Section, the Sacramento County Board of Supervisors shall appoint the representative of agricultural interests.

2. Agriculture-residential groundwater users. After considering the nomination by the Vineyard Community Advisory Council in consultation with adjacent Councils within the SASb, as required by sub-section (b) of this Section, the Sacramento County Board of Supervisors shall appoint the representative of agricultural/ residential groundwater users.

3. Commercial/industrial self-supplied groundwater users. After considering the joint nomination by the Sacramento Metropolitan Chamber of Commerce and the Building Industry Association in consultation with commercial/industrial self-supplied groundwater users and business organizations that are signatories to the Water Forum Agreement, as required by sub-section (b) of this Section, the Sacramento County Board of Supervisors shall appoint the

representative of commercial/industrial self-supplied groundwater users.

4. Conservation landowners. After considering the nomination by conservation landowners holding a fee or easement interest in one thousand five hundred (1500) acres or more within the boundaries of the Authority in consultation with environmental and community organizations that are signatories to the Water Forum Agreement, as required by sub-section (b) of this Section, the Sacramento County Board of Supervisors shall appoint the representative of conservation land owners.

5. Public agencies that are self-supplied groundwater users. After considering the nomination by the Southgate Recreation and Park District in consultation with other public agencies which are self-supplied groundwater users, as required by sub-section (b) of this Section, the Sacramento County Board of Supervisors shall appoint the representative of public agencies that are self-supplied groundwater users.

6. Sacramento ~~Regional County Sanitation~~Area Sewer District. After considering the nomination by the Sacramento ~~Regional County Sanitation~~Area Sewer District, as required by sub-section (b) of this Section, the Sacramento County Board of Supervisors shall appoint the representative of the Sacramento ~~Regional County Sanitation~~Area Sewer District.

(b) Prior to the appointment of the representatives of the entities described in subsections (a)(vi) through (a)(ix) above, those entities shall submit a recommended appointment for their respective representatives to the appointing authority identified in subsections (a)(vi) through (a)(ix) of this Section 7. The appointing authority shall give consideration to such recommendations, but shall retain the absolute discretion to appoint

any person satisfying the criteria for appointment set forth in Section 5 of this Agreement.

8. Governing Board Voting Requirements.

(a) Each member of the governing board of the Authority shall have one vote. With the exception of fiscal items as set forth in subsections (b) and (c) below, an affirmative vote by a majority of all members of the governing board is required to approve any item related to implementation of the Groundwater Management Plan.

(b) Fiscal items, including, but not limited to, approval of the annual budget of the Authority and any expenditures, shall require an affirmative vote by a majority of all the members of the governing board that includes affirmative votes by all of the representatives of the Cities of Elk Grove, Folsom, Rancho Cordova and Sacramento and the County of Sacramento.

(c) Any change in annual contributions necessary to support the work of the Authority as set forth in subsection (d) below, shall require an affirmative vote of ten of the fourteen members of the governing board that includes affirmative votes by all of the representatives of the Cities of Elk Grove, Folsom, Rancho Cordova and Sacramento and the County of Sacramento.

(d) The Authority shall initially be funded as follows:

(i) An annual contribution by the Cities of Elk Grove, Folsom, Rancho Cordova and Sacramento and the County of Sacramento in the amount of ten thousand dollars ($10,000.00) each. (These entities shall not be required to pay any additional fee or assessment, such as that described in subsection (d)(ii) below.)

(ii) An annual contribution by each of those water purveyors represented on the Governing Board, other than the entities listed in subsection (d)(i) above, that purvey surface water in the amount of six thousand dollars ($6,000.00).

(iii) An annual contribution by each of those water purveyors represented on the Governing Board, other than the entities listed in subsection (d)(i) above, that utilize groundwater, calculated at the rate of two dollars and seven cents ($2.07) per acre foot of groundwater pumped from the basin, averaged over the three previous years and excluding the first five thousand (5000) acre feet pumped in each of those years.

(iv) An annual contribution by agriculture computed at twenty five percent (25%) of the estimated annual pumping (as determined by the Sacramento County Water Agency) at the rate of two dollars and seven cents ($2.07) per acre foot and paid out of SCWA Zone 13 funds.

(v) An annual contribution by agriculture/residential groundwater users computed at twenty five percent (25%) of the estimated annual pumping (as determined by the Sacramento County Water Agency) at the rate of two dollars and seven cents ($2.07) per acre foot and paid out of SCWA Zone 13 funds.

(vi) All annual funds shall be paid by July 1 of each year, commencing on July 1, 2006. The annual fee for the first year after the effective date of this Agreement shall be prorated from the date of the last signatory approval establishing the Authority.

(e) The governing board of the Authority may, at its discretion, adjust the funding contributions set forth in sub-section (d) above, subject to compliance with the voting requirements prescribed in sub-section (c) above.

9. **Quorum.** A majority of the members of the governing board shall constitute a quorum for purposes of transacting business, except less than a quorum may vote to adjourn a meeting.

10. **Terms Of Office.** With the exception of the initial term of the representatives appointed by the County of Sacramento as described in Section 7 (a)(ix), the term of office of each member of the governing board the Authority

shall be for a period of four (4) years. For the purpose of providing staggered terms of office, the term of the initial representatives appointed by the County of Sacramento as described in Section 7 (a)(ix) shall be for a period of two (2) years. Thereafter, the term of office of each representative appointed by the County of Sacramento as described in Section 7 (a)(ix) shall be for a period of four (4) years. Each member of the governing board shall serve at the pleasure of the appointing body and may be removed as a member of the governing board by the appointing body at any time. If at any time a vacancy occurs on the governing board, a replacement shall be appointed to fill the unexpired term of the previous representative pursuant to the provisions of Section 7 of this Agreement within ninety (90) days of the date that such position becomes vacant.

11. **Alternates.** The City of Elk Grove, the City of Folsom, the City of Rancho Cordova, the City of Sacramento and the County of Sacramento, in addition to their regular appointments, shall appoint one or more persons with the required qualifications to serve as alternate members of the governing board of the Authority. The other entities described in Section 7 (a) (vi) through (a) (ix), which may nominate their respective representatives, may also nominate one or more persons with the required qualifications to serve as alternate members of the governing board of the Authority and such alternates shall be appointed pursuant to the procedure for regular appointments set forth in Section 7(b) of this Agreement. Any such alternates who are appointed as alternates by the appointing authorities specified in Section 7(a)(vi) through (a)(ix) shall be empowered to cast votes in the absence of the regular members or, in the event of a conflict of interest preventing the regular member from voting, to vote because of such a conflict of interest.

12. **Organization Of The Authority.** The governing board of the Authority shall elect a chair, a vice chair and such other officers as the governing

board shall find appropriate. Such officers shall serve for a term of one (1) year unless sooner terminated at the pleasure of the governing board.

13. Treasurer, Controller, Clerk and Legal Counsel.

(a) The Board of Directors of the Authority shall appoint a ~~County of Sacramento Director of Finance shall act as~~ treasurer, controller and fiscal agent, ~~and controller~~ for the Authority, which may be one or more individuals. The controller of the Authority shall cause an independent annual audit of the Authority's finances to be made by a certified public accountant in compliance with Government Code Section 6505. The treasurer of the Authority shall be the depositor and shall have custody of all money of the Authority from whatever source. The controller of the Authority shall draw warrants to pay demands against the Authority when the demands have been approved by the Authority or by its authorized representative pursuant to any delegation of authority adopted by the Authority. The treasurer and controller shall comply strictly with the provisions of statutes relating to their duties found in Chapter 5 (commencing with Section 6500) of Division 7 of Title 1 of the Government Code.

(b) The governing board of the Authority shall appoint a clerk and legal counsel as it deems appropriate.

14. Executive Director. The governing board of the Authority~~, with the concurrence of the Sacramento County Water Agency,~~ shall appoint an Executive Director who shall be responsible to the governing board for the proper and efficient administration of the Authority as directed by the governing board pursuant to the provisions of this Agreement or of any ordinance, resolution or order of the governing board. In addition to any other duties which may be assigned, the Executive Director shall have the following authority:

(a) under the policy direction of the governing board, to plan, organize and direct all Authority activities;

(b) to authorize expenditures within the designations and limitations of the budget approved by the governing board;

(c) to make recommendations to and requests of the governing board concerning any matter which is to be performed, done or carried out by the governing board; (d) to have the authority to appoint, discipline, assign and otherwise supervise and control the activities of any employees or contractors which may be hired or retained by the Authority; and

(e) to have charge of, handle and have access to any property of the Authority.

15. **Meetings.** The Authority shall provide for regular and special meetings in accordance with the Ralph M. Brown Act (Chapter 9 (commencing with Section 54950) of Part 1 of Division 2 of Title 5 of the Government Code) or with any successor provision.

16. **Minutes.** The clerk appointed by the governing body of the Authority shall cause to be kept minutes of all meetings of the governing board, and shall cause a copy of such minutes to be forwarded to each member of the governing board and to the chief administrative officer of each of the signatory agencies.

17. **Powers and Functions.**

(a) The Authority shall have no power to regulate land use or to engage in the retail sale of water.

(b) Subject to the limitations set forth in subsection (a), the Authority shall have any and all powers commonly held by the parties hereto necessary or appropriate to regulate groundwater within the boundaries of the Authority including, but not limited to, the following powers:

(i) Collect and monitor data on the extraction of groundwater from, and the quality of groundwater in, the SASb;

(ii) Facilitate any Conjunctive Use program the purpose of which is to maintain the Sustainable yields in the SASb consistent with the GMP;

(iii) Distribute water in exchange for ceasing or reducing groundwater extractions;

(iv) Spread, sink and inject water into the SASb;

(v) Store, transport, recapture, recycle, purify, treat or otherwise manage and control water for the beneficial use of persons and property within the Authority; (vi) Study and plan ways and means to implement any or all of the foregoing powers.

(c) For purposes of exercising the authority set forth in subsection (b), and subject to the limitations set forth in subsection (a), the Authority shall have the following corporate and political powers:

(i) To sue and be sued in all actions and proceedings in all courts and tribunals.

(ii) To adopt a seal and alter it at its discretion.

(iii) For the common benefit of the Authority, to store water in underground water basins or reservoirs within and outside the Authority, to appropriate water and acquire water rights within or outside the Authority, to import water into the Authority, and to conserve, or cause the conservation of, water within or outside the Authority.

(iv) To act jointly, or cooperate, with the Federal government or any agency thereof, the state, or any county or agency thereof, or any political subdivision or district therein, including flood control districts, private and public corporations, and any person, so that the powers of the Authority may be fully and economically exercised.

(v) To cause taxes, assessments, fees or charges to be levied in accordance with applicable State law, and in a manner consistent with the GMP to accomplish the purposes of the Authority.

(vi) To require the permitting of groundwater extraction facilities within the boundaries of the Authority, to maintain a record of extraction with respect to any such facilities, and to require the installation of meters on

groundwater extraction facilities for the purpose of determining the amount of groundwater being extracted from the SASb.

(vii) To make contracts, employ labor and to do all acts necessary for the full exercise of the Authority's powers.

(viii) To carry on technical and other investigations of all kinds necessary to further the purposes of the Authority.

(ix) To fix rates at which water acquired by the Authority shall be sold for replenishment purposes, and to establish different rates for different classes of service or conditions of service, provided that the rates shall be uniform for like classes and conditions of service.

(x) To participate in any contract under which producers may voluntarily agree to use surface water in lieu of groundwater, and to that end the Authority may become a party to the contract and pay from Authority funds that portion of the cost of the surface water as will encourage the purchase and use of that water in lieu of pumping so long as persons or property within the boundaries of the Authority are directly or indirectly benefitted by the resulting replenishment of the SASb.

(xi) To apply for, accept and receive state, federal or local licenses, permits, grants, loans or other aid from any agency of the United States, the State of

California, or other public or private entity necessary or appropriate for the Authority's full exercise of its powers.

18. **Budgets.** Within ninety (90) days after the first meeting of the governing board of the Authority, and thereafter prior to the commencement of each fiscal year (defined as July 1 through June 30), the governing board shall adopt a budget for the Authority for the ensuing fiscal year.

~~**19. Adoption of the Central Sacramento County Groundwater Management**~~

~~**Plan.** Within sixty (60) days after the first meeting of the governing board of the Authority, the governing board shall consider for adoption the Central Sacramento County Groundwater Management Plan (CSCGMP) negotiated by the Central Sacramento County Groundwater Forum and dated February, 2006. The governing board of the Authority may revise the CSCGMP subsequent to its adoption as it deems appropriate.~~

~~**20. Implementation of the Well Protection Program.** In order to facilitate the implementation of the Well Protection Program described in the Central Sacramento County Groundwater Management Plan, within sixty (60) days after the first meeting of the governing board of the Authority, the governing board shall submit to each of the entities who are signatories to this Agreement, and who have land use authority for areas within the boundaries of the Authority where new development will or may be served by groundwater, a draft Well Protection Plan ordinance to consider for adoption.~~

~~21.~~19. Termination. This Agreement shall remain in effect until terminated by one of the parties hereto pursuant to this section. This Agreement may be terminated by any of the parties hereto at any time and for any reason by providing ninety (90) days written notice of termination to the other parties.

~~22.~~20. Disposition Of Authority Assets Upon Termination.

(a) In the event of the termination of the Authority where there will be a successor public entity which will carry on the functions of the Authority and assume its assets, the assets of the Authority shall be transferred to the successor public entity.

(b) If there is no successor public entity which will carry on the functions of the Authority and assume its assets, the assets shall be returned to the parties hereto in proportion to the contribution of each party during the term of this Agreement. (c)

If there is a successor public entity which will carry on some of the functions of the Authority and assume some of its assets, the assets of the Authority shall be allocated

by the governing board of the Authority between the successor public entity and the parties hereto.

~~23.~~21. **Liabilities.** The debts, liabilities and obligations of the Authority shall be the debts, liabilities and obligations of the Authority alone, and not of the parties to this Agreement.

~~24.~~22. **Rules.** The governing board of the Authority may adopt from time to time such rules and regulations for the conduct of its affairs as it deems necessary and appropriate.

~~25.~~23. **Effective Date.** This agreement and the Authority created under it shall become effective when the governing bodies of all of the parties shall have authorized its execution.

~~26.~~24. **Amendments.** This Agreement may only be amended by the affirmative vote of the governing bodies of all of the parties hereto.

~~27.~~25. **Liberal Construction.** The provisions of this Agreement shall be liberally construed as necessary or reasonably convenient to achieve the purposes of the Authority.

~~28.~~26. **Liability of Board, Officers and Employees.**

(a) The members of the Board, officers, and employees of the Authority shall use ordinary care and reasonable diligence in the exercise of their powers, and in the performance of their duties pursuant to this Agreement. They shall not be liable to the parties to this Agreement for of any mistake of judgment or other action made, taken, or omitted by them in good faith, nor for any action made, taken, or omitted by any agent, employee, or independent contractor selected with reasonable care, nor for loss incurred through the investment of the Authority's funds, or failure to invest the same. (b) To the extent authorized by California law, no member of the Board, officer, or employee of the Authority shall be responsible for any action made, taken, or omitted, by any other member of the Board, officer, or employee. No member of the Board, officer, or employee of the Authority shall be required to give a bond or other security to guarantee

the faithful performance of his or her duties pursuant to this Agreement. (c) The funds of the Authority shall be used to defend, indemnify, and hold harmless the Authority and any member of the Board, officer, or employee of the Authority for actions taken in good faith and within the scope of his or her authority. Nothing herein shall limit the right of the Authority to purchase insurance or to create a self-insurance mechanism to provide coverage for the foregoing indemnity.

29. **Notices.** Any notices to the parties required by this Agreement shall be delivered or mailed, United States Mail first class, postage prepaid, addressed as follows:

CITY OF ELK GROVE
8380 Laguna Palms Way
Elk Grove, CA 95758
Attn: City Engineer

CITY OF FOLSOM
50 Natoma Street
Folsom, CA 95630
Attn: Director of Utilities

CITY OF RANCHO CORDOVA
2729 Prospect Park Drive
Rancho Cordova, CA 95670
Attn: Public Works Director

CITY OF SACRAMENTO
1395 35th Ave
Sacramento, CA 95822
Attn: Director, Department of Utilities

COUNTY OF SACRAMENTO
827 7th Street, Rm 301
Sacramento, CA 95814
Attn: Director, Department of Water Resources

Notices given under this Agreement shall be deemed to have been received at the earlier of actual receipt, or the second business day following deposit in the United States mail, as required above. Any party may amend its address for notice by notifying the other parties pursuant to this Section.

IN WITNESS WHEREOF, the parties hereto execute this ~~Second~~ Third Amendment on the date first written above.

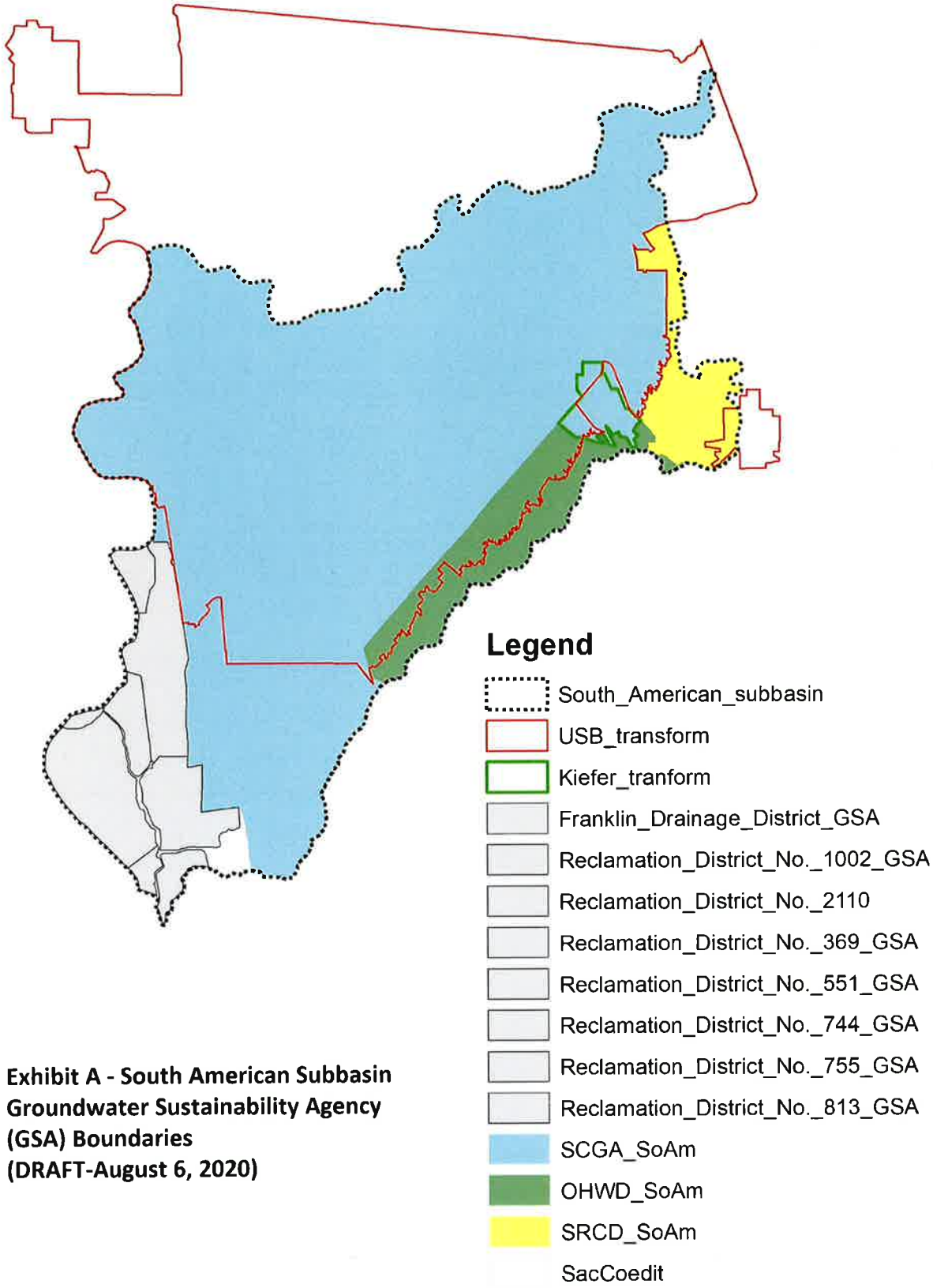


Exhibit A - South American Subbasin Groundwater Sustainability Agency (GSA) Boundaries (DRAFT-August 6, 2020)

ATTACHMENT 3

THIRD AMENDMENT TO THE JOINT POWERS AGREEMENT BETWEEN THE CITY OF ELK GROVE, THE CITY OF FOLSOM, THE CITY OF RANCHO CORDOVA, THE CITY OF SACRAMENTO AND THE COUNTY OF SACRAMENTO CREATING THE SACRAMENTO CENTRAL GROUNDWATER AUTHORITY

This THIRD Amendment to the Joint Powers Agreement ("Second Amendment") is made and entered into this _____ day of _____, 2024, by and between the City of Elk Grove, a municipal corporation, the City of Folsom, a municipal corporation, the City of Rancho Cordova, a municipal corporation, the City of Sacramento, a municipal corporation, and the County of Sacramento, a political subdivision of the State of California.

RECITALS

WHEREAS, each of the parties to this Agreement is a local government entity functioning within the County of Sacramento; and

WHEREAS, pursuant to the Joint Exercise of Powers Act (Chapter 5 (commencing with Section 6500) of Division 7 of Title 1 of the California Government Code), two or more public agencies may by agreement jointly exercise any power held in common by the agencies entering into such an agreement; and

WHEREAS, the Parties approved and fully executed the First Amendment to this Joint Powers Agreement on April 21, 2017 allowing non-elected staff of three Authority member entities to be nominated and appointed as Authority Board members; and

WHEREAS, the Parties approved and fully executed the Second Amendment to this Joint Powers Agreement on July 25, 2022 adjusting the boundaries and removing two of the board seats; and

WHEREAS, the Parties desire to further amend the Joint Powers Agreement to rescind the requirement that the County of Sacramento serve as Treasurer and Controller; remove references to the Central County Groundwater Management Plan and Well Protection Program; and remove the concurrence authority of the Sacramento County Water Agency in appointing the executive director.

WHEREAS, each of the parties hereto has under its police power the authority to regulate groundwater; and

WHEREAS, the parties are cognizant of the process commonly referred to as the Sacramento Area Water Forum (Water Forum) and of the Water Forum Agreement (WFA); and

WHEREAS, the WFA provided for the creation of a collaborative process composed of stakeholders in the Central Sacramento County Groundwater Basin, then known as the South Basin, but now identified as the Sacramento Valley - South American Subbasin (State Department of Water Resources Groundwater Basin ID 5-021.65), also abbreviated herein as SASb, to develop a groundwater management plan (GMP) for the basin and make recommendations on how and by whom the basin should be managed and the GMP implemented; and

WHEREAS, in accordance with the provisions of the WFA, the Sacramento Area Water Forum Successor Effort convened such a collaborative process, known as the Central Sacramento County Groundwater Forum (CSCGF); and

WHEREAS, the CSCGF has completed its work on the GMP and recommended the establishment of a joint powers authority to manage the basin and implement the plan; and

WHEREAS, the parties hereto find that it is to their mutual advantage and benefit, and in the public interest, to establish such an authority pursuant to this Agreement in order to implement the GMP developed by the CSCGF; and

WHEREAS, the parties hereto find and declare that the conservation of groundwater resources within the SASb for agricultural and municipal and industrial uses is in the public interest and for the common benefit of all water users within the County of Sacramento; and

WHEREAS, one of the primary purposes of the joint powers authority established pursuant to this Agreement is to maintain the sustainable yield of the SASb as set forth in the GMP; and

WHEREAS, it is the desire of the parties hereto to use the groundwater management powers which they have in common that are necessary and appropriate to further the purposes for which the joint powers authority is being established; and

WHEREAS, to accomplish the above stated goals and purposes, the Sacramento Central Groundwater Authority (SCGA) elected, by Resolution 2016-06, to become the Groundwater Sustainability Agency (GSA) pursuant to the Sustainable Groundwater Management Act (SGMA) for a portion of the groundwater subbasin overlying the County of Sacramento within

the SASb and further identified as SCGA GSA, graphically depicted in Exhibit A and incorporated herein to this Agreement; and

WHEREAS, the Sacramento Central Groundwater Authority, in partnership with five other GSAs, prepared, adopted and submitted a Groundwater Sustainability Plan (GSP) to the California Department of Water Resources in compliance with SGMA and the GSP was subsequently approved; and

WHEREAS, the parties hereto may amend this Agreement in the future to incorporate changes that may be the result of discussions with other public agencies both inside and outside the County of Sacramento which have a specific and relevant interest in the SASb.

NOW, THEREFORE, in consideration of the promises, terms, conditions, and covenants contained herein, the City of Elk Grove, the City of Folsom, the City of Rancho Cordova, and the City of Sacramento and the County of Sacramento hereby agree as follows:

1. Incorporation of Recitals. The foregoing recitals are hereby incorporated by reference.

2. Definitions. As used in this Agreement, the following words and phrases shall have the meanings set forth below unless the context clearly indicates otherwise.

(a) "Authority" shall mean the Sacramento Central Groundwater Authority that is established pursuant to the Joint Powers Act and this Agreement.

(b) "Conjunctive use" shall mean the planned management and use of both groundwater and surface water in order to maintain the sustainable yield of the SASb.

(c) "SASb" shall mean Sacramento Valley - South American Subbasin (State Department of Water Resources Groundwater Basin ID 5-021.65).

(d) "Sustainable yield" shall mean the amount of groundwater which can be safely extracted from the SASb on an estimated average annual basis while maintaining groundwater elevations and groundwater quality at acceptable levels as set forth in the Groundwater Management Plan. Sustainable yield requires a balance between extraction and basin recharge and is expressed as the number of acre feet of groundwater per year which can be extracted from the SASb on an average annual basis as set forth in the GMP.

(e) "Conservation land owner" shall mean a non-profit land trust holding a fee or easement interest in one thousand five hundred (1500) acres or more of land located within the boundaries of the Authority, as defined in Section 4 below.

(f) "Annual pumping" for purposes of determining assessments, fees or charges for management and operations of the Authority shall mean the total amount of groundwater produced within the boundaries of the Authority by each retail provider, by agricultural interests, by agricultural-residential groundwater users, by commercial/industrial self supplied groundwater users and by public agency self-supplied groundwater users, for use within the boundaries of the Authority and other areas approved by the Authority's Board of Directors excluding the first five thousand (5000) acre-feet of groundwater pumping by each such user.

(g) "GMP" means the Central Sacramento Groundwater Management Plan produced by the Central Sacramento County Groundwater Forum and dated February 2006.

3. **Purpose.** This Agreement is being entered into in order to establish a joint powers authority for the following purposes:

(a) to maintain the long-term sustainable yield of the SASb;

(b) to ensure implementation of the Basin Management Objectives that are prescribed by the GMP;

(c) to oversee the operation of any Well Protection Program that may be prescribed by the GMP;

(d) to manage the use of groundwater within the boundaries of the Authority and facilitate implementation of an appropriate conjunctive use program by water purveyors; (e) to coordinate efforts among those entities represented on the governing body of the joint powers authority to devise and implement strategies to safeguard groundwater quality; and

(f) to work collaboratively with other entities, including the Sacramento Groundwater Authority, the Southeast Sacramento County Agriculture Water Authority and other groundwater management authorities that may be formed in the County of

Sacramento and adjacent political jurisdictions, in order to promote coordination of policies and activities throughout the region.

4. Establishment Of The Authority. There is hereby established pursuant to the Joint Exercise of Powers Act a joint powers authority which shall be a public entity separate from the parties to this Agreement. The name of such entity shall be the Sacramento Central Groundwater Authority. The boundaries of the Authority shall be as follows: That portion of the Sacramento Valley South American Subbasin (Basin 5-21.65) bounded on the north by the American River; bounded on the south by the Cosumnes River to the intersection with State Highway 99, Grant Line Road to the intersection with Jackson Highway, and the southern boundary of Kiefer Landfill; on the west by the Sacramento River and Interstate 5, and on the east by the Sacramento County Urban Services Boundary, as further and more precisely depicted in the boundary map, attached hereto and incorporated herein as Exhibit A.

5. Membership Of The Governing Board. The governing body of the Authority shall be a Board of Directors of fourteen (14) members consisting of the following representatives who shall be appointed in the manner set forth in Section 7 of this Agreement:

(a) An elected member of the governing board or designated employee of each of the following public agencies: the City of Elk Grove, the City of Folsom, the City of Rancho Cordova, the City of Sacramento, the County of Sacramento and the Sacramento Area Sewer District.

(b) An elected member of the governing board or designated employee of the Florin Resource Conservation District/Elk Grove Water District.

(c) A member of the board of directors, or designee thereof, of each of the following private water purveyors or investor owned utilities the California-American Water Company, and the Golden State Water Company.

(d) One representative of agricultural interests within the boundaries of the Authority.

(e) One representative of agriculture-residential groundwater users within the boundaries of the Authority.

(f) One representative of commercial/industrial self-supplied groundwater users within the boundaries of the Authority.

(g) One representative of conservation landowners within the boundaries of the Authority.

(h) One representative of public agencies that are self-supplied groundwater users within the boundaries of the Authority.

6. Adjustment To Composition Of Governing Board. Should circumstances change in the future, any person or entity may petition the parties hereto to amend this Agreement so as to add or delete representatives to the governing board to accurately reflect groundwater production within the boundaries of the Authority.

7. Appointment Of Members Of Governing Board.

(a) The members of the governing board of the Authority shall be appointed as follows:

(i) The City of Elk Grove representative shall be appointed by the Elk Grove City Council.

(ii) The City of Folsom representative shall be appointed by the Folsom City Council.

(iii) The City of Rancho Cordova representative shall be appointed by the Rancho Cordova City Council.

(iv) The City of Sacramento representative shall be appointed by the Sacramento City Council.

(v) The County of Sacramento representative shall be appointed by the Sacramento County Board of Supervisors ("Board").

(vi) The Florin Resource Conservation District/Elk Grove Water District representative shall be appointed by the Elk Grove City Council.

(vii) The Golden State Water Company representative shall be appointed by the Rancho Cordova City Council.

(viii) The California-American Water Company representative shall be appointed by the Sacramento County Board of Supervisors.

(ix) In addition to the representative of the County of Sacramento provided for in Section 7 (a)(v), the following representatives shall be appointed by the Sacramento County Board of Supervisors:

1. Agricultural interests. After considering the nomination by the Sacramento County Farm Bureau, as required by sub-section (b) of this Section, the Sacramento County Board of Supervisors shall appoint the representative of agricultural interests.

2. Agriculture-residential groundwater users. After considering the nomination by the Vineyard Community Advisory Council in consultation with adjacent Councils within the SASb, as required by sub-section (b) of this Section, the Sacramento County Board of Supervisors shall appoint the representative of agricultural/ residential groundwater users.

3. Commercial/industrial self-supplied groundwater users. After considering the joint nomination by the Sacramento Metropolitan Chamber of Commerce and the Building Industry Association in consultation with commercial/industrial self-supplied groundwater users and business organizations that are signatories to the Water Forum Agreement, as required by sub-section (b) of this Section, the Sacramento County Board of Supervisors shall appoint the representative of commercial/industrial self-supplied groundwater users.

4. Conservation landowners. After considering the nomination by conservation landowners holding a fee or easement interest in one thousand five hundred (1500) acres or more within the boundaries of the Authority in consultation with environmental and community organizations that are signatories to the Water Forum Agreement, as required by sub-section (b) of this Section, the

Sacramento County Board of Supervisors shall appoint the representative of conservation land owners.

5. Public agencies that are self-supplied groundwater users. After considering the nomination by the Southgate Recreation and Park District in consultation with other public agencies which are self-supplied groundwater users, as required by sub-section (b) of this Section, the Sacramento County Board of Supervisors shall appoint the representative of public agencies that are self-supplied groundwater users.

6. Sacramento Area Sewer District. After considering the nomination by the Sacramento Area Sewer District, as required by sub-section (b) of this Section, the Sacramento County Board of Supervisors shall appoint the representative of the Sacramento Area Sewer District.

(b) Prior to the appointment of the representatives of the entities described in subsections (a)(vi) through (a)(ix) above, those entities shall submit a recommended appointment for their respective representatives to the appointing authority identified in subsections (a)(vi) through (a)(ix) of this Section 7. The appointing authority shall give consideration to such recommendations, but shall retain the absolute discretion to appoint any person satisfying the criteria for appointment set forth in Section 5 of this Agreement.

8. <u>Governing Board Voting Requirements</u>.

(a) Each member of the governing board of the Authority shall have one vote. With the exception of fiscal items as set forth in subsections (b) and (c) below, an affirmative vote by a majority of all members of the governing board is required to approve any item related to implementation of the Groundwater Management Plan.

(b) Fiscal items, including, but not limited to, approval of the annual budget of the Authority and any expenditures, shall require an affirmative vote by a majority of

all the members of the governing board that includes affirmative votes by all of the representatives of the Cities of Elk Grove, Folsom, Rancho Cordova and Sacramento and the County of Sacramento.

(c) Any change in annual contributions necessary to support the work of the Authority as set forth in subsection (d) below, shall require an affirmative vote of ten of the fourteen members of the governing board that includes affirmative votes by all of the representatives of the Cities of Elk Grove, Folsom, Rancho Cordova and Sacramento and the County of Sacramento.

(d) The Authority shall initially be funded as follows:

(i) An annual contribution by the Cities of Elk Grove, Folsom, Rancho Cordova and Sacramento and the County of Sacramento in the amount of ten thousand dollars ($10,000.00) each. (These entities shall not be required to pay any additional fee or assessment, such as that described in subsection (d)(ii) below.)

(ii) An annual contribution by each of those water purveyors represented on the Governing Board, other than the entities listed in subsection (d)(i) above, that purvey surface water in the amount of six thousand dollars ($6,000.00).

(iii) An annual contribution by each of those water purveyors represented on the Governing Board, other than the entities listed in subsection (d)(i) above, that utilize groundwater, calculated at the rate of two dollars and seven cents ($2.07) per acre foot of groundwater pumped from the basin, averaged over the three previous years and excluding the first five thousand (5000) acre feet pumped in each of those years.

(iv) An annual contribution by agriculture computed at twenty five percent (25%) of the estimated annual pumping (as determined by the Sacramento County Water Agency) at the rate of two dollars and seven cents ($2.07) per acre foot and paid out of SCWA Zone 13 funds.

(v) An annual contribution by agriculture/residential groundwater users computed at twenty five percent (25%) of the estimated annual pumping (as determined by the Sacramento County Water Agency) at the rate of two dollars and seven cents ($2.07) per acre foot and paid out of SCWA Zone 13 funds.

(vi) All annual funds shall be paid by July 1 of each year, commencing on July 1, 2006. The annual fee for the first year after the effective date of this Agreement shall be prorated from the date of the last signatory approval establishing the Authority.

(e) The governing board of the Authority may, at its discretion, adjust the funding contributions set forth in sub-section (d) above, subject to compliance with the voting requirements prescribed in sub-section (c) above.

9. **Quorum.** A majority of the members of the governing board shall constitute a quorum for purposes of transacting business, except less than a quorum may vote to adjourn a meeting.

10. **Terms Of Office.** With the exception of the initial term of the representatives appointed by the County of Sacramento as described in Section 7 (a)(ix), the term of office of each member of the governing board the Authority shall be for a period of four (4) years. For the purpose of providing staggered terms of office, the term of the initial representatives appointed by the County of Sacramento as described in Section 7 (a)(ix) shall be for a period of two (2) years. Thereafter, the term of office of each representative appointed by the County of Sacramento as described in Section 7 (a)(ix) shall be for a period of four (4) years. Each member of the governing board shall serve at the pleasure of the appointing body and may be removed as a member of the governing board by the appointing body at any time. If at any time a vacancy occurs on the governing board, a replacement shall be appointed to fill the unexpired term of the previous representative pursuant to the provisions of Section 7 of this Agreement within ninety (90) days of the date that such position becomes vacant.

11. **Alternates.** The City of Elk Grove, the City of Folsom, the City of Rancho Cordova, the City of Sacramento and the County of Sacramento, in addition to their regular appointments, shall appoint one or more persons with the required qualifications to serve as alternate members of the governing board of the Authority. The other entities described in Section 7 (a) (vi) through (a) (ix), which may nominate their respective representatives, may also nominate one or more persons with the required qualifications to serve as alternate members of the governing board of the Authority and such alternates shall be appointed pursuant to the procedure for regular appointments set forth in Section 7(b) of this Agreement. Any such alternates who are appointed as alternates by the appointing authorities specified in Section 7(a)(vi) through (a)(ix) shall be empowered to cast votes in the absence of the regular members or, in the event of a conflict of interest preventing the regular member from voting, to vote because of such a conflict of interest.

12. **Organization Of The Authority.** The governing board of the Authority shall elect a chair, a vice chair and such other officers as the governing board shall find appropriate. Such officers shall serve for a term of one (1) year unless sooner terminated at the pleasure of the governing board.

13. **Treasurer, Controller, Clerk and Legal Counsel.**

(a) The Board of Directors of the Authority shall appoint a treasurer, controller and fiscal agent, for the Authority, which may be one or more individuals. The controller of the Authority shall cause an independent annual audit of the Authority's finances to be made by a certified public accountant in compliance with Government Code Section 6505. The treasurer of the Authority shall be the depositor and shall have custody of all money of the Authority from whatever source. The controller of the Authority shall draw warrants to pay demands against the Authority when the demands have been approved by the Authority or by its authorized representative pursuant to any delegation of authority adopted by the Authority. The treasurer and controller shall comply strictly with the

provisions of statutes relating to their duties found in Chapter 5 (commencing with Section 6500) of Division 7 of Title 1 of the Government Code.

(b) The governing board of the Authority shall appoint a clerk and legal counsel as it deems appropriate.

14. **Executive Director.** The governing board of the Authority shall appoint an Executive Director who shall be responsible to the governing board for the proper and efficient administration of the Authority as directed by the governing board pursuant to the provisions of this Agreement or of any ordinance, resolution or order of the governing board. In addition to any other duties which may be assigned, the Executive Director shall have the following authority:

(a) under the policy direction of the governing board, to plan, organize and direct all Authority activities;

(b) to authorize expenditures within the designations and limitations of the budget approved by the governing board;

(c) to make recommendations to and requests of the governing board concerning any matter which is to be performed, done or carried out by the governing board; (d) to have the authority to appoint, discipline, assign and otherwise supervise and control the activities of any employees or contractors which may be hired or retained by the Authority; and

(e) to have charge of, handle and have access to any property of the Authority.

15. **Meetings.** The Authority shall provide for regular and special meetings in accordance with the Ralph M. Brown Act (Chapter 9 (commencing with Section 54950) of Part 1 of Division 2 of Title 5 of the Government Code) or with any successor provision.

16. **Minutes.** The clerk appointed by the governing body of the Authority shall cause to be kept minutes of all meetings of the governing board, and shall cause a copy of such minutes to be forwarded to each member of the governing board and to the chief administrative officer of each of the signatory agencies.

17. Powers and Functions.

(a) The Authority shall have no power to regulate land use or to engage in the retail sale of water.

(b) Subject to the limitations set forth in subsection (a), the Authority shall have any and all powers commonly held by the parties hereto necessary or appropriate to regulate groundwater within the boundaries of the Authority including, but not limited to, the following powers:

(i) Collect and monitor data on the extraction of groundwater from, and the quality of groundwater in, the SASb;

(ii) Facilitate any Conjunctive Use program the purpose of which is to maintain the Sustainable yields in the SASb consistent with the GMP;

(iii) Distribute water in exchange for ceasing or reducing groundwater extractions;

(iv) Spread, sink and inject water into the SASb;

(v) Store, transport, recapture, recycle, purify, treat or otherwise manage and control water for the beneficial use of persons and property within the Authority; (vi) Study and plan ways and means to implement any or all of the foregoing powers.

(c) For purposes of exercising the authority set forth in subsection (b), and subject to the limitations set forth in subsection (a), the Authority shall have the following corporate and political powers:

(i) To sue and be sued in all actions and proceedings in all courts and tribunals.

(ii) To adopt a seal and alter it at its discretion.

(iii) For the common benefit of the Authority, to store water in underground water basins or reservoirs within and outside the Authority, to appropriate water and acquire water rights within or outside the Authority, to import water into the Authority, and to conserve, or cause the conservation of, water within or outside the Authority.

(iv) To act jointly, or cooperate, with the Federal government or any agency thereof, the state, or any county or agency thereof, or any political subdivision or district therein, including flood control districts, private and public corporations, and any person, so that the powers of the Authority may be fully and economically exercised.

(v) To cause taxes, assessments, fees or charges to be levied in accordance with applicable State law, and in a manner consistent with the GMP to accomplish the purposes of the Authority.

(vi) To require the permitting of groundwater extraction facilities within the boundaries of the Authority, to maintain a record of extraction with respect to any such facilities, and to require the installation of meters on groundwater extraction facilities for the purpose of determining the amount of groundwater being extracted from the SASb.

(vii) To make contracts, employ labor and to do all acts necessary for the full exercise of the Authority's powers.

(viii) To carry on technical and other investigations of all kinds necessary to further the purposes of the Authority.

(ix) To fix rates at which water acquired by the Authority shall be sold for replenishment purposes, and to establish different rates for different classes of service or conditions of service, provided that the rates shall be uniform for like classes and conditions of service.

(x) To participate in any contract under which producers may voluntarily agree to use surface water in lieu of groundwater, and to that end the Authority may become a party to the contract and pay from Authority funds that portion of the cost of the surface water as will encourage the purchase and use of that water in lieu of pumping so long as persons or property within the boundaries of the Authority are directly or indirectly benefitted by the resulting replenishment of the SASb.

(xi) To apply for, accept and receive state, federal or local licenses, permits, grants, loans or other aid from any agency of the United States, the State of

California, or other public or private entity necessary or appropriate for the Authority's full exercise of its powers.

18. **Budgets.** Within ninety (90) days after the first meeting of the governing board of the Authority, and thereafter prior to the commencement of each fiscal year (defined as July 1 through June 30), the governing board shall adopt a budget for the Authority for the ensuing fiscal year.

19. **Termination.** This Agreement shall remain in effect until terminated by one of the parties hereto pursuant to this section. This Agreement may be terminated by any of the parties hereto at any time and for any reason by providing ninety (90) days written notice of termination to the other parties.

20. **Disposition Of Authority Assets Upon Termination.**

(a) In the event of the termination of the Authority where there will be a successor public entity which will carry on the functions of the Authority and assume its assets, the assets of the Authority shall be transferred to the successor public entity.

(b) If there is no successor public entity which will carry on the functions of the Authority and assume its assets, the assets shall be returned to the parties hereto in proportion to the contribution of each party during the term of this Agreement. (c)

If there is a successor public entity which will carry on some of the functions of the Authority and assume some of its assets, the assets of the Authority shall be allocated by the governing board of the Authority between the successor public entity and the parties hereto.

21. **Liabilities.** The debts, liabilities and obligations of the Authority shall be the debts, liabilities and obligations of the Authority alone, and not of the parties to this Agreement.

22. **Rules.** The governing board of the Authority may adopt from time to time such rules and regulations for the conduct of its affairs as it deems necessary and appropriate.

23. **Effective Date.** This agreement and the Authority created under it shall become effective when the governing bodies of all of the parties shall have authorized its execution.

24. **Amendments.** This Agreement may only be amended by the affirmative vote of the governing bodies of all of the parties hereto.

25. **Liberal Construction.** The provisions of this Agreement shall be liberally construed as necessary or reasonably convenient to achieve the purposes of the Authority.

26. **Liability of Board, Officers and Employees.**

(a) The members of the Board, officers, and employees of the Authority shall use ordinary care and reasonable diligence in the exercise of their powers, and in the performance of their duties pursuant to this Agreement. They shall not be liable to the parties to this Agreement for of any mistake of judgment or other action made, taken, or omitted by them in good faith, nor for any action made, taken, or omitted by any agent, employee, or independent contractor selected with reasonable care, nor for loss incurred through the investment of the Authority's funds, or failure to invest the same. (b) To the extent authorized by California law, no member of the Board, officer, or employee of the Authority shall be responsible for any action made, taken, or omitted, by any other member of the Board, officer, or employee. No member of the Board, officer, or employee of the Authority shall be required to give a bond or other security to guarantee the faithful performance of his or her duties pursuant to this Agreement. (c) The funds of the Authority shall be used to defend, indemnify, and hold harmless the Authority and any member of the Board, officer, or employee of the Authority for actions taken in good faith and within the scope of his or her authority. Nothing herein shall limit the right of the Authority to purchase insurance or to create a self-insurance mechanism to provide coverage for the foregoing indemnity.

29. **Notices.** Any notices to the parties required by this Agreement shall be delivered or mailed, United States Mail first class, postage prepaid, addressed as follows:

CITY OF ELK GROVE
8380 Laguna Palms Way
Elk Grove, CA 95758
Attn: City Engineer

CITY OF FOLSOM
50 Natoma Street
Folsom, CA 95630
Attn: Director of Utilities

CITY OF RANCHO CORDOVA
2729 Prospect Park Drive
Rancho Cordova, CA 95670
Attn: Public Works Director

CITY OF SACRAMENTO
1395 35th Ave
Sacramento, CA 95822
Attn: Director, Department of Utilities

COUNTY OF SACRAMENTO
827 7th Street, Rm 301
Sacramento, CA 95814
Attn: Director, Department of Water Resources

Notices given under this Agreement shall be deemed to have been received at the earlier of actual receipt, or the second business day following deposit in the United States mail, as required above. Any party may amend its address for notice by notifying the other parties pursuant to this Section.

IN WITNESS WHEREOF, the parties hereto execute this Third Amendment on the date first written above.

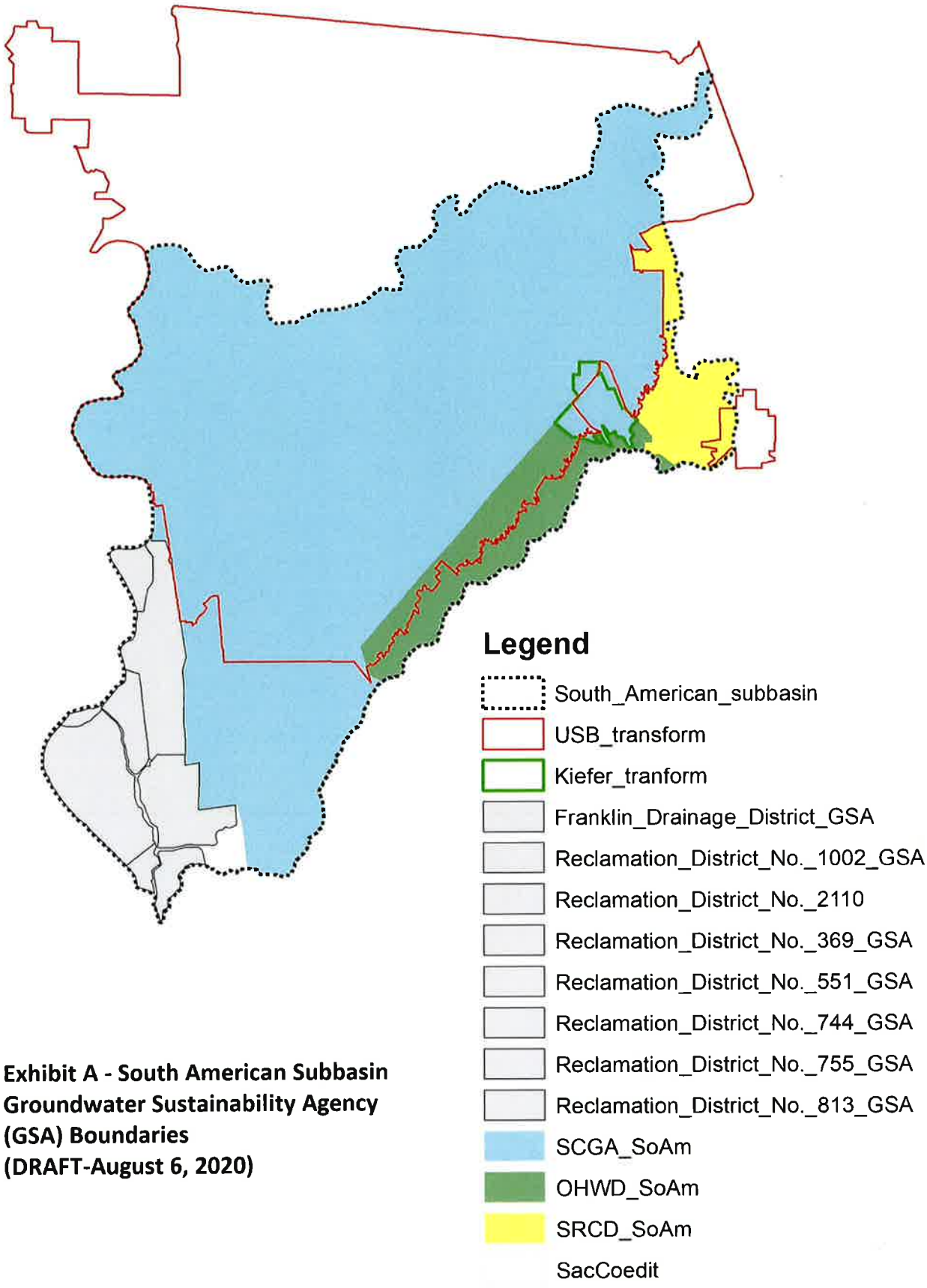


Exhibit A - South American Subbasin Groundwater Sustainability Agency (GSA) Boundaries (DRAFT-August 6, 2020)

Folsom City Council
Staff Report

MEETING DATE:	11/12/2024
AGENDA SECTION:	New Business
SUBJECT:	Resolution No. 11292 - A Resolution Approving the River District Vision Plan and Determination that the Proposed Vision Plan is Statutorily Exempt from CEQA
FROM:	Community Development Department

RECOMMENDATION / CITY COUNCIL ACTION

Staff recommends approval of Resolution No. 11292 – A Resolution Approving the River District Vision Plan and Determination that the Proposed Vision Plan is Statutorily Exempt from CEQA. Staff further recommends City Council approval of the River District Vision Plan dated September 12, 2024 with the addition of three final revisions unanimously recommended by the River District Citizens Advisory Committee as follows:

1. Revise the River District Project Summary chart on pages 86-87 as follows:
   - Modify the 11th row - "Recreation/Access to include: Improve access to Willow Creek, parking lot and amenities."
   - Add a row (12th), Vision Plan Goal - "Recreation/Access to include: Improve access to Black Miners Bar, boat storage and emergency launching facilities."
2. Add a bullet on page 88, under Section C.i. Potential River District Programs and Measures as follows:
   - "Coordinate with State Parks to provide improvements to boat launching facilities at Black Miners Bar, including boat storage and emergency launching facilities."
3. Revise Guiding Planning Principle 2 in all places to read:
   - "Promote a "walkable city" including place-making, increasing safety, and ease of access for pedestrians, bicyclists and vehicles."

Staff also recommends the City Council approve the Planning Commission's recommendation to include the memorandum from EPS (Attachment 4) regarding the Traders Lane Concept Plan General Fund Revenue Estimate in the River District Vision Plan Appendix for future reference.

BACKGROUND / ISSUE

The Folsom 2035 General Plan calls for the preparation of a River District Master Plan to increase access to the riverfront as a more integral part of the City and to create the plan by engaging the community, stakeholders, and federal, state and regional land management agencies in establishing a vision for Folsom's River District.

The large scale of the River District (see Attachment 2 – Vicinity Map), multitude of sensitive resources, historical context and volume of opportunities, ideas and concerns expressed by the public and the Citizens Advisory Committee (CAC) made it difficult to fulfill the content expectations of a master plan within the project budget and timeframe. Further, master plans do not have a specific and consistent content requirement, nor are they identified as an enforceable planning document like a General Plan, Specific Plan or Zoning Code. As such, the CAC strongly recommended that the document be retitled as the River District Vision Plan. The CAC's view is that the name change also changes the expectations of the reader and more accurately describes the plan contents and purpose.

The purpose of the plan is to establish a vision and identify priorities for future community improvements; identify guiding principles for future project proposals; illustrate conceptual solutions; and, to identify implementation steps. Many additional planning steps are expected in the future, including feasibility studies, project-specific development plans and appropriate environmental impact analysis.

The River District Vision Plan does not propose specific projects, nor does it rezone any land within the city. No specific project proposals are part of the plan. "Key sites" have been prioritized for illustration, and through robust public engagement additional important River District concepts have been identified such as access improvements, trail connections, way-finding, and environmental, historical and cultural resource interpretation opportunities. The preparation of the River District Vision Plan is statutorily exempt from review under the California Environmental Quality Act Guidelines (CEQA) in accordance with Section 15262 – Feasibility and Planning Studies. The River District Vision Plan will serve to guide future implementation steps and proposals. In addition, those proposals will be subject to compliance with the City's General Plan, Zoning Code, and subject to full environmental review in accordance with CEQA. The River District Vision Plan (Public Draft dated September 12, 2024) is included with this staff report as Attachment 3 and is also available on the city's website.

POLICY / RULE

The River District Vision Plan is consistent with the City's 2035 General Plan based on the goals, policies, and implementation measures listed below.

- **Goal LU 5.1** Support the appropriate enhancement of Folsom's riverfront areas for current and future residents in order to increase public access, recreational opportunities, and economic development in consultation with federal, state, and regional public land management agencies.
    - LU 5.1.1 Vision for the River District: Engage the community, stakeholders, and federal, state, and regional land management agencies in establishing a vision for Folsom's River District.

- LU 5.1.2 River District Master Plan: Consider the preparation of a River District Master Plan for Folsom's riverfront area, that is based on widespread community engagement as well as coordination with the U.S. Bureau of Reclamation, California Department of Parks and Recreation, and Sacramento County Regional Parks Department.
- LU 5.1.3 Enhance Lake Natoma with Compatible Recreation Uses: Enhance the role of Lake Natoma as a place to recreate and an amenity for Folsom residents, and elevate Lake Natoma's role in supporting local and regional business and commerce, including tourism, recreation and leisure, while maintaining compatibility with the Folsom Lake State Recreation Area General Plan. Invest in strategically-located sites along the length of Lake Natoma for a diverse mix of passive and active recreation and tourism activities that are compatible with nearby land uses, historically and culturally important sites, significant habitat areas, restoration sites, and native fish and wildlife usage.
- LU 5.1.4 Honor Folsom's Heritage: The River District Master Plan should include a means of honoring and interpreting Folsom's heritage within the Historic District.

The Implementation section of the 2035 General Plan includes Program LU-5, which states the City shall:

- Prepare a River District Master Plan for Folsom's riverfront area that is based on widespread community engagement as well as coordination with the California Department of Parks and Recreation.

Furthermore, that section also states that "The City has adopted many master plans, strategies, and programs focusing City attention on various types of City services and facilities, development, or geographic areas. These are prepared to provide more specific direction for City decision-makers, staff, and the public on how the General Plan will be implemented. They are not elements or components of the General Plan." The River District Vision Plan fits within this framework as well.

ANALYSIS

The River District planning area is vast, including more than six miles of the American River and Lake Natoma through the city. The district includes federal, state, city and private lands between the river and Folsom-Auburn Road and Greenback Lane on the north side, and Folsom Boulevard on the south side. The California Department of Parks and Recreation (State Parks) manages more than 75% of the land within the district. The federal Bureau of Reclamation owns the majority of this area, but State Parks has acquired key parcels to increase and enhance the Lake Natoma Unit. City-owned and privately owned parcels make up the balance of ownership within the district.

Recreation is the main attraction of the River District. Whether it's cycling, walking/running, paddle sports, picnicking, or cultural, history and nature appreciation, the river and lake are the centerpiece of these recreational pursuits. Demand both locally and regionally is high and expected to increase in the future, driving the three primary objectives of the General Plan:

- Increase public access

- Increase recreation opportunities
- Increase economic growth

Other General Plan principles are relevant to River District planning efforts and are integrated into the vision plan including:

- Provide City gateway enhancements
- Commit to high-quality design
- Enhance Folsom's heritage
- Celebrate and protect environmental, cultural, and historical resources

The River District is envisioned to become a focal point of activity that attracts residents and visitors to enjoy its many amenities and its unique, natural, and historic small-town feel. The River District Vision Plan was shaped to align with the community values that emerged from public outreach. This plan aims to provide specific guidance and direction for implementing increased opportunities for recreation and access, economic growth, and celebration of the area's cultural, historic, and environmental resources.

Public engagement in the planning process began with the 24-member city council-appointed Citizens Advisory Committee (CAC). Twelve members were selected from various community stakeholder organizations including State Parks, the Bureau of Reclamation, and the Shingle Springs Rancheria of the Miwok Indians. Another 12 members were selected from Folsom residents at-large. The CAC met 14 times from August 2023 through September 2024.

Other opportunities for public engagement included:

- River District email information list: 180+ addresses
- River District webpage on city website
- River District articles in the city's print and e-newsletters
- Social Pinpoint website active: 8 weeks (geo-located comments)
- Individual participants: 300+
- Comments on map: 526
- Questionnaire responses: 165
- Community Open House, June 6, 2024
- Joint Commission Workshop, July 30, 2024
- Parks and Recreation Commission meeting, October 1, 2024
- Historic District Commission, October 2, 2024
- Planning Commission, October 16, 2024

The planning process revealed substantial community interest in protection and enhancement of River District cultural and environmental resources. Native American tribes consider virtually all lands within the district as an ecological and cultural landscape. It is a place of tremendous importance to the tribal members that still live within the Folsom area and community. In response to this interest and understanding, conservation, protection, education and interpretation became important long-term program objectives to be woven into district improvements. The process also revealed tremendous opportunities to enhance recreation activities, trail connections, park

improvements, partnership opportunities with State Parks and the local tribes, including several sites with economic development potential.

Because of the sheer scale of the River District, it was important to establish consistent planning principles applicable to both the featured site concepts, and the secondary opportunities and program ideas. The Vision Plan (see Attachment 3) incorporates five primary planning principles which apply districtwide and are fundamental to realization of the goals for the River District.

- ***PRINCIPLE 1-*** Engage in early consultation and partnerships with State Parks and Native American tribes where appropriate.
- ***PRINCIPLE 2-*** Promote a "walkable city" by increasing safety and ease of access for pedestrians, bicyclists and vehicles.
- ***PRINCIPLE 3-*** Create connections for increased recreational or economic opportunities.
- ***PRINCIPLE 4-*** Celebrate, educate, and conserve the City's historical, cultural, and environmental resources where appropriate.
- ***PRINCIPLE 5*** – Commit to "best in class" efforts to inspire residents and visitors as projects and programs are implemented.

The CAC worked with the project team to identify a prioritized list of key sites to focus on conceptual and illustrative designs in more detail and demonstrate execution of the planning principles. The final key sites were chosen because they met one or more of the City's goals for this plan (improving access to the water, enhancing recreational opportunities, and/or stimulating economic growth). Additionally, the sites were considered to fit into one or more of the following set of criteria:

- ***Feasibility*** – Sites that had a more realistic chance of being improved were prioritized. That included property in public ownership (preferably the City of Folsom).
- ***Environmental constraints*** – Areas that a preliminary environmental assessment determined to be the least sensitive were prioritized. It is acknowledged that there are many sensitive environmental and cultural factors along the river corridor and that any specific project will require further analysis pursuant to CEQA.
- ***Community interest*** – Each key site selected received strong interest during the community engagement process and was supported by the CAC.

Although not a specific consideration, the key sites represent a variety of different project types within the River District, including urban, natural, recreational, and commercial uses.

The Key Sites and features of the plan include:

1. Canal Trail and Bridge
2. Rodeo Park
3. River Promenade

4. Trader's Lane
5. City Corporation Yard

The result and potential of these conceptual project illustrative drawings is to create an expanded pedestrian network. The system and connections made and enhanced within the Historic District will extend from the City Corporation Yard on the west to the Canal Trail and Bridge more than a mile away upriver. The concepts also serve to activate Leidesdorff Street and Trader's Lane so the Historic District experience becomes far more than just Sutter Street. Numerous new opportunities and experiences to connect with the river and lake can be created, along with new opportunities for unique economic development to support current market and tourism interests.

Due to the general and conceptual nature of the vision plan, a detailed economic analysis is not provided. However, market opportunities and discussion of positive influences on tourism and the existing business climate are included. Similarly, various implementation strategies and measures are suggested to initiate community enhancement projects and public/private development opportunities. Ultimately, these are policy decisions that must be directed by future city council actions.

Committee and Commission Review and Actions

The River District Vision Plan was unanimously recommended for approval by the Citizens Advisory Committee at its September 18, 2024 meeting (13-0-1, 10 absent, with the lone abstention being the State Parks committee representative) with the following recommended changes:

1. Revise the River District Project Summary chart on pages 86-87 as follows:
   - Modify the 11th row - "Recreation/Access to include: Improve access to Willow Creek, parking lot and amenities."
   - Add a row (12th), Vision Plan Goal - "Recreation/Access to include: Improve access to Black Miners Bar, boat storage and emergency launching facilities."
2. Add a bullet on page 88, under Section C.i. Potential River District Programs and Measures as follows:
   a. "Coordinate with State Parks to provide improvements to boat launching facilities at Black Miners Bar, including boat storage and emergency launching facilities."
3. Revise Guiding Planning Principle 2 in all places to read:
   a. "Promote a "walkable city" including place-making, increasing safety, and ease of access for pedestrians, bicyclists and vehicles."

At its meeting on October 1, 2024, the Parks and Recreation Commission forwarded a unanimous recommendation for approval (5-0, 2 absent) to the City Council.

At its meeting on October 2, 2024, the Historic District Commission forwarded a unanimous recommendation for approval (5-0, 2 absent) to the City Council.

At its meeting on October 16, 2024, the Planning Commission forwarded a unanimous recommendation for approval (4-0, 3 absent) to the City Council inclusive of adding the

memorandum from EPS (see Attachment 4) regarding the Traders Lane Concept Plan General Fund Revenue Estimate to the River District Vision Plan Appendix for future reference.

Public Comments
Staff received a variety of public comments throughout the planning process. All relevant and material comments received are posted on the River District webpage. Staff received one additional piece of written correspondence during the commission review process. That letter from CA State Parks is included as Attachment 5.

ENVIRONMENTAL REVIEW

Staff has determined that the project qualifies for a Statutory Exemption in accordance with Section 15262 – Feasibility and Planning Studies of the CEQA Guidelines. A CEQA Exemption Memorandum has been prepared by Ascent Environmental and is included in Attachment 6.

FISCAL IMPACT

Approval of the River District Vision Plan does not in itself create any fiscal impact; however, several future actions and implementation steps are recommended which will individually and cumulatively have future fiscal impacts. These impacts will include both costs and expenditures for project and program implementation, as well as revenue to the city from increased tourism, retail spending, and property taxes. All future programs and projects will be evaluated for short and long-term fiscal impacts as part of the public evaluation and approval process.

ATTACHMENTS

1. Resolution No. 11292 – A Resolution Approving the River District Vision Plan and Determination that the Proposed Vision Plan is Statutorily Exempt from CEQA
2. Vicinity Map
3. River District Vision Plan, dated September 12, 2024
4. Traders Lane Concept Plan General Fund Revenue Estimate – provided by EPS
5. Comment letter from State Parks
6. CEQA Exemption Memorandum – provided by Ascent Environmental

Submitted,

PAM JOHNS
Community Development Director

ATTACHMENT 1

Resolution No. 11292

RESOLUTION NO. 11292

A RESOLUTION APPROVING THE RIVER DISTRICT VISION PLAN AND DETERMINATION THAT THE PROPOSED VISION PLAN IS STATUTORILY EXEMPT FROM CEQA

WHEREAS, the 2035 Folsom General Plan contains a specific goal and corresponding objectives providing for the preparation of a River District Master Plan; and,

WHEREAS, the River District Vision Plan planning process included robust community engagement inclusive of 20+ public meetings, print and digital information and notifications, online public comments and mapping; and,

WHEREAS, the River District Citizens Advisory Committee recommended renaming the project to the River District Vision Plan due to the large scale of the district, multitude of sensitive resources, historical context and volume of opportunities, ideas and concerns expressed by the public; and,

WHEREAS, the project is consistent with the goals and policies of the General Plan particularly land use Goal LU 5.1 that supports the appropriate enhancement of Folsom's riverfront areas for current and future residents in order to increase public access, recreational opportunities, and economic development in consultation with federal, state, and regional public land management agencies; and,

WHEREAS, the project also furthers the General Plan's vision and guiding principles including those that enhance gateways into Folsom and enhance Folsom's heritage; and,

WHEREAS, the River District Citizens Advisory Committee, Parks and Recreation Commission, Historic District Commission, and Planning Commission each considered the River District Vision Plan and each forwarded a unanimous recommendation to the City Council to approve the plan with the recommendations for changes outlined in the staff report; and,

WHEREAS, the River District Vision Plan is statutorily exempt from further environmental review in accordance with Section 15262 - Feasibility and Planning Studies of the CEQA Guidelines.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Folsom hereby approves the River District Vision Plan dated September 12, 2024; and,

PASSED AND ADOPTED this 12th day of November 2024, by the following roll-call vote:

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

Michael D. Kozlowski, MAYOR

ATTEST:

Christa Freemantle, CITY CLERK

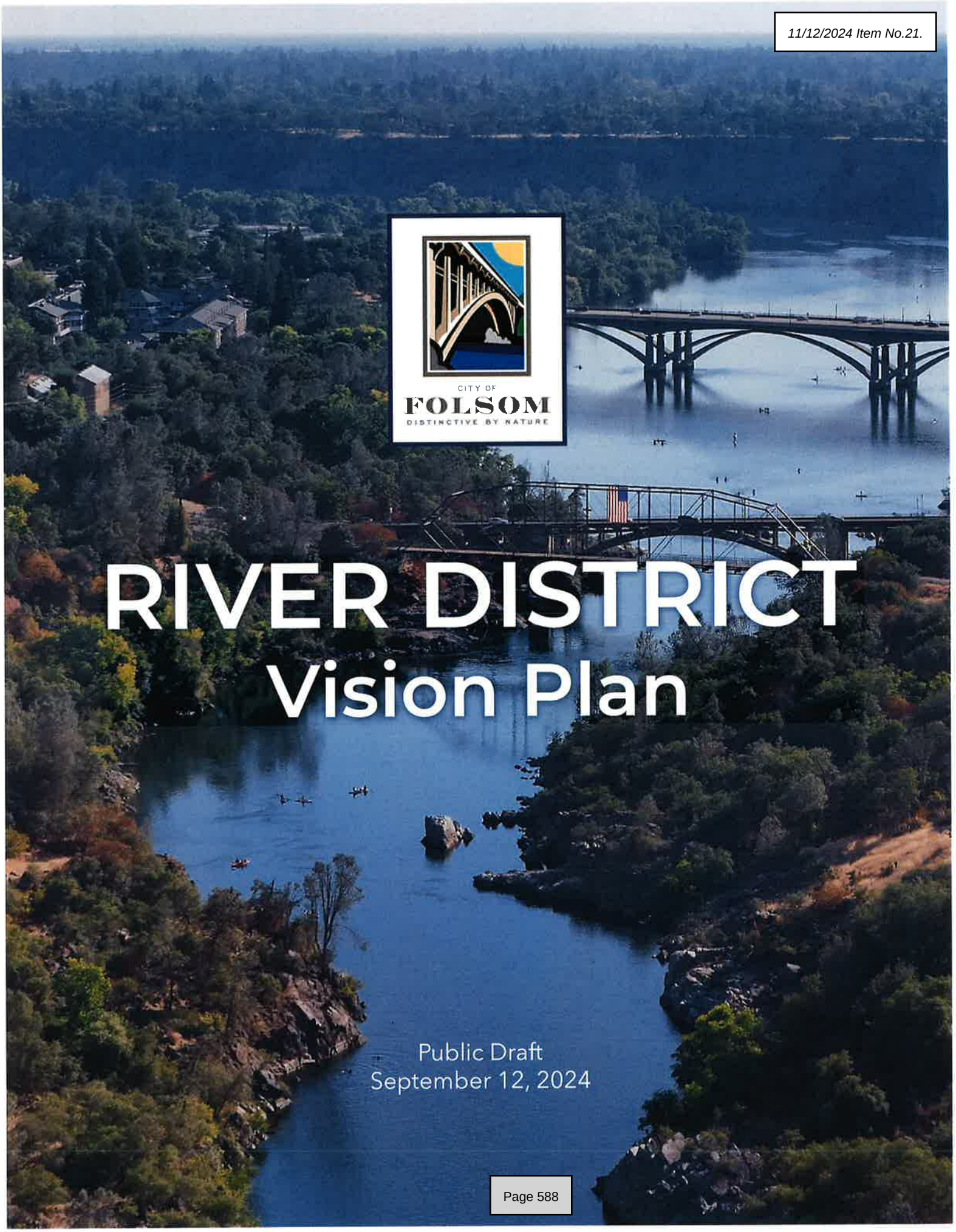
ATTACHMENT 2

Vicinity Map

SACRAMENTO COUNTY
Black Miners Bar
Corporation Yard
Lake Natoma Bluffs
Sacramento State Aquatic Center
Nimbus Flat
Mississippi Bar
Rainbow Rocks
LAKE NATOMA
Cemetery Historic District
Powerhouse
Rodeo Park
Folsom Prison
Auto Mall
Alder Creek Pond
City Hall
Outlets
CITY OF FOLSOM
FOLSOM LAKE
0
1/2
MILES

ATTACHMENT 3

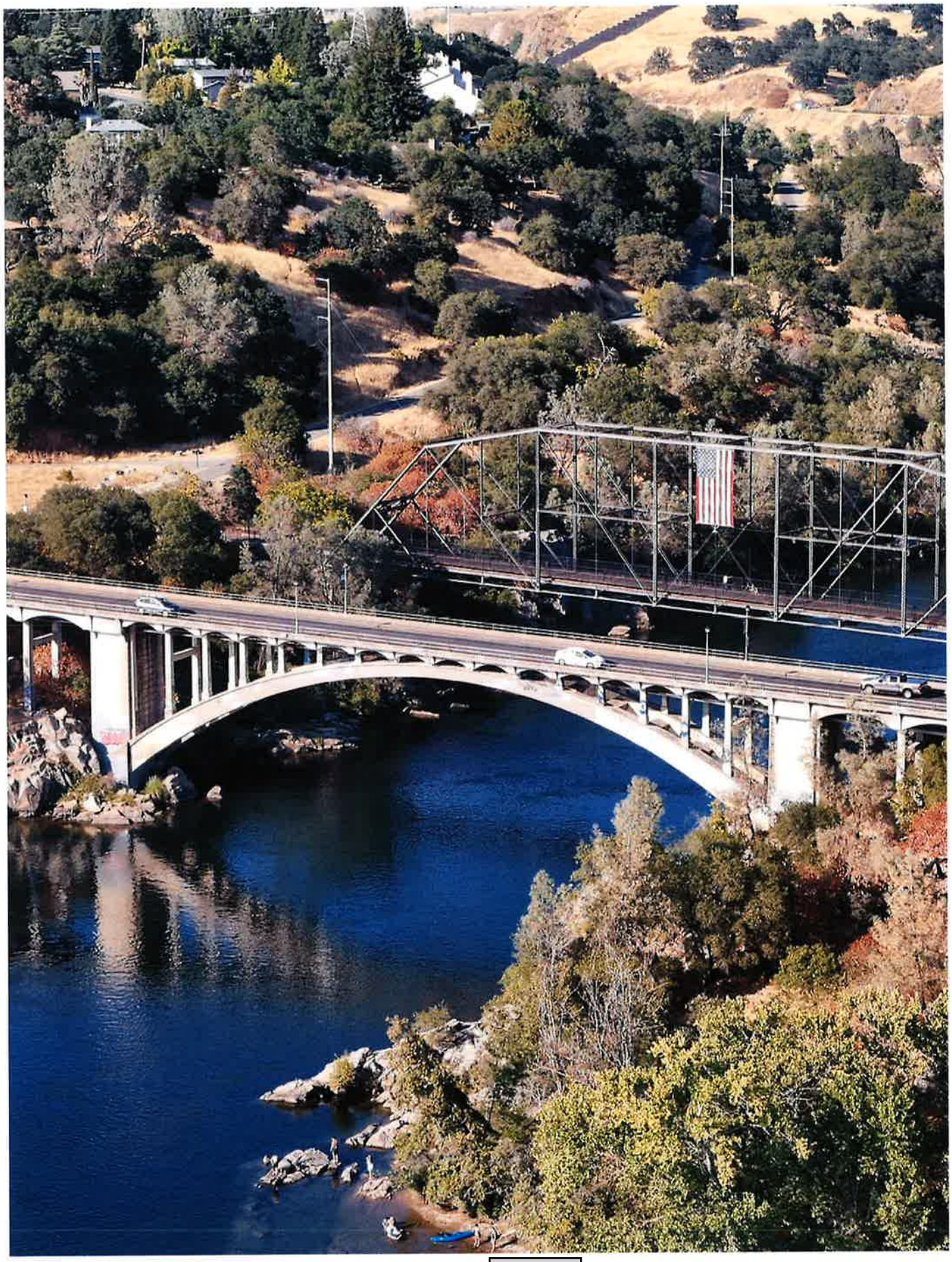
River District Vision Plan
Dated September 12, 2024



CITY OF
FOLSOM
DISTINCTIVE BY NATURE

RIVER DISTRICT
Vision Plan

Public Draft
September 12, 2024



CITY OF
FOLSOM
DISTINCTIVE BY NATURE

FOLSOM RIVER DISTRICT VISION PLAN

Prepared for the City of Folsom by

RRM Design Group
Lief McKay, ASLA, PLA
Debbie Jewell, PLA

With

Ascent Environmental, Inc.
Pat Angell
Adam Lewandowski, AICP
Lily Bostrom, APA

Economic and Planning Systems
Amy Lapin, APA
Kate O'Beirne

ACKNOWLEDGMENTS

CITY COUNCIL

Mike Kozlowski, *Mayor*
Sarah Aquino, *Vice Mayor*
YK Chalamcherla
Rosario Rodriguez
Anna Rohrbough

CITY STAFF

Elaine Andersen, *City Manager*
Pamela Johns, *Community Development Director*
Desmond Parrington, *Planning Manager*
Robert Goss, *Project Manager*

CITIZEN'S ADVISORY COMMITTEE

John Lane, Chair - *At-Large*
Jim Lofgren, Vice Chair - *At-Large*
Lynne Bailey - *At-Large*
Jennifer Cabrera - *At-Large*
Bruce Cline - *Friends of Folsom Parkways*
Claudia Cummings - *River District Organizing Committee*
Brian Dulgar - *CSUS Aquatic Center*
Pat Flynn - *At-Large*
Joe Gagliardi - *Choose Folsom*
Deborah Grassl - *Friends of Folsom Preservation*
Rita Mukherjee-Hoffstadt - *Folsom History*
Karen Holmes - *Folsom Historic District Association*
Lisa Horton - *At-Large*
Will Kempton - *River District Organizing Committee*
Jennifer Lane - *At-Large*
Barbara Leary - *At-Large*
Krystal Moreno - *Shingle Springs Band of Miwok Indians*
Scott Muldavin - *At-Large*
Brian Murch - *At-Large*
Michael Reynolds - *Historic Folsom Residents Association*
Edward Roza - *US Bureau of Reclamation*
Devin Swartwood - *California State Parks*
Crystal Tobias - *At-Large*
Srinivas Yanaparti - *At-Large*

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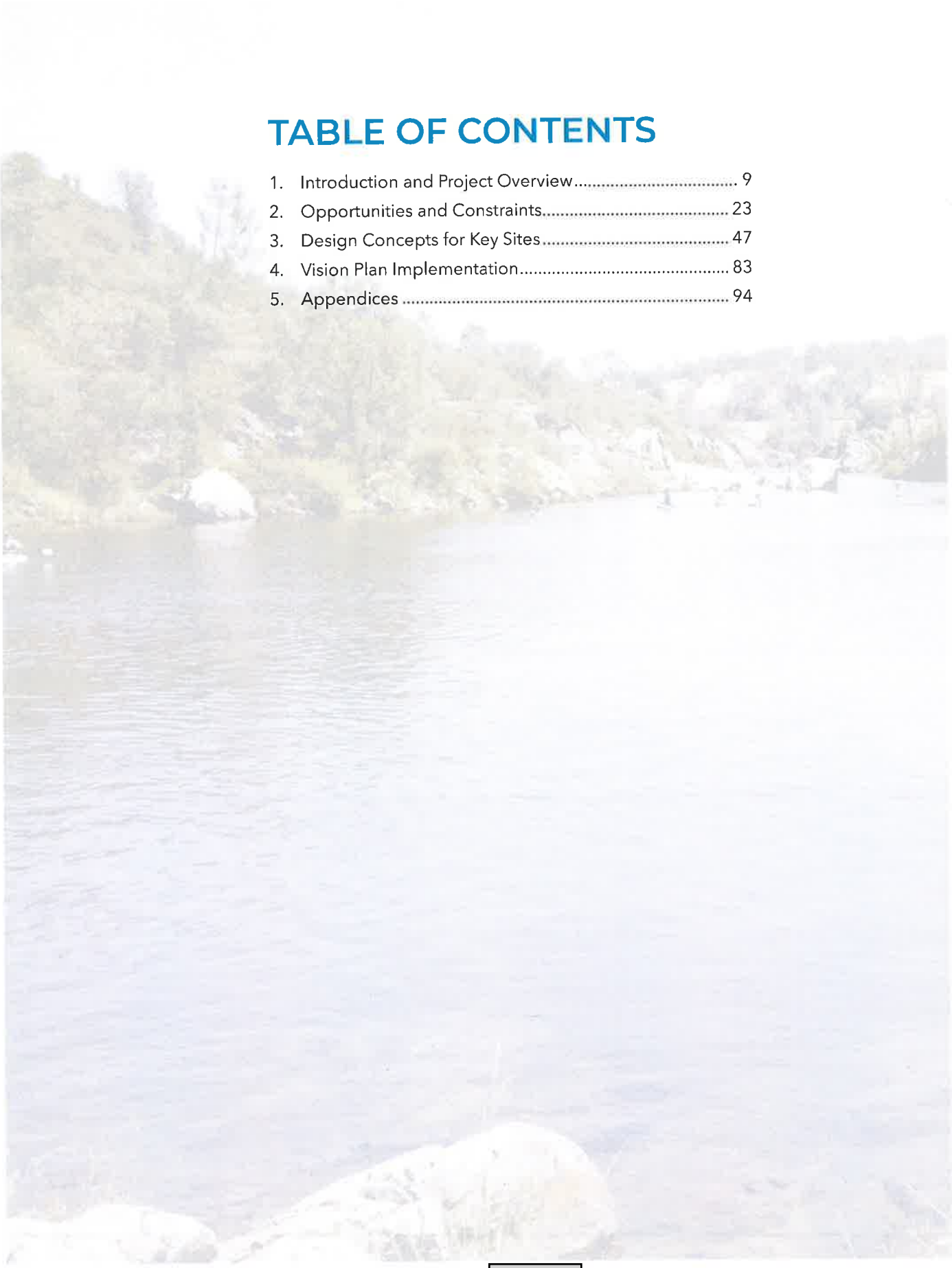

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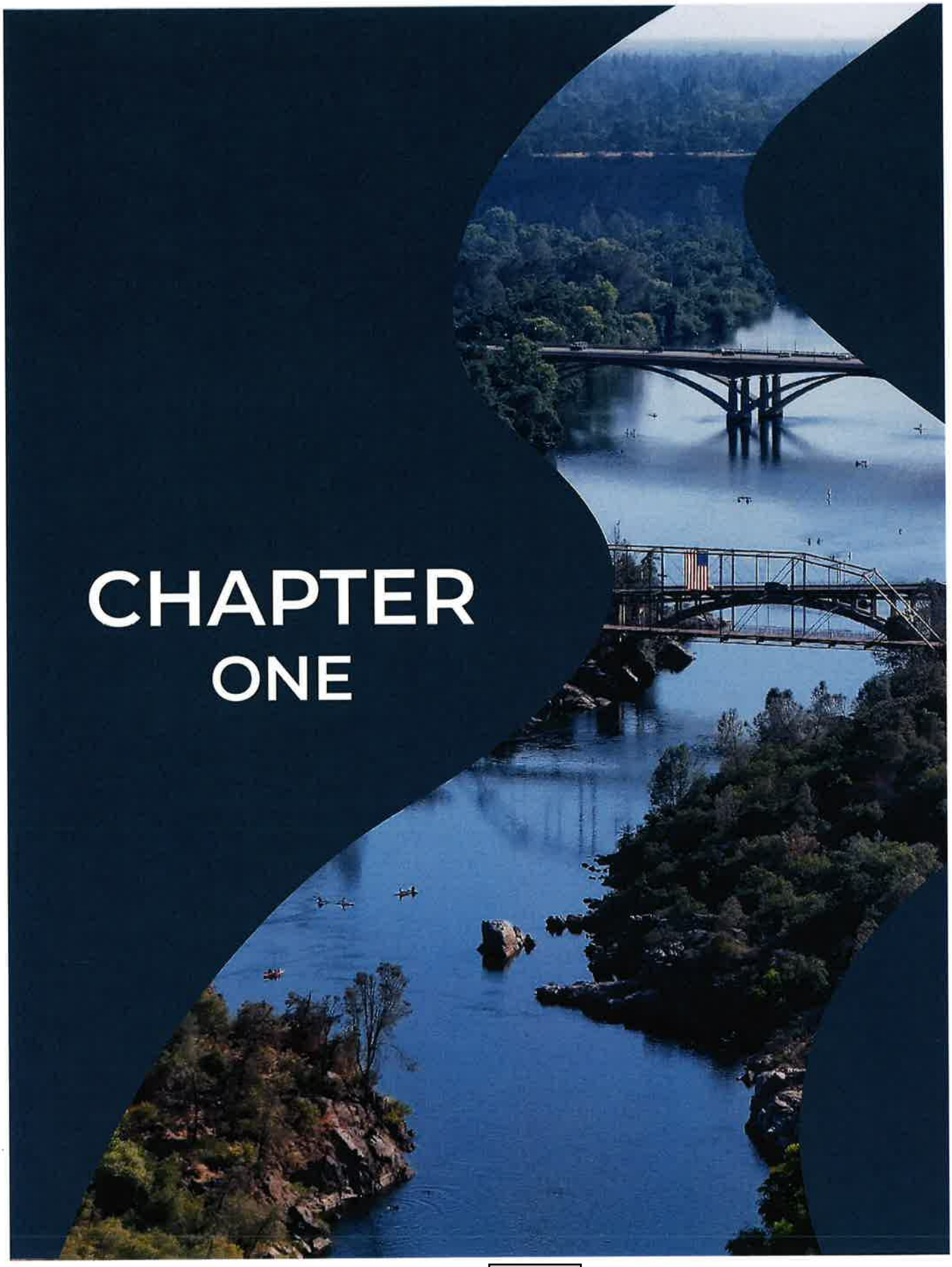

CHAPTER ONE

Chapter 1
INTRODUCTION AND PROJECT OVERVIEW

This chapter contains a brief introduction to the project, describes the existing ownership and operations of the River District Area, and provides the vision and goals for this Vision Plan.

A. PLANNING PROCESS AND PURPOSE

Like the development patterns of many towns along rivers, mining and industrial uses were located along the waterways, while residential and commercial development often occurred away from these areas. Historically, the American River in Folsom played a vital role in the lives of several Native American communities and served various industrial uses during and after the Gold Rush, notably including the generation of electricity. As a result, the City developed with little regard for the river's exceptional scenic and recreational value, similar to many other examples around the country. Today, many towns along riverways are rehabilitating their water courses and repurposing these public spaces to enjoy the many opportunities these natural environments can provide. With this Vision Plan, the City of Folsom aims to do just that – to reconnect the community to the river.

The purpose of this Vision Plan is to establish an achievable vision, shape future growth, and implement an achievable action plan for the City of Folsom while preserving the natural areas. The Vision Plan provides a framework for implementation with key site design concepts to inspire future private redevelopment and incentivize public improvements that reflect the community's values and vision for the River District. Additionally, it documents many other areas of interest for future analysis and consideration for improvements, both programmatic and physical, to the River District area.

The project team and the City of Folsom proactively engaged with State Parks and local Native American tribes during the Vision Plan process in good faith and respect to better understand our shared goals and values for the River District and achieve a partnership and work together to achieve mutual shared interests and benefits for this special place.

The River District Vision Plan (Vision Plan) is a companion document to, and must be consistent with, the 2035 General Plan. The Vision Plan outlines the City's aspirations for the future of the River District with guiding principles, key concepts, and future action ideas. Subsequent projects and improvements within the River District do not require strict compliance with the Vision Plan. Rather, the Vision Plan will help guide future projects, priorities, and decisions consistent with other City policies, ordinances, adopted plans, and required procedures.

B. PROJECT AREA DESCRIPTION

The Folsom River District area is located east of Sacramento within the City of Folsom. The boundary includes a portion of the Folsom Lake State Recreation Area (SRA), lands around the Lake Natoma reservoir, and includes numerous landmarks and destinations. The project area features more than six miles of the American River and Lake Natoma within the City of Folsom.

Regional access to the River District is primarily from Highway 50, with Folsom Boulevard/Folsom-Auburn Road being the primary local roadway connector. There are multiple bicycle and pedestrian trail connections and public transit services linking to the River District area. Some of the trails within the River District are part of much larger trail systems, such as the Jedediah Smith National Recreation Trail, Johnny Cash Trail, American River Trail, and the Pioneer Express Trail. The Sacramento Regional Transit (SACRT) connects the River District to Downtown Sacramento with the Light Rail 'Gold Line' and has three transit stops in the Vision Plan area: Historic Folsom Station, Glenn Station, and Iron Point Station. The River District also contains urban residential areas, a core business district, and restaurant and entertainment options. Refer to Figure 1 for a map of the Vision Plan area.

For planning purposes, the River District Vision Plan area has been divided into three segments:

The northern plan segment looking towards Folsom Dam and Folsom Prison

- Northern Segment – Generally located from Folsom Lake Crossing to the Rainbow Bridge (Greenback Lane). The Northern Segment contains several key visitor destinations such as City Hall, the public library, Folsom City Park, Rodeo Park, the Zoo Sanctuary, and portions of the popular Johnny Cash Trail. Much of the Northern Segment has a natural feel, with some single-family residential areas and civic/commercial zones along East Natoma Street. Much of the Northern Segment is owned by the Bureau of Reclamation and operated by the California Department of Parks and Recreation (State Parks), and it contains the CDCR (prison property) on the northeastern edge. This segment also features two landmark bridges over Lake Natoma which add to the visual character and aesthetic interest of the area, the iconic Rainbow Bridge and the historic Truss Bridge, which serve pedestrians and non-motorized vehicle users. There are trails running parallel to the river on both sides that offer a variety of vantage points of the water: the American River Bikeway on the north side and the Canal Trail on the south. The Canal Trail follows the historic decommissioned canal that supplied water to the Powerhouse downstream, and numerous relics of that hydroelectric system remain.

The central plan segment includes the Corporation Yard (foreground) and the Historic District

- Central Segment – Generally located from the Rainbow Bridge to Parkshore Drive. This area includes Folsom's Historic District, the City Corporation Yard, the Powerhouse State Historic Park, and Black Miners Bar. The Central Segment is the most densely developed portion of the Vision Plan area, with a variety of public and private uses including commercial, residential, and industrial uses. The Central Segment also includes the Historic Folsom and Glenn Station light rail stations. Formalized access to the water in this area is available in several places: Black Miners Bar on the north side has a boat launch accessible by vehicles, and various pedestrian access points exist on the south side including below the Folsom Boulevard Bridge (Lake Natoma Crossing) and the south end of the Corporation Yard. Pathways along the south shoreline exist, but currently end at the Powerhouse SHP

property line. A City-owned parcel at Folsom Junction commonly referred to as the "Wye Property" is adjacent to, but outside the River District boundary, and was discussed as a potential addition to the boundary. This action could be considered in the future (refer to Chapter 4 for additional information).

The southern plan segment is the gateway to the River District from Highway 50

- Southern Segment – Generally located from the Lake Forest Tech Center to the Alder Creek area near Highway 50 and serves as the entrance to the River District for visitors approaching from the south. The Southern Segment is bounded by Folsom Boulevard in the south, and it includes the Willow Creek Recreation Area, Folsom Auto Mall, and the Iron Point Station light rail station. The existing Jedediah Smith Memorial trail follows the shoreline and offers excellent vistas of the lake and features many spectating opportunities for paddling activities and events. An interesting City-owned property known as the Natoma Ground Sluice Diggings, which features remnant evidence of historic mining techniques, is adjacent to the River District area. The Natoma Ground Sluice Diggings area was discussed as a potential addition to the River District boundary, and this action could be considered in the future (refer to Chapter 4 for additional information).

C. EXISTING CONDITIONS

The Folsom River District is a special place which contains myriad opportunities to enjoy nature and scenic vistas, celebrate a diverse blend of cultures and social history, and appreciate engineering ingenuity. The River District area contains a unique blend of public and private land ownership, is surrounded by beautiful open space rich in cultural history, and contains recreational, residential, commercial, and office uses. The non-recreational uses located directly adjacent to the River District are generally associated with Nimbus Dam and are related to the operation of Folsom Lake for flood control, water supply, and/or power generation.

i. Federal and State Operations

Multiple state and federal agencies are involved in operations within the River District, and it is essential to recognize the many important roles of the jurisdictions and agencies with regulatory responsibilities when planning for improvements within the River District area. Cooperation with state/federal agencies will be required for future projects proposed cooperatively on state/federal lands to ensure consistency with agency plans, goals, and objectives.

The project team met with State Parks in the early stages of the project to discuss the vision for the River District and to better understand the parameters and policies in place for future improvements within State boundaries. Refer to Chapter 2, Section C for more information.

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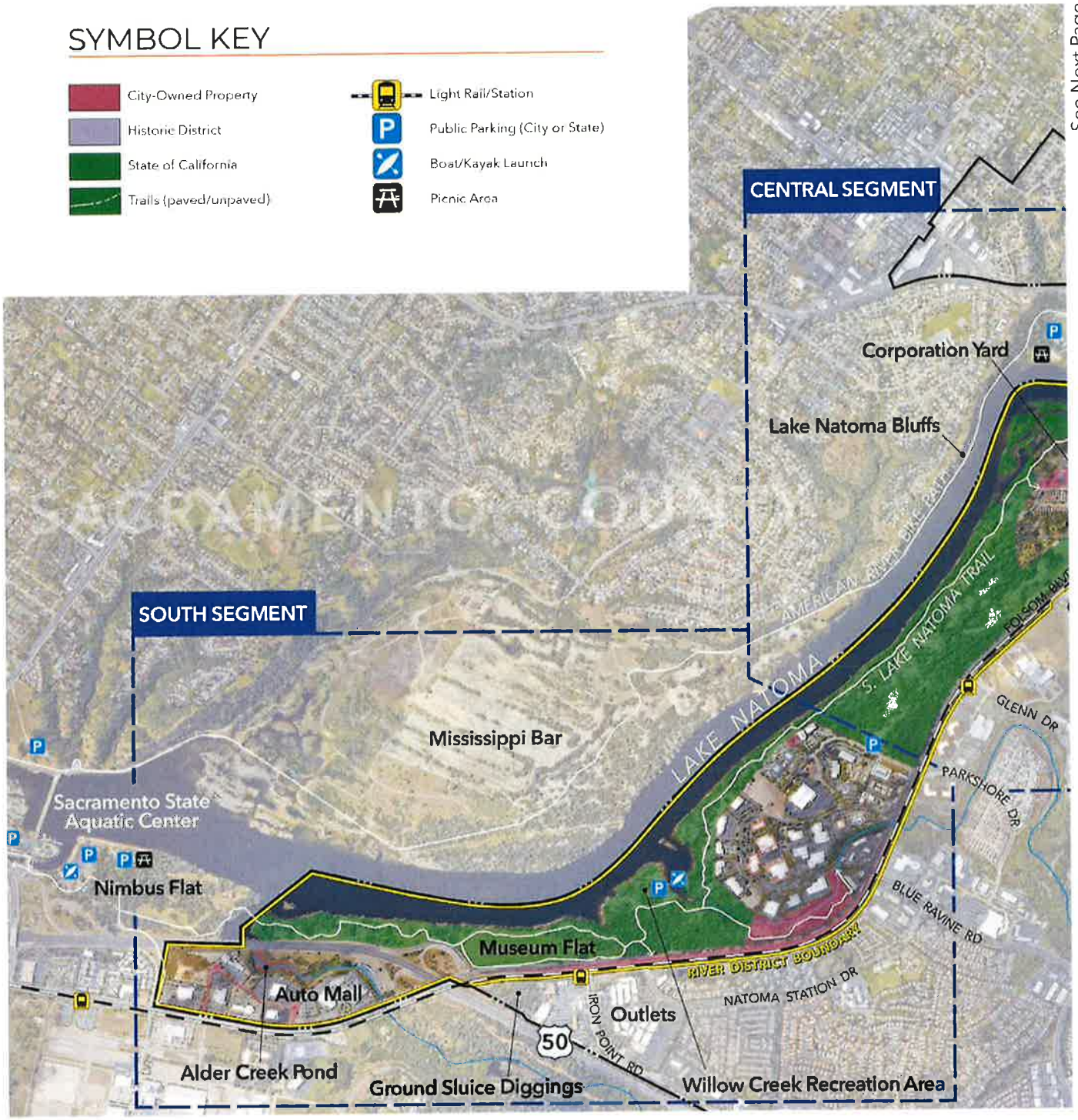

FOLSOM RIVER DISTRICT

Existing Conditions and Landmarks

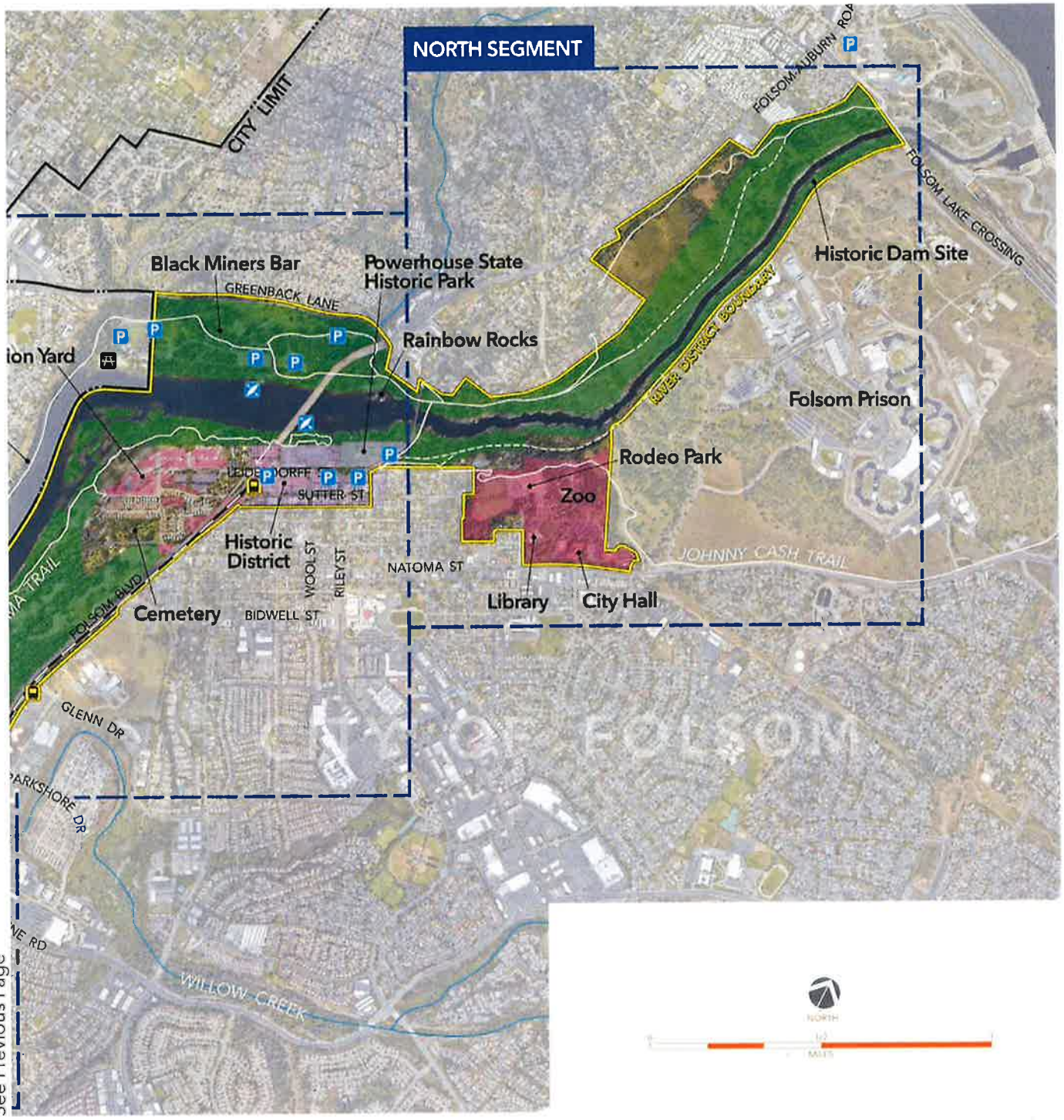

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Figure 1. River District Vision Plan Area

Below is a brief description of the primary federal and state agencies that have jurisdiction within the River District area:

- U.S. Bureau of Reclamation (Bureau) – The Bureau's primary function is to provide flood control, water supply and power generation via the reservoirs, but it also allows for public access and recreation.
- Army Corp of Engineers (ACOE) – The Army is involved in the dams and reservoirs within the River District, and the Western Area Power Administration (WAPA) actively manages their transmission lines and rights-of-way throughout the District.
- State of California (State) – Much of the State-owned lands around Lake Natoma are operated by the California Department of Parks and Recreation (State Parks) and this includes the Folsom Powerhouse State Historic Park. The California State University Aquatic Center and State Prison are also State-owned and located adjacent to the boundary of the River District area. Additionally, California's Department of Corrections and Rehabilitation owns a small amount of land north of Rodeo Park between State Parks' land and the river. Refer to Chapter 2 for a list of potential opportunities on federal and state lands.

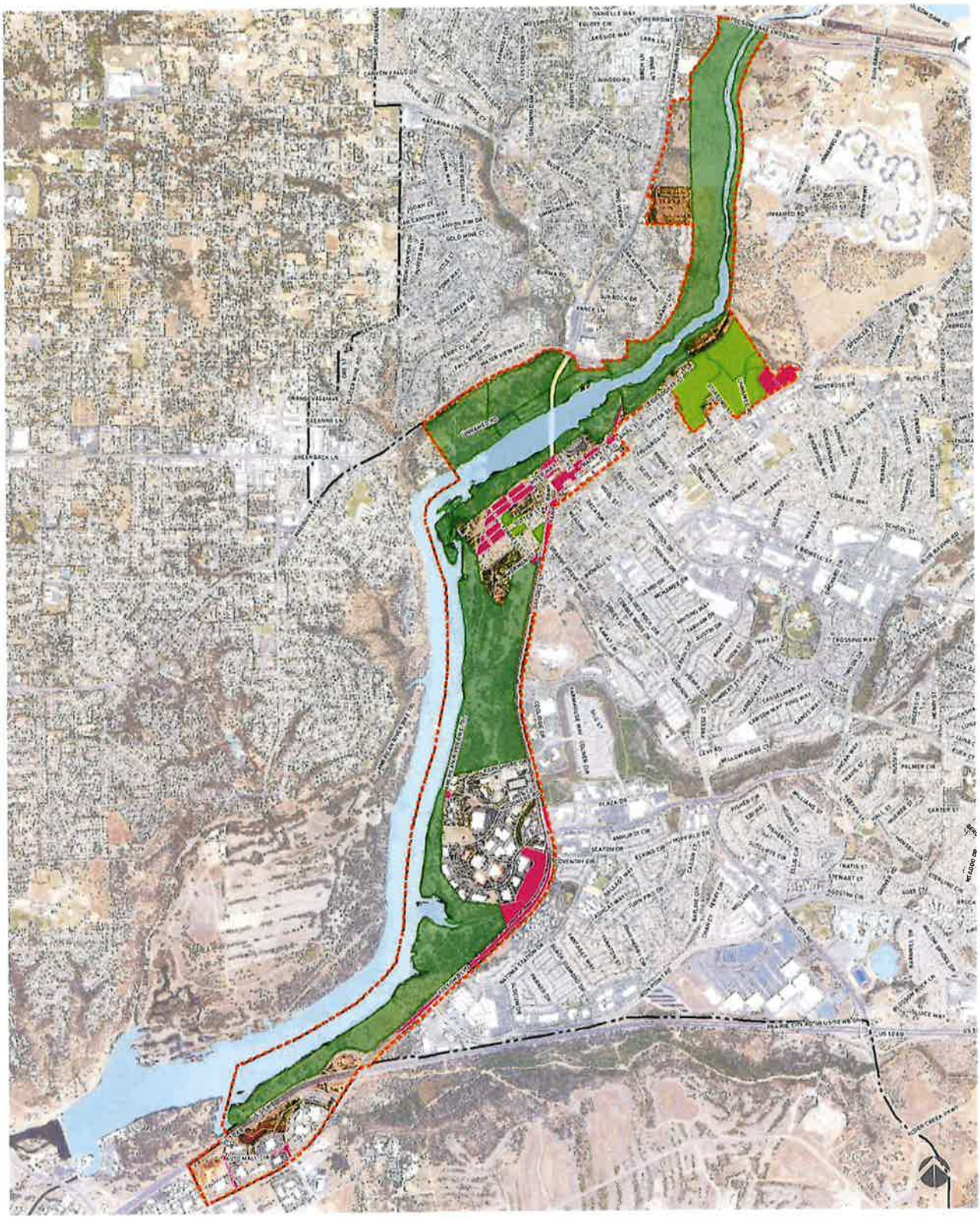
ii. City Jurisdiction and Interface Points

The City of Folsom is another owner of a significant percentage of land within the River District boundary. City jurisdiction includes public streets, bridges, and adjacent right-of-way and easements. In addition, the City owns and operates several miles of Class I multi-use trails and Class II bike lanes which link with trail systems in adjacent neighborhoods and communities throughout the River District area.

Key areas under City jurisdiction within the River District include:

- City Hall Complex – Folsom City Hall is located on Natoma Street and Stafford Street, and it is part of a large area of City-owned properties which collectively contain the Public Library, Community Center, Senior and Arts Center, Zoo Sanctuary, Folsom City Park, and Rodeo Park. The Johnny Cash Trail runs through the northern portion of the complex.
- Historic District – Within the River District, Folsom's Historic District is generally located from Sutter Street to the south and extends to Leidesdorff Street to the north, and it runs west to east from Reading Street to Scott Street. The Historic District contains residential, dining, and shopping areas, and there is an existing City-owned parking structure located at the corner of Reading Street and Leidesdorff Street.

  The Historic District provides for a variety of seasonal activities and events throughout the year and contains a pedestrian promenade on the 700 block of Sutter Street, as well as a central Public Plaza with the historic railroad turntable which is utilized for public events such as Farmers Market on Saturdays. Several of the buildings within the Historic District are architecturally significant and contribute to the authenticity of the City's rich history and reflect the unique charm and character of Folsom.
- The City owns property known as Trader's Lane that currently serves as a surface public parking lot for approximately 125 cars. The City also owns a few other smaller parcels within the Historic District area.
- City Corporation Yard – The Corporation Yard is an approximately 16-acre area located between Lake Natoma and Forrest Street, generally between Young Wo Circle and Burnett Street. It is currently used by the City of Folsom for offices, storage, maintenance, and parking of their fleet vehicles.



River District Boundary
City Boundary
City Parks
State Lands
City Parcels

Figure 2. City and State ownership within the River District

iii. Primary Recreation Areas

Folsom Lake SRA is one of the most popular parks in California, and about 85% of visits to the lake are for recreational activities. During the warm times of the year, the River District experiences an influx of visitors and local community members seeking the enjoyment of outdoor spaces. The popularity is largely due to the easy access and proximity to Sacramento. As the regional urban areas continue to become denser, the need for preserving outdoor activities in natural areas becomes more important and increased use of the River District is anticipated in the future.

The natural areas of Lake Natoma are ideal for many recreational opportunities ranging from non-motorized boating, swimming, camping, picnicking, walking, biking, and nature/history/culture appreciation. The River District provides ample opportunities for all ages and abilities to explore nature and is a valuable escape from the surrounding suburban areas. The picturesque shoreline offers multiple views across Lake Natoma and there are many opportunities for recreational activities and exercise. There are three existing major recreational areas in the River District area, and they are all operated by State Parks:

- Black Miners Bar Area – includes public parking, boat ramp, paddle board rentals, day use, public restrooms, and group camping.
- Powerhouse State Historic Park – features a visitor center, restroom, picnic areas, interpretive exhibits, and walking trails, all in support of the historic Powerhouse buildings and infrastructure.
- Willow Creek Recreation Area – includes public parking, boat ramp, and public restrooms.

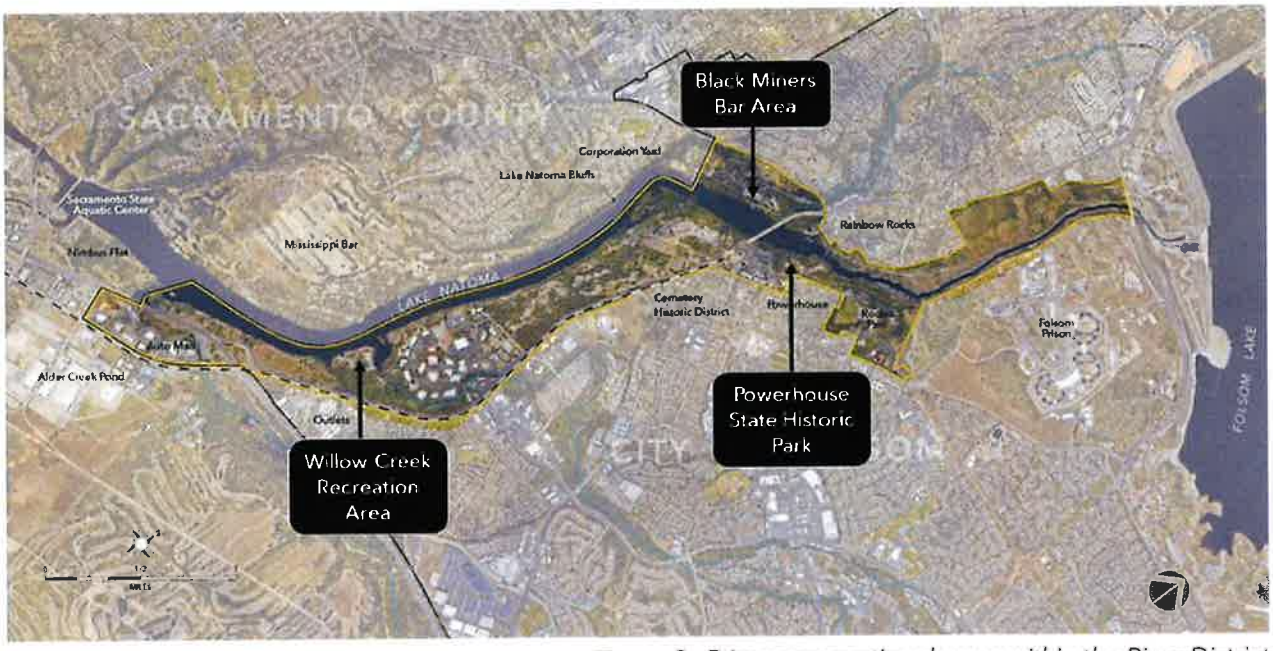


Figure 3. Primary recreational areas within the River District

D. HISTORY AND BACKGROUND

The River District area has a history spanning more than 4,000 years, rich with Native American activity, mining, early settlement, a global cultural migration during the Gold Rush, the railroad, the Pony Express, and hydroelectric power generation, all with one connecting tissue - the river. The River District contains a diverse and large number of historic resources and archaeological sites, and there are several prehistoric resources that illustrate Native American life. Additionally, there are remains of past mining activities which occurred during the Gold Rush when speculators flocked to the area. Many ethnic groups were pioneers during the Gold Rush, and they contributed to the development of mining settlements along the river shores.

The reservoirs were created in the 1950s by damming the American River as part of the Central Valley Water Project, and there are several remaining elements which relate to hydropower and historic use of water resources. The Folsom Powerhouse, now a State Historic Park (SHP), is one of the oldest hydroelectric facilities in the world and was the first in the world to transmit high-voltage alternative current over a long-distance. The SHP contains portions of the original powerhouse and associated buildings, and a segment of the historic canal that once carried water to the powerhouse building.

E. COMMUNITY OUTREACH OVERVIEW

Engagement with the Folsom community was essential to the success of the River District Vision Plan. Community input combined with deeper insights and guidance from the Citizen's Advisory Committee (CAC) was the foundation for the vision and key concepts outlined in this Vision Plan.

The CAC oversaw and guided the creation of this Vision Plan and was dedicated to tackling the River District's complex challenges while embracing its numerous opportunities. The CAC consisted of 24 members, with 12 stakeholder group representatives and 12 at-large members, all of which were appointed by the City Council. These members represent a wide range of interests and backgrounds, reflecting much of the River District's recreational, environmental, business, and community interests. Over the course of 14 meetings, the CAC influenced and informed most of the design and key site concepts within this Vision Plan.

In addition to these CAC meetings, the project involved extensive public engagement which allowed for ample opportunity to collect community feedback and input through a variety of forums:

- Online community survey
- Project updates through the City's e-newsletter, printed newsletter, and social media platforms
- Project webpage on the City of Folsom's website
- Community open house
- Stakeholder interviews
- Joint commission workshop
- Presentation to Planning Commission, Historic District Commission, and Park and Recreation Commission (with recommendations to the City Council)

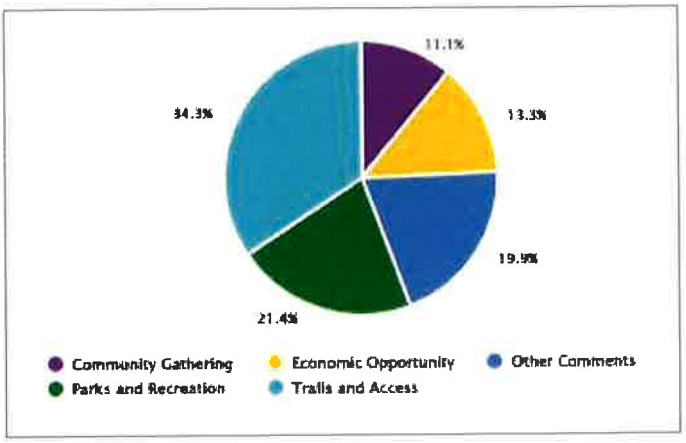


Figure 4. Online community input topics "Trails and Access" received the most community comments, followed by "Parks and Recreation"

High priority community interests and common themes from community outreach are provided in Chapter 2 and listed throughout this Vision Plan. The graph at right depicts the amount of input received for each category in the online community survey. Additional details are provided in Appendix iii.

F. VISION AND GOALS

i. City of Folsom General Plan Goals

The General Plan is the guiding planning document for the City of Folsom. The Land Use Element establishes a vision for how Folsom is to grow and evolve, and it provides policy guidance to meet the River District's vision for future development, use, and maintenance of public and private lands.

The River District is included within the Land Use Element of Folsom's 2035 General Plan, which states that there is an opportunity to make the river a more integral part of the community by increasing attention and access. The goals for the Vision Plan from the General Plan are important building blocks of future growth, uses, and activities within the River District Vision Plan area, and aim to:

- Increase public access
- Increase recreation opportunities
- Increase economic growth

The General Plan also identifies several elements that are important for the community of Folsom, and the following objectives are integrated throughout this Vision Plan to ensure a more prominent and distinguishable sense of place for the River District:

- Provide City gateway enhancements
- Commit to high-quality design
- Enhance Folsom's heritage
- Celebrate and protect environmental, cultural, and historical resources

ii. Creating a Vision for the River District

The River District is envisioned to become a focal point of activity that attracts residents and visitors to enjoy its many amenities and its unique, natural, and historic small-town feel. The plan seeks to build upon the unique elements that make Folsom special, such as the relationship of the historical town to the river and the extensive existing trail system, to develop a more walkable City with distinct placemaking elements for residents and visitors. The River District Vision Plan's vision was shaped to align with the community values that emerged from public outreach. This plan aims to provide specific guidance and direction for implementing increased opportunities for recreation and access, economic growth, and celebration of the area's cultural, historic, and environmental resources.

A typical scene on the river during summer

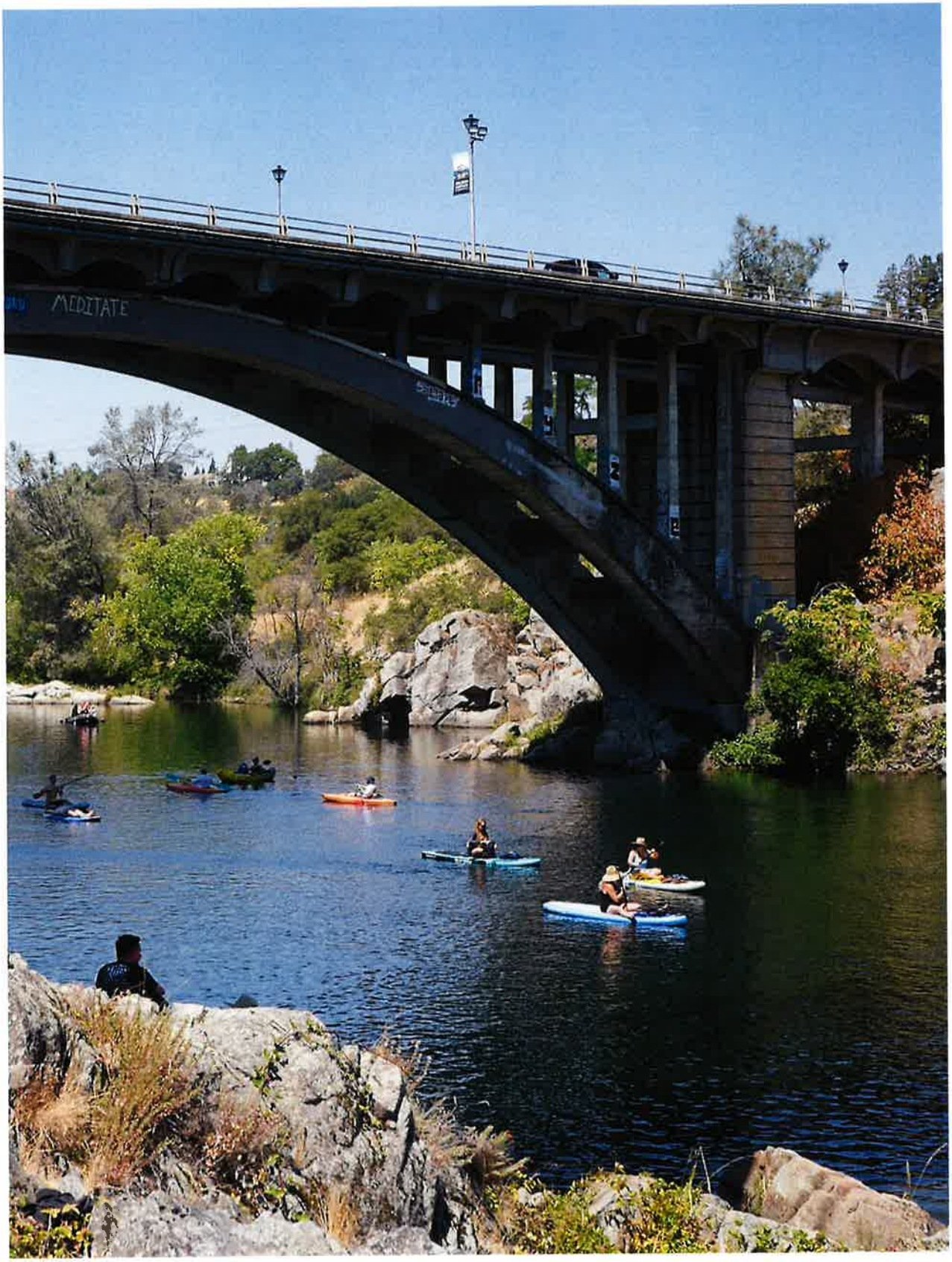
The vision for the River District Vision Plan is to:

- Create a unique destination with improved wayfinding and access, to protect and preserve the aesthetic, environmental, historical and cultural qualities of the River District while enhancing the uses for residents and visitors, and to achieve a harmonious balance of collective interests for the River District area.
- Stimulate and guide future land use decisions, enhance tourism, foster economic growth, and create an inspiring vision of recreation opportunities and increased access, use, and appreciation of the River District area.
- Activate the City's waterfront opportunity sites for recreation and economic growth through strategic partnerships and land use opportunities and inspire innovative urban and community design ideas and solutions.
- Provide a wider variety of entertainment, shopping, recreational, and dining opportunities to enliven the River District with people of all ages and backgrounds.
- Create a family-friendly, pedestrian-oriented district with safe, walkable, and attractive streets and trails with vibrant public places to gather, play, relax, and attend events.

iii. Summary of Implementation Recommendations

The following recommendations are a summary of the future action items within the River District, and they are listed by priority (refer to Chapter 4 for more information):

- **Recommendation 1**: Implement the Key Site Concept Plans to achieve the vision and planning principles for the River District and help to spur reinvestment in the River District (refer to Chapter 3)
- **Recommendation 2**: Focus on defining and attracting development opportunities for key sites. This could include the following efforts by the City (refer to Chapter 2, Section D)
- **Recommendation 3**: Implement Programmatic Opportunities as feasible and set the stage for future investment with improvements to the physical setting in the River District, such as increased outdoor gathering areas, recreational spaces, and enhanced placemaking elements (refer to Chapter 2, Section F)
- **Recommendation 4**: Pursue federal, state, regional, and local funding sources for infrastructure and planning projects (refer to Chapter 4)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G. PLANNING PRINCIPLES

This Vision Plan is a visioning document and contains conceptual plans and recommendations to implement the community's vision for the River District. This Vision Plan incorporates five primary planning principles which apply districtwide and are fundamental to achieve realization of the goals for the River District. These principles were used to inform each key site concept created for this Vision Plan (refer to Chapter 3 for additional information)::

GUIDING PLANNING PRINCIPLES

PRINCIPLE 1

» Engage in early consultation and partnerships with State Parks and Native American tribes

PRINCIPLE 2

» Promote a "walkable city" by increasing safety and ease of access for pedestrians, bicyclists and vehicles

PRINCIPLE 3

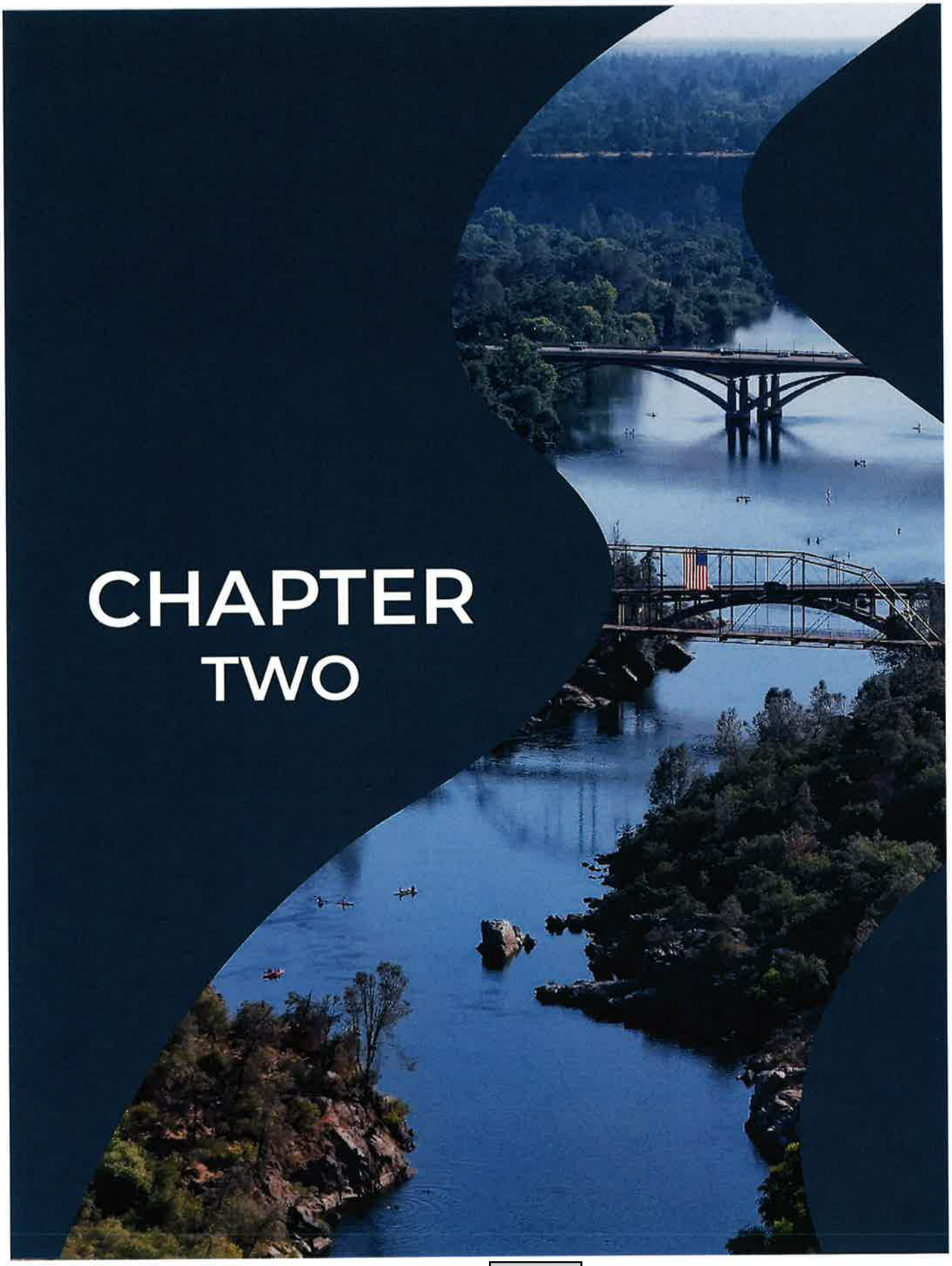
» Create connections for increased recreational or economic opportunities

PRINCIPLE 4

» Celebrate, educate, and conserve the City's historical, cultural, and environmental resources

PRINCIPLE 5

» Commit to "best in class" efforts to inspire residents and visitors as projects and programs are implemented



CHAPTER TWO

Chapter 2
OPPORTUNITIES AND CONSTRAINTS

This chapter discusses the overarching opportunities and constraints for the entire River District area. This is a vast area with a variety of conditions, and this chapter provides a general summary of the primary issues that may affect future uses within the Vision Plan area. Additionally, depending on future demand, certain utility capacities may need to be addressed as individual projects are implemented. Chapter 3 provides a list of potential catalyst projects and objectives to implement the vision for Folsom's River District..

A. EMPHASIS ON PROTECTION AND ENHANCEMENT

The River District contains a diverse landscape with urbanized areas along its periphery and a variety of natural areas surrounding Lake Natoma. The River District has been a hub of human activity for thousands of years. This long history of human use is evident in the many Native American, Euro-American, and African American archaeological and historic resources found in the District.

Protection, preservation, and enhancement of these valuable natural and cultural resources is an emphasis of this Vision Plan. The opportunities and constraints analysis described in Chapter 2 considered these important resources and identified recommendations for enhancing and protecting these sensitive resources.

The River District contains sensitive habitats that provide for numerous species and have special regulatory protections by the California Department of Fish and Wildlife (CDFW), US Fish and Wildlife Service, California Water Resources Control Board, and US Army Corps of Engineers. These include the following. Refer to Appendix i for more information.

- Approximately 421 acres of oak woodlands and 18 acres of mapped wetlands (in addition to Lake Natoma itself). There is also the potential for unmapped vernal pools to exist throughout the River District.
- The River District includes habitats that could include up to 10 different special status plant species. While none of these special status plants have been identified in the River District, the wetlands and grasslands in the District could support these species.
- Similarly, up to 15 species of special status wildlife could be supported by habitats in the River District. Only one special status wildlife species (valley elderberry longhorn beetle) has been detected in the River District.
- In addition, there are 14 sensitive natural communities found throughout the River District. These are native plant communities identified by CDFW as having a limited distribution and vulnerability to the effects of development. They include Valley Oak woodlands, two different riparian communities, and several different grassland communities.

This Vision Plan identifies five key priority sites for potential improvements aimed at avoiding or minimizing direct impacts to sensitive habitats. Additionally, site-specific project planning would precisely map these resources and incorporate design approaches or mitigation measures to avoid degradation of sensitive habitats, consistent with regulatory requirements. The Vision Plan also proposes habitat enhancement through the planting of native species throughout the River District.

- This Vision Plan directs the proposed project improvements away from sensitive natural communities, wetlands, and other habitat for special status species, where feasible.
- Native American tribes in this region regard the River District area as a "cultural landscape" and it is very important to recognize the historical and pre-historical cultural resources that are located throughout the River District. It is critical to partner with Native American tribes in early consultation during the project scope development stages to protect and to prevent unnecessary or unintended impacts to cultural resources and to teach and celebrate Native American history where appropriate.

- In addition, future site-specific project planning would include surveys in conjunction with Native American tribes for the presence of special status species and/or design approaches and mitigation to minimize disturbance to these resources.
- The River District contains historic buildings and resources associated with water resources and the early settlement of Folsom. This Vision Plan directs proposed project improvements away from historic resources, which would continue to be protected consistent with the City of Folsom Historic Preservation Master Plan.

The location of the River District along the American River was and is an ideal setting for Native American settlement, and evidence of thousands of years of Native American habitation can be found throughout the District. While most of the River District has been surveyed for archaeological resources, a complete archaeological survey has not been completed for the entire area. This Vision Plan recommends that partnerships and consultation with appropriate Native American tribes and a review of cultural resource databases occur during the preliminary planning stages of individual projects. Where complete information on cultural resources is not available, additional archaeological surveys may be necessary. The design of individual projects should incorporate approaches to avoid or minimize impacts to cultural resources. This provides an opportunity to identify and protect archaeological resources early in the design process and, where appropriate, provide opportunities to interpret Native American uses in the River District.

B. RIVER DISTRICT CONSTRAINTS

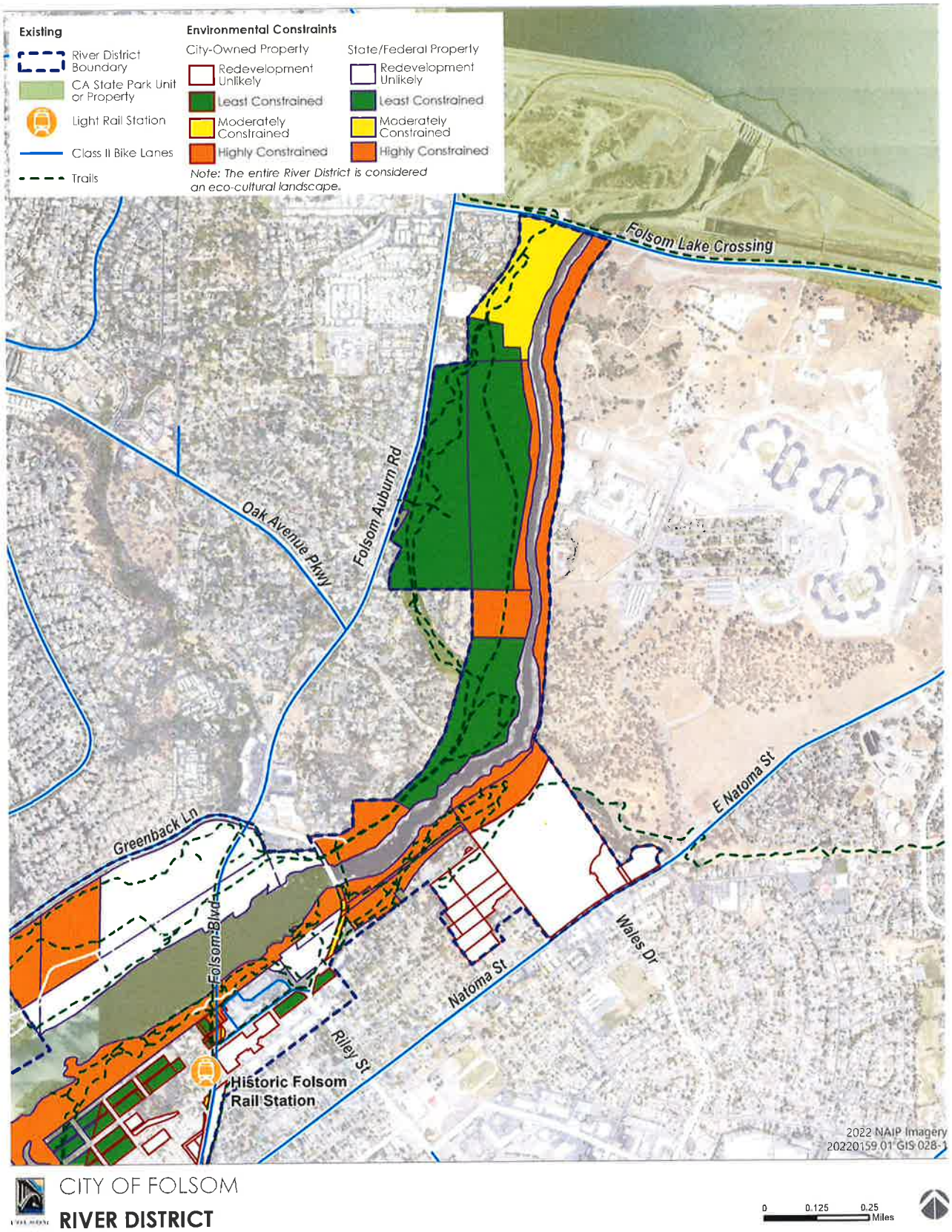
The project team reviewed the existing constraints within the River District area which included:

- Environmental Hazards – Such as flood zones, steep slopes, high shrink-swell potential in the soils, hazardous material sites, and landslide potential.
- Sensitive Natural Resources – Such as wetlands, scenic views, and sensitive plant and animal habitats.
- Sensitive Receptors – Such as residential neighborhoods and schools that would be sensitive to air quality emissions and noise from new projects.
- Cultural Resources – Such as historical, archaeological sites, and eco-cultural landscapes.
- Land Tenure – Such as public ownership and locations of existing development.

The overall level of constraints described above were organized into four broad categories to better understand the feasibility of potential improvements related to recreational uses and economic growth and revitalization:

- Redevelopment Unlikely – Areas are already developed with established land uses that are unlikely to change in the foreseeable future.
- Least Constrained – City-owned property that has no prohibitive environmental constraints identified, or federal or state lands with no constraints or only one minor environmental constraint. These areas are suitable for the full suite of improvement opportunities.
- Moderately Constrained – Areas with one or two minor constraints identified on City-owned property or two minor constraints identified on state/federal property, but no wetlands or high landslide susceptibility areas present. These areas are appropriate for trails and recreation uses. Structures and more intensive uses may be possible but could require specialized design approaches or environmental mitigation.
- Highly Constrained – Areas with three or more overlapping environmental constraints and areas with wetlands, cultural resources, or high landslide susceptibility. While developing a building or structure could be possible in these areas, it will be more difficult due to the need to mitigate the presence of several environmental resources and/or hazards.

In general, the Least Constrained areas represent the most obvious opportunities for River District improvement projects. However, it is important to note that although the Moderately and Highly Constrained areas might present greater development challenges, this does not imply that work in these areas is an impossibility. In addition, the areas close to the river have high sensitivity regarding ground disturbance and this type of activity should be minimized within the River District. Further study of potential environmental impacts will need to be done at the time a specific project(s) is defined. Refer to Appendix i for additional information.



CITY OF FOLSOM
RIVER DISTRICT

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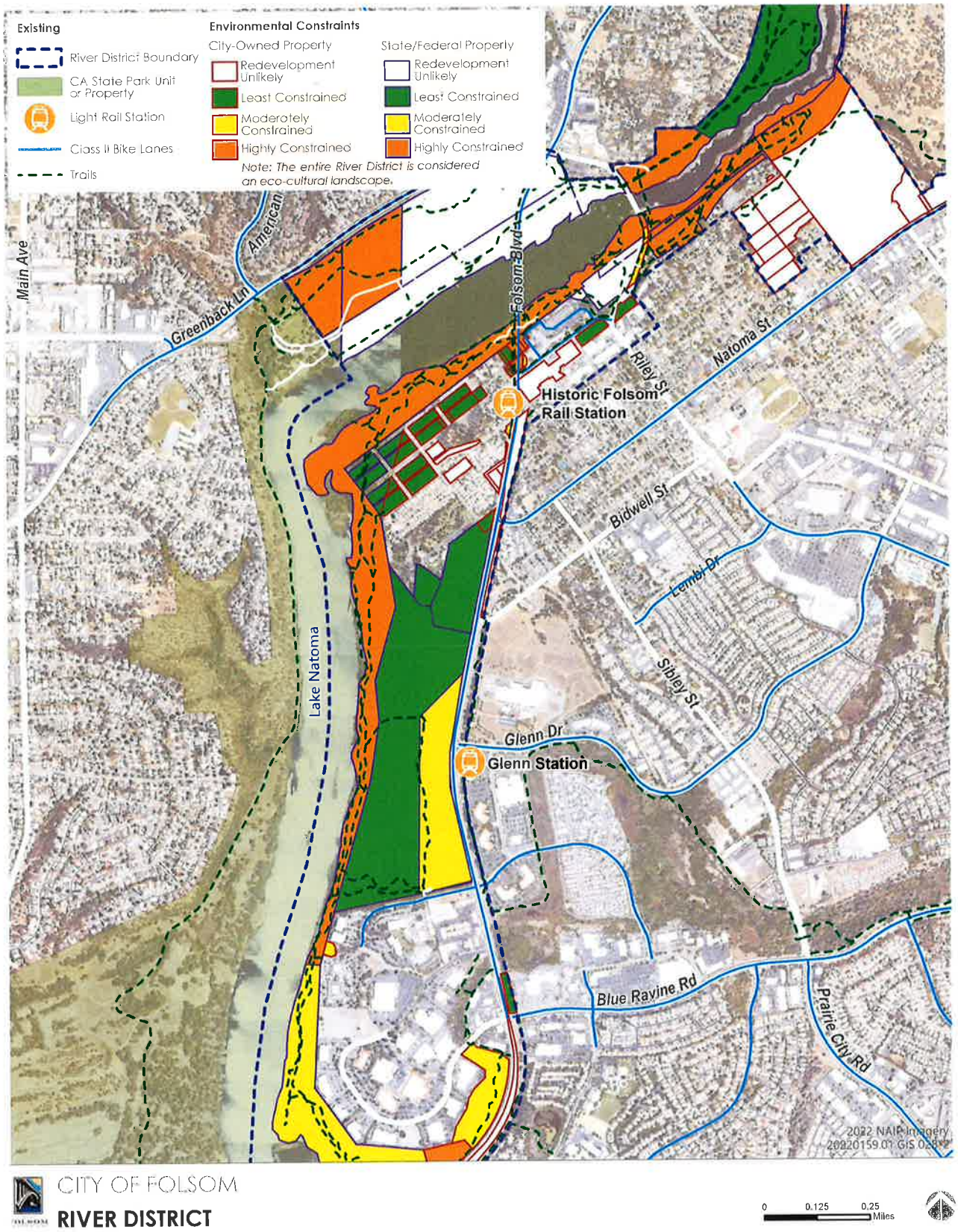
Figure 5. Environmental Opportunities and Constraints, Northern Segment (Ascent)



CITY OF FOLSOM
RIVER DISTRICT

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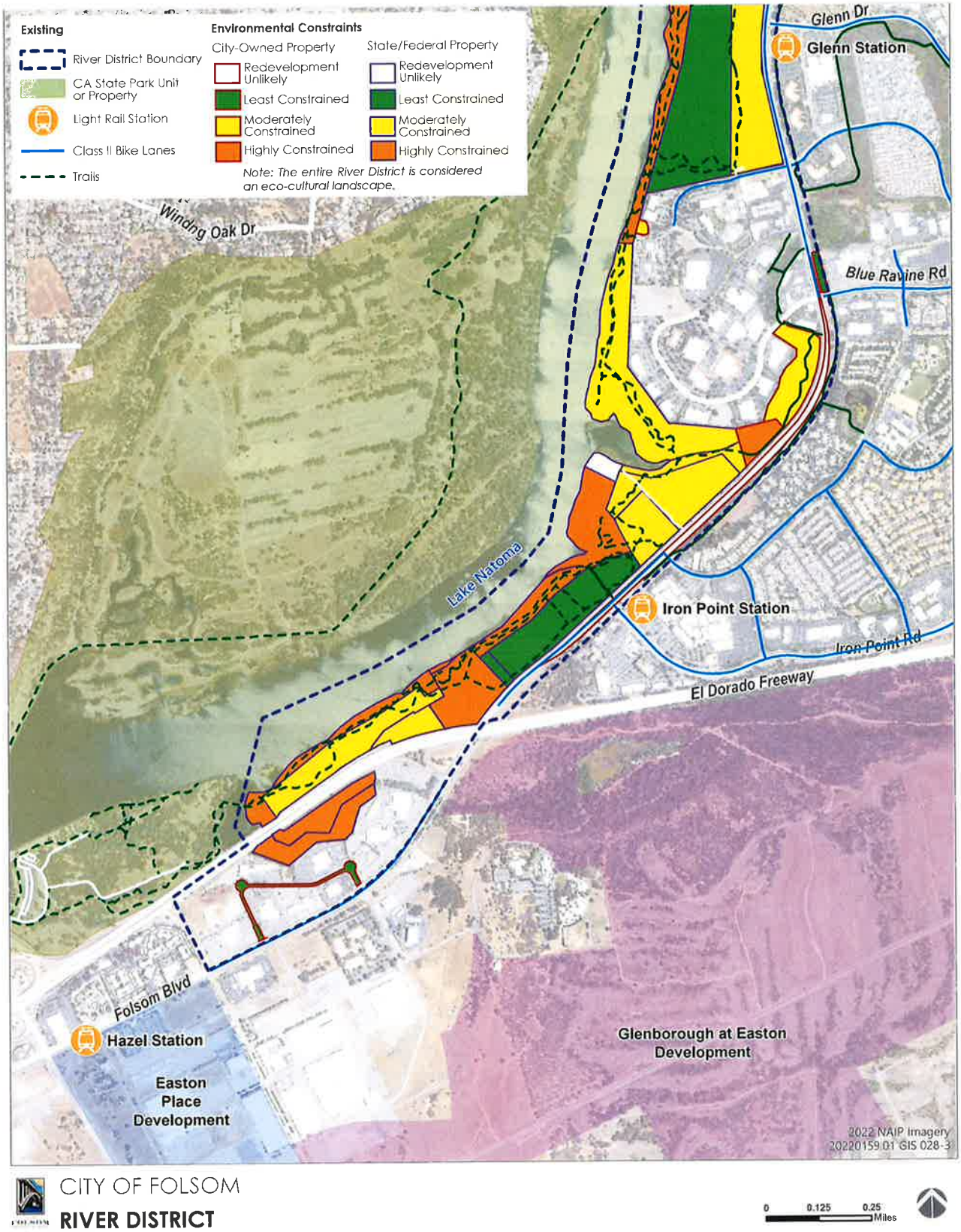
Figure 6. Environmental Opportunities and Constraints, Central Segment (Ascent)



CITY OF FOLSOM
RIVER DISTRICT

0 0.125 0.25 Miles

Figure 7. Environmental Opportunities and Constraints, Southern Segment (Ascent)

C. LAND USE AND OWNERSHIP OPPORTUNITIES

Land use designations provide the framework to regulate the types of use, location, level of development, or degree of natural resource protection. Land uses are established by the City's General Plan and Zoning Code, as well as other agency plans; nothing in this Vision Plan changes those land use designations. However, concepts introduced in key opportunity sites may require modifications moving forward with all appropriate processes and procedures. The purpose of this Vision Plan is to ensure that the resulting land uses are sensitive to the River District's naturalistic setting and scenic values and encourage a positive relationship with the surrounding neighborhoods.

The River District area encompasses many publicly and privately owned parcels and is an interconnected web of ownership. This Vision Plan is intended to serve as a link between the multitude of public agencies and private ownerships and provide a roadmap to a successful River District. Interagency coordination, cooperation, and cross-jurisdictional commitment to shared action and stewardship are critical to fulfill the envisioned concepts of this Vision Plan.

i. Opportunities within City Lands

The following list includes potential future opportunity areas which were highly supported by the Folsom community and align with the City's goals for increased access, enhanced recreational uses, or economic growth. These areas are recommended for near-term improvements to create a more vibrant, active, and beautiful River District:

- **City Hall Complex and Rodeo Park** – The community was supportive of making improvements to Rodeo Park and suggested making it a multipurpose facility with upgraded sports fields and the inclusion of family-friendly elements. Refer to Chapter 3 for potential improvements to the Rodeo Park area (Key Site 2).
- **Historic District** – There was strong support by the community to improve pedestrian safety along Riley Street and Greenback Lane, and to add pedestrian amenities near the Rainbow and Historic Truss Bridges. There was also community support to improve the existing parking lot along Trader's Lane with visitor-serving uses and public gathering spaces. Refer to Chapter 3 for potential improvements to Leidesdorff Street and Riley Street (Key Sites 3 and 4).
- **Corporation Yard** – The CAC supported planning this area with commercial, entertainment, and visitor-serving uses (such as retail, a public market, a boutique hotel, a museum/cultural facility), with some residential and active park uses. Refer to Chapter 3 for potential improvements to the Corporation Yard area (Key Site 5).

ii. Alignment with State Plans and Policies

Federal and State lands make up most of the property adjacent to Lake Natoma and these areas are primarily for flood protection, for protecting and managing the natural and cultural environment, and for recreation uses. However, there are items that cross over between the River District Vision Plan and State Parks goals and the following project partnerships to provide a mutual benefit, such as the Key Site 1 project for this Vision Plan which includes a bridge and looped trail connection which would accomplish both City and State Parks goals (refer to Chapter 3 for additional information).

State Parks currently has the following two guiding policy documents for the River District area, and this Vision Plan has integrated key concepts from both documents to integrate design concepts that are consistent with State Parks goals and policies to ensure the creation of cohesive projects within the River District:

- Folsom Lake State Recreation Area and Folsom Powerhouse State Historic Park General Plan/ Resource Management Plan (FLSRA GP)
- Folsom Lake State Recreation Area and Folsom Powerhouse State Historic Park Road and Trail Management Plan (RTMP)

The following list is a summary of the high-ranking ideas for this Vision Plan which align with State Parks goals:

- The FLSRA GP contains several goals that correlate and are in alignment with the community and CAC vision for the River District:
  - Create access points as needed (page ES-9)
  - Provide trails from Historic District and City Corporation yard and loop around both lakes (page ES-11)
  - Improve access to Powerhouse SHP (page ES-12)
  - Willow Creek – capacity to serve more park facilities (page II-44)
  - Black Miners Bar – improve pedestrian paths along the shoreline and connection with Truss Bridge, and consider parking closer to the lake, restrooms, interpretive facilities, and boat storage (Negrobar-2, 7, and 8)
- The RTMP for the Folsom Lake State Recreation Area also provides several policies that correlate and correspond with the River District's vision:
  - Coordinate with the City of Folsom on bike trail connections (LLN#18)
  - Enhance pedestrian connections to downtown and Lake Natoma and trail connections and access to Lake Natoma (ULN#3)
  - Provide an improved ADA-accessible trail or boardwalk connecting the Powerhouse to the Lake Natoma shoreline (ULN#4)
  - Parkshore access interpretive trail and bike trail connections (LLN#16 and #18)
  - Willow Creek - improve parking and amenities to support trail use and paddling opportunities (LLN#11)
  - Black Miners Bar – improve parking lot design, enhance access, and provide interpretation about the Rainbow Rocks (ULN#1 and 11)
  - Black Miners Bar enhancements - parking lot redesign, potential for a small amphitheater, picnic facilities, interpretive facilities, shoreline trail, and American River Canyon Drive access trail (ULN#2, 5, and 6)
  - Interpret historical features along the American River Bike Path (ULN #10)

ADDITIONAL FUTURE OPPORTUNITIES

The following list includes additional potential future opportunities that were highly supported by the Folsom community for the River District and generally align with State Parks goals for increased access, interpretation, and/or recreation. However, due to a need to prioritize projects, these items were not as highly supported by the CAC at this time.

- The central segment of the River District contains several areas within State Parks lands which have the potential to increase recreational uses and increase the number of visitors to the SRA which would provide economic benefits for the community. The following items are recommended to be considered for the River District:
  - A Welcome/Visitor/Cultural/Interpretation Center, potentially at Black Miners Bar or "Museum Flat" (Folsom Blvd and Hwy 50)
  - Folsom Boulevard Bridge - Pillar Mural Project (Lake Natoma Crossing)
- Trail Connections (e.g. American River Canyon Drive and Greenback Lane user trail – improve and formalize into formal trail)
- Shoreline Trails along Black Miners Bar shoreline and FPSHP shoreline - improve access to water and views and provide cultural and heritage interpretation.
- Vehicle access improvements into Willow Creek and Black Miners Bar such as line of sight, vegetation clearing, and incorporating acceleration and deceleration vehicular travel lanes, as well as site/district branding and wayfinding.
- Greater incorporation of FPSHP into City of Folsom Historic District – such as programs, events, and other community outreach connections
- Create "Art Walk" concept as more public art is installed in the SRA (such as the Johnny Cash Trail and Bridge Pillar Mural Project)
- Promote bridge tours as additional trail bridges are installed (such as the Truss Bridge, Robbers Ravine, and the Johnny Cash Bridge over Folsom Crossing)
- Resurface the Alder Creek Bridge
- Enhance Alder Creek Pond and provide pedestrian access to the pond.

D. ECONOMIC CONSIDERATIONS

This section summarizes the overall economic conditions existing within the River District area and includes strategies to enhance the vitality of the Vision Plan area. The economic portion of the project is critical because the City needs to provide revenue to fund the costs of the Vision Plan improvements.

The project team examined existing socioeconomic and real estate conditions in and around the River District area to provide a better understanding of the dynamics and drivers of existing real estate development. Key findings of the study are listed below.

- With about 22,900 residents as of 2021, about one-third of the City's population and housing supply are in or adjacent to the River District area.
- The City has seen moderate growth in population and households over the last decade, along with a substantial increase in housing supply. As new housing continues to develop in the Folsom Plan Area, south of US Highway 50, the City is expected to experience accelerated growth in both population and households. Although the Folsom Plan Area is farther away, this population increase will drive more demand for public and private opportunities in the River District.
- Residents in the River District area are notably older, with a median age of 45, than the City and State.
- Households tend to be smaller in the River District area relative to the City, and the median income of households in the study area is slightly lower than the Citywide median income but significantly higher than the Statewide median income.
- Housing values and rental rates have increased within the River District Area and the Area maintains low residential vacancy rates, but values remain lower and vacancy rates slightly higher compared to the City overall.
- The River District area comprises about one-tenth of the City's total retail inventory, and there has been very limited new retail space added over the past decade.
- Office space in the study area represents about 20% of total Citywide inventory, while industrial space represents about 5% of total Citywide inventory. There has been no new office space or industrial space added to the River District over the past decade.
- Over the past decade, hotels in the City have maintained consistently higher occupancy rates and Revenue Per Available Room (RevPAR) compared to hotels in Sacramento County suggesting potential for additional hotel demand.
- Most of the undeveloped land in the River District area is owned by federal and State agencies. Privately-owned land is largely built out, although there is potential for strategic economic development opportunities in some infill locations, including on City-owned parcels.

i. Summary of Case Studies for River District Activation

The project team reviewed examples from other cities for ideas and inspiration for the River District Vision Plan. The case studies involved land use redevelopment with open space and public space revitalization, which activated these areas and stimulated reinvestment and growth. A description of the case studies is provided in Appendix ii. The case studies yielded several key findings related to potential economic development opportunities for the River District:

- The successful activation of waterfront projects included a mix of both private real estate development (e.g., residential, retail, hotel) and public realm improvements (e.g., park, trails, educational components, amphitheater, public art).
- Projects provided opportunities for encouraging a range of water-related activities (boat launch, watercraft rentals, watercraft storage space).
- Projects leveraged existing historic structures or proximity to historic districts to add placemaking value and celebrate local history and culture.
- Public-private partnerships, which are collaborative agreements between government entities and the private sector, were instrumental in the implementation phase, including facilitating the financing, design, and operation of waterfront projects.

ii. Economic Opportunities for the River District

Economic development will play an essential role in the future success of creating a thriving River District Area. A thriving district depends on several key factors, including population density, though there is not a simple formula that applies universally. Additional factors include an emphasis on mixed-use development that integrates residential, commercial, and public spaces; walkability and accessibility to encourage foot traffic to support local businesses and connections to the riverfront; well-designed public spaces that foster community cohesion; a diverse mix of businesses in the Historic District to attract a wide range of visitors; and cultural or historical attractions to enhance the district's appeal. Regular community events also contribute to its vibrancy by engaging locals and drawing visitors. Ultimately, successful districts balance population levels with walkability, public spaces, and economic opportunities to create a dynamic and sustainable environment.

The City should pursue both public and private economic development opportunities. One approach, supported by the successful implementation in other riverfront revitalization projects described previously, is leveraging public-private partnerships to pool resources, expertise, and investments from both sectors. Some of the economic development opportunities, described in detail in Chapter 3, include:

- Enhanced recreational, and other river-related amenities and activities
- Public park, trail, and recreational amenities (e.g., pay-to-play adventure playground, expanded sports facilities) that leverage existing park, open space, and recreational amenities in the area
- Enhanced pedestrian and bikeway connections between the riverfront and the City's Historic District
- Private real estate development, including retail, hotel, and residential uses, on key privately-owned or City-owned sites

iii. River District Public Space Opportunities

The City should consider opportunities to improve access and infrastructure deficiencies in terms of physical connections and improvements to the river and State Park areas. These economic development initiatives can have significant benefits to the community, including generating tax revenues, supporting local businesses and fostering job creation, and developing a unique area that directly benefits residents and attracts visitors. The following key findings summarize these benefits.

- **Generates direct and indirect economic activity in the economy**. According to a study prepared by the National Recreation and Park Association, parks and recreation agencies in the United States supported nearly $201 billion in direct and indirect economic activity, including 1.1 million jobs that paid salaries, wages and benefits totaling $63 billion. This economic activity is based on more than $41 billion of annual spending on operations and maintenance. This spending, combined with capital expenditures, ripples through the national, regional and local economies as park and recreation employees spend their paychecks, park and recreation agency vendors hire workers, and both agencies and their vendors purchase products and services to serve their clients.
- **Increases property values and property tax revenues.** Homes and businesses located near parks and trails typically see increases in property values leading to higher property tax revenues. Studies show that proximity to well-maintained parks and trails can raise property values by 5% to 15%, with the impact decreasing beyond 500-600 feet. Larger parks, passive parks, and proximity to water tend to generate higher premiums, while nuisances like noise and congestion can reduce property values for adjacent properties.

- **Boosts tourism and related spending and employment.** Investment in public realm improvements will attract more visitors who will spend money in the local economy on accommodations, dining, and retail goods and services. This spending will increase sales tax and transient occupancy tax revenue to the City. In 2023, visitors in Sacramento County generated $3.2 billion in spending and supported 34,810 jobs. Excluding spending on air travel, visitors spent the most on food services (32% of spending), followed by spending on local transportation and gas (18%), accommodations (16%), arts, entertainment, and recreation (15%), retail (15%), and food stores (4%). Visitor spending estimates per visitor are not readily available and will depend on the visitor's origin, purpose, and duration of the visit.
- **Provides residents with direct public health cost savings.** Residents' use of the city's free (or low cost) park, trails, and recreational opportunities, which reduces the need to purchase these items in the marketplace. Access to parks and open spaces encourages physical activity,leading to improved public health outcomes. Healthier populations can reduce healthcare costs by mitigating chronic diseases like obesity and heart disease.
- **Supports business development and retention and job creation**. Building on the City's riverfront will assist in economic development business attraction and retention efforts. Companies are often attracted to areas with high-quality parks and recreational facilities, as these amenities enhance the quality of life for employees. New or expanded companies create jobs. Further, initial investments in public realm improvements create construction-related jobs during the development phase. and maintenance of these spaces, along with increased tourism and commercial development, generates ongoing jobs.
- **Provides environmental benefits**. Parks and open space contribute to environmental quality by conserving green spaces, enhancing air and water quality, and providing natural disaster resilience. By managing open spaces and implementing green infrastructure, parks make communities more resilient to climate change and reduce the costs of stormwater management.
- **Enhances quality of life and social equity**. Public spaces enhance the livability of a city, making it more attractive to both businesses and residents. This can lead to population and employment growth, which, in turn, supports the local economy through increased demand for services and goods. Access to green spaces helps to address social disparities by providing free or low-cost recreational opportunities to all socioeconomic groups.

iv. River District Tourism Opportunities

Folsom is increasingly focusing on tourism as an economic driver, leveraging its natural resources, historical heritage, and recreational opportunities to attract visitors year-round. Home to a growing number of attractions affords the River District the opportunity to build upon increased tourism opportunities. The Zoo Sanctuary, Powerhouse State Historic Park, Black Miners Bar, Willow Creek Recreation Area, Folsom City Park, City Hall, City Library, Rodeo Park, portions of the Johnny Cash Trail, the Historic District, and the Rainbow Bridge all provide the synergy to enhance the River District as an attractive tourism destination.

The River District has the opportunity to expand offerings for tourists drawn to the area's natural beauty, outdoor recreation, and local history. Leveraging the existing riverfront open space and recreational opportunities and distinct character of the Historic District could help attract additional restaurants and retail spaces, enhancing the area's appeal for both visitors and locals.

The project team noted there are currently strong hotel market fundamentals in the City. A recent hotel market study conducted for the City indicated demand for 180 additional hotel rooms, plus conference space. Further, the hotel study indicated that a location in or within walking distance to the Historic District would maximize success for the hotel and generate additional market support for retail and restaurant offerings in downtown.

Focusing on mixed-use development–integrating lodging, retail, and dining–can create a vibrant atmosphere that maintains the City's charm and historical significance. This approach would not only improve the visitor experience but also generate increased tax revenues through sales, property, and transient occupancy taxes, benefiting the local economy and community services.

v. River District Retail Opportunities

Most of the retail in the northern portion of the River District is focused on dining, with opportunities for expanding retail that caters specifically to tourists. For retail to be successful in the River District, it will need to be calibrated to a specific market niche that differs from existing area retail to avoid harmful impacts to adjacent centers. Additional retail offerings have the potential to work in the River District if they can supply an unmet need within the community and attract visitors. Successful retail concepts should be positioned as activating amenities and/or in conjunction with tourism-related uses, as discussed above.

vi. River District Housing Opportunities

Like many communities in the State and across the nation, housing demand in the City has continued to outpace supply over the last several decades. This under supply has increased housing costs, impacting affordability and disproportionately affecting the most vulnerable populations. The Folsom River District has and will continue to provide additional residential units, relieving some of this pressure; however, there will be a continued need for housing at a variety of income levels, especially what has been coined as the "missing middle." Missing middle housing is a term used to describe "a range of house-scale buildings with multiple units--compatible in scale and form with detached single-family homes–located in a walkable neighborhood." Missing middle housing types include duplexes, four-plexes, cottage courts, and courtyard buildings, which help provide diverse housing options for the community.

Missing middle can also be used to describe housing that is affordable by design. Affordable by design residential units can include the following:

- Physical design of units - Units that have a smaller square footage or lot size, or attached units such as condominiums, townhomes, and apartments.
- Tenancy - Housing setups such as co-housing or single room occupancy (SRO) where common areas are typically shared.
- Financing elements - These include alternative financing structures in the form of housing cooperatives where each tenant owns a share of the housing, but not their unit outright, and rent-to-own units, where tenants typically pay rent for a certain amount of time with the option to purchase the home before the lease expires. In some cases, part of the rent is applied toward the purchase price.

Another housing option is using the Surplus Land Act. Under the California Surplus Land Act, when public agencies plan to sell or lease public property, they must first offer it for developing low- and moderate-income housing to affordable housing developers and other entities through a structured process. An exemption to offering it for housing is provided in the law for parks and recreation uses. This includes:

- Listing the property on a state-maintained registry.
- Interested parties then can negotiate with the City, which can give preference to proposals offering a high number of affordable units. At least 25 percent of units must be affordable. The City may also offer the land for parks and recreation.
- Without an agreement, the City can proceed with the sale, but any future residential development with 10+ units must include at least 15 percent affordable housing.

Any property in the River District owned by an agency with intent to declare the land as surplus would be subject to compliance with current Surplus Land Act regulations and procedures.

E. CIRCULATION AND ACCESS OPPORTUNITIES

Circulation and access are essential to safely and conveniently bringing people from adjacent neighborhoods to experience and discover the River District area. This Vision Plan proposes to close gaps that are currently existing on some of the trail networks, enhance access and connections to Lake Natoma, preserve natural areas, and increase wayfinding and interpretive signage throughout the River District.

Future related projects currently (summer 2024) in progress within the River District include the addition of a "passing track" which is anticipated to be installed adjacent to the Glenn Drive light rail station, just north of Parkshore Drive. This additional line will allow for faster commuting times. Additionally, a future bicycle/pedestrian overpass is planned for Folsom Boulevard near Glenn Drive to provide increased safety and more efficient access (refer to Figure 8). This will present an opportunity to partner with State Parks for interpretation of the olive and citrus groves, the eucalyptus grove, and dredging reclamation. Improvements such as these will allow more people to visit the River District without a vehicle and will likely increase the amount of trail use in the Vision Plan area.

i. Vehicular Circulation and Access

Although there are some existing vehicular access points to Lake Natoma they are limited and some of the entrances are difficult to maneuver from the busy roadways.

New or improved vehicular access points to public parking lots and boat launch facilities should be located where there is the least potential environmental damage to the River District's environment and impact to the circulation to the surrounding neighborhoods.

The following vehicular access points are recommended to be enhanced, and future traffic/demand studies are suggested to increase access to these areas in the River District:

- Black Miners Bar/Greenback Lane
- Willow Creek/Folsom Boulevard
- Parkshore Drive/Folsom Boulevard
- Iron Point across Folsom Boulevard from the Light Rail Station

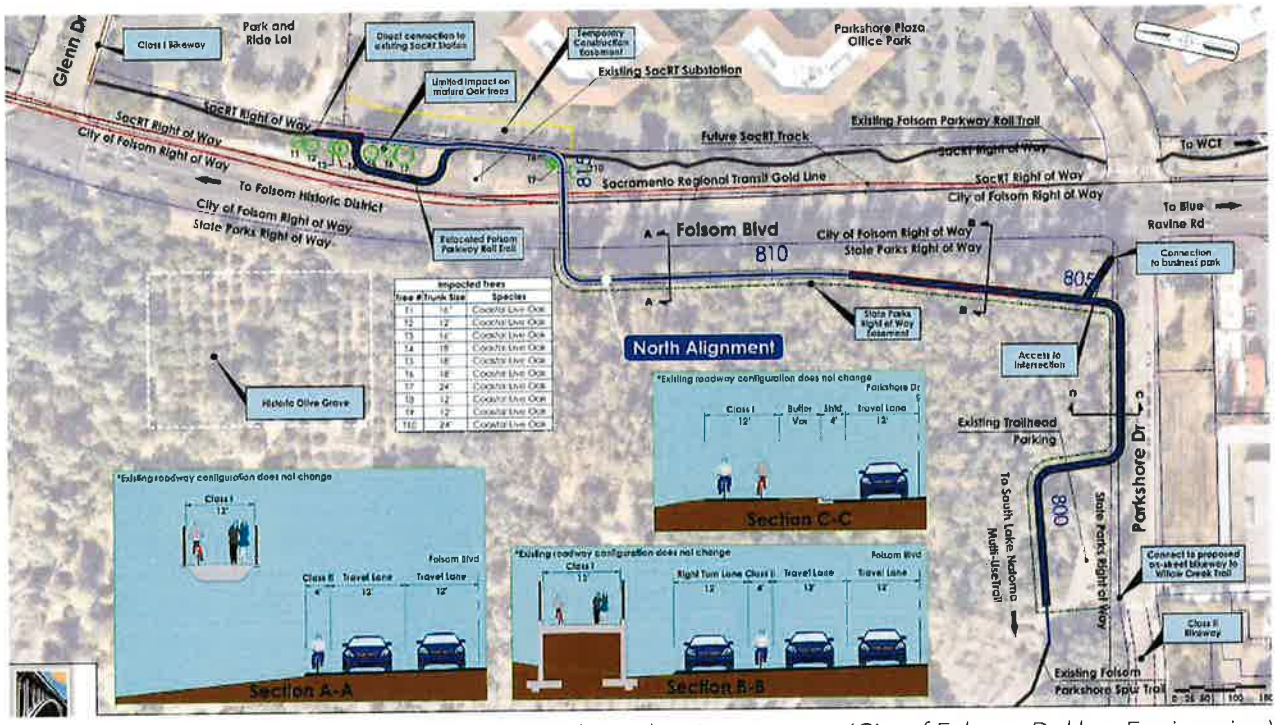


Figure 8. Potential future bicycle/pedestrian overpass (City of Folsom, Dokken Engineering)

ADDITIONAL FUTURE OPPORTUNITIES

The following list includes additional potential future opportunities for vehicular enhancements to improve vehicular access and safety which were highly supported by the Folsom community for the River District. However, due to a need to prioritize projects, these items were not as highly supported by the CAC at this time.

- Traffic signal at Folsom Auburn Road at Berry Creek
- Crosswalks at Forrest Street at Natoma Street

Additionally, the following public parking improvements were suggested to make the River District a more enjoyable place to visit:

- Enhance existing public parking lots with large evergreen trees to provide shade on parked vehicles and utilize evergreen shrubs to screen parked vehicles from the street while allowing for views into the site for security.
- Provide electric vehicle charging stations at public parking facilities to attract visitors to stop in the River District to charge their cars while visiting restaurants and shops.

ii. Trail Circulation and Access

The existing trail system in the River District is extensive and the facilities accommodate a variety of users. There is an existing Class I route with only minor breaks at Hazel Avenue/Nimbus Dam and in the Historic District. There is a districtwide need to improve trail connections.

Trails and access generated the most community feedback, reflecting a strong desire to enhance trail facilities within the River District. This includes improving the ease of bicyclist and pedestrian access to Lake Natoma and the Historic District, incorporating trail loops for variety, and integrating additional wayfinding signage districtwide.

It is also a State Park goal to enhance trail connections and access to Lake Natoma (ULN#3), but there are limited areas where new trails can be located due to steep topography around Lake Natoma. Priority should be given to exploring better linkages and enhanced connections to the existing trail system such as:

- Working with State Parks to identify possible new trail locations and trail access connections with increased wayfinding and interpretive signage.
- Providing additional routes on local streets, where feasible, to improve connectivity for bicyclists and pedestrians traveling to designated trail access points.
- Promoting safety and educating the community about trail etiquette with signage describing rules for use of multi-use trails.

- Renovating dirt trails to increase usage and create a more interconnected and accessible trail system, while also improving their sustainability to prevent potential erosion, soil damage, and water quality impacts.
- Integrating a consistent 3-foot to 5-foot-wide decomposed granite soft trail, where space allows, along heavily used paved trails to give walkers additional space. Establish and prioritize trail maintenance funding for "universal access."
- Providing increased pedestrian amenities along the trail system, located to enjoy the surrounding scenic views, such as overlooks and benches and picnic tables placed under shade trees and/or canopies, and environmental, cultural and historical interpretation and education.
- Incorporating habitat restoration and implementing weed and non-native species eradication where needed and vegetation management to open up views to the river.
- Accommodating a diverse range of trail users, ages, and abilities, and providing designated/identified entryways to accessible trails at key locations throughout the River District.

The River District trail system accommodates a wide variety of users

ADDITIONAL FUTURE OPPORTUNITIES

The following list includes additional potential future opportunities for enhancing the existing trail facilities within the River District which were highly supported by the Folsom community for the River District. However, due to a need to prioritize projects, these items were not as highly supported by the CAC at this time.

- Developing a trail connection along the riverfront from the Historic Truss bridge to the Rainbow Bridge. Improving the existing social/user-demand trail under the Rainbow Bridge and eventually connecting users to the Historic Truss Bridge, the Powerhouse State Historic Park, and the Canal Trail.
- Connecting the Canal Trail to the Johnny Cash Trail and improving and eventually extending the Canal Trail (possible to the Old Dam).
- Improving the west side trails in the northern segment of the River District.
- Formalizing a trail connection from Greenback Lane on the west side of the river.
- Extending the Folsom Parkway Rail Trail across Oakdale Street and connecting with the current trail starting at Mormon Street to establish a continuous trail from Historic Folsom Station to Iron Point Station.
- Improving the existing crossing of the Rail Trail at Bidwell Street.
- Providing a trail connection to Inwood as an alternative to the more daunting Folsom Lake Crossing.
- Enhancing or adding a multi-use trail segment to give American River Canyon residents direct official access to the American River Bike Trail.
- Improving the trails in the area from Parkshore Drive up to Bidwell Street and/or Forrest Street. The loop trail should travel through the eucalyptus grove and the orchard by Glenn Drive, with a series of other unpaved mountain bike/hike trails winding throughout this area.
- Providing a pedestrian access point at American River Canyon Drive.
- Enhancing pedestrian facilities and sidewalks along Blue Ravine in the business park and providing better pedestrian connections from Blue Ravine to the Willow Creek undercrossing.
- Providing a sidewalk on the west side of the bridge over Willow Creek (Blue Ravine Road) in the business park.
- Integrating native plants throughout the River District to enhance the visual appeal along the trails and increase food, shelter, and pollination opportunities for local wildlife and birds.
- Extending dedicated mountain biking trails, but not locating new trails or access near sensitive wildlife habitat areas.

iii. Water Access Enhancements

Access to the water is one of the major attractions to the River District but is limited due to environmental and land ownership constraints. Several public, personal paddle craft boat launch facilities are currently designated throughout Lake Natoma. These launch areas provide the opportunity for vehicles to load and unload boats, watercraft, and other equipment near the water. However, several existing water access points are difficult to see from the roadway and are hard to navigate in heavy traffic conditions.

Effective law enforcement and emergency medical response in the River District is dependent upon quick emergency response times, which at times is dependent upon ease of water access. A future emergency boat launch and/or a new fire boat storage building should be considered within the River District area to help expedite emergency responses. The community identified Black Miners Bar as the most appropriate location for this emergency access improvement. Coordination with State Parks, Folsom Fire Department, and Folsom Police Department will be required to implement the most feasible access improvement and mutual aid responsibilities. A future study is recommended to analyze the emergency response times and costs associated with a new boat launch, fire boat, and/or boat storage building at Black Miners Bar and other possible locations along Lake Natoma.

Access to the water is currently limited along Lake Natoma

ADDITIONAL FUTURE OPPORTUNITIES

The following list includes additional potential future opportunities for water access improvements within the River District which were highly supported by the Folsom community for the River District. However, due to a need to prioritize projects, these items were not as highly supported by the CAC at this time.

- Improvements to the Rainbow Rocks area.
- Better access to the existing boat launch at the Rainbow Bridge area.
- A future set of stairs at the boat launch area at Black Miners Bar, linking the boat ramp to the upper parking lot, to avoid the need for pedestrians use the vehicular access road.
- Additional permanent access points to the water for carriable kayaks or stand-up paddle boards (like the one under Lake Natoma Crossing with ramps to walk boards to the water or a dock).
- Stone or concrete "landings" at different elevations in the water that would extend straight away from existing ramps. This would ensure a good launch point at almost any water level.
- Steep slopes or areas with difficult access should be avoided. Installation of water access facilities should be accomplished with minimal grading and vegetation removal. Care should be taken in the design of water access locations to avoid cultural resource impacts, reduce conflicts between vehicles, bicycles, and pedestrians, and minimize visual impacts.
- A future boathouse along the river.

F. INTERPRETATION AND WAYFINDING IMPROVEMENTS

The community input process revealed that increased interpretive signage was a highly desired amenity for the community and it is also a goal for State Parks to improve interpretation and education programs (FLSRA GP Culture #28 and Interpret-1) and to interpret historical features along the trails (RTMP ULN#10).

There should be a focused collaborative effort with State Parks to educate the community and visitors about the many assets within the River District, and to enhance the visibility of wayfinding elements and signage throughout the River District:

- Create a cohesive districtwide wayfinding and directional signage program to welcome the Folsom community and visitors and guide them to key locations.
- Consider adding the signage program into the City's Strategic Plan.
- Create more clearly defined entries into the River District with gateway elements, public art, and signage.
- Provide increased wayfinding and directional signage at strategic locations, such as primary intersections and public gathering areas.
- Enhance existing interpretive exhibit signage to better unify the Vision Plan area and further educate visitors about the many special qualities of the River District.
- Develop and implement an interpretive resource and wayfinding sign maintenance program with identified funding.

G. PROGRAMMATIC OPPORTUNITIES

The programs described below have been selected because they have the potential to be positively impactful to the River District. If realized, these programs could further the sense of place and vision for the River District area. The programmatic opportunities in this section are sorted by recommended order of priority:

i. Pedestrian Connection Plan

The community mentioned the importance and value of a linked pedestrian route with enhanced experiences and organized, safe and attractive pedestrian routes. A cohesive plan should be developed to integrate these linkages, such as illustrated diagrammatically in Figure 9:

- Between the Corporation Yard to the Northern Segment Canal Trail/Bridge
- Connecting Traders Lane, Historic Folsom Station (railroad plaza and amphitheater and future buildings), Leidesdorff St. and new pedestrian loops in the Corp Yard.

ii. Long-Range Interpretation Plan

A long-range interpretive plan is recommended to be created through a cooperative effort led by State Parks. A long-range interpretive plan is a big opportunity to collaboratively work with State Parks and the local Native American tribes for historical, cultural, and environmental areas of the River District to interpret information, and to describe the unique features of this special area. Collaboration and partnership opportunities exist with Folsom History, the operators of the Folsom History Museum, Chinese Heritage Museum, and the Square Outdoor Museum and Makerspace. Refer to Chapter 3 for additional information.

The interpretation plan should include the following components:

- Locate interpretive signs and educational elements throughout the River District to serve all segments of the community.
- The interpretation signage should appear consistent on both City property and State Parks lands to unify the River District area.

- Provide a mix of interpretive exhibits and educational information through various forms of signage, such as trailside interpretive signs, kiosk exhibits, historical markers, self-guided walks and tours, and brochures. Additionally look for opportunities to integrate cultural events and living history programs to foster a better understanding of the unique history and diverse cultures of the River District area.
- Integrate unique and innovative methods of interpretive and wayfinding elements into private and public projects to add to the unique character and visual interest at the pedestrian level in key locations, such as decorative paving with tiles or plaques containing street names or historical information, or concrete paving with imprints of local wildlife or vegetation.
- Utilize the vast topics and story lines from the River District in existing City communication tools, such as the semi-monthly newsletter, weekly e-newsletter, and social media channels.
- Consider long-term operations and maintenance costs when developing the plan so that maintenance and replacement is funded.

a. Interpretation Interests & Topic Recommendations

The River District contains many scenic views and historical, environmental, and cultural features that provide a unique opportunity for education and interpretation. The area's history spans over 4,000 years and is rich in cultural diversity, engineering wonders, and Gold Rush mining stories. The River District also contains environmentally diverse areas with multiple types of vegetation and wildlife species.

The FLSRA GP (pages III-60 to 66) contains a list of possible topics to consider for interpretation and education within the River District, and the following is a list of additional high-ranking topics from the Vision Plan's community outreach:

- Native American history, culture, and local village life
- Powerhouse history and infrastructure, and contemporary hydroelectric power generation
- Gold Rush history and early 20th century mining/dredging
- Natural resource recovery from Gold Rush and mining damage
- Natomas Ditch and broader American River water history
- Natural settings, natural history, and the natural world
- Railroad and Pony Express history
- Agriculture, Willow Creek, historic orchards/groves, etc.
- Vegetation, fish, and wildlife habitats
- Celebrate the multiple ethnicities and cultures that have migrated to the area and provided important contributions to the City, such as African Americans, Chinese, Italians, etc.
- Re-wilding and Corporation Yard site history

iii. Wayfinding Plan

The River District is large, with many points of interest and an intricate network of trails. Some of these are well known and easily accessed while others are less obvious and intuitive. A comprehensive and consistent wayfinding plan with enhanced gateway and directional signage should be provided to assist visitors with navigation throughout the Vision Plan area and strengthen the relationship between the urban and natural areas. Wayfinding signage is an important communication tool and can provide users with directional assistance, educational opportunities, and inform users about trail etiquette, permitted activities, and regulations.

The wayfinding plan should include improved directional signs to help guide pedestrians, bicyclists, and vehicles to specific locations in the River District area. Part of this wayfinding plan should include the creation of River District branding that can reinforce its identity in the same way the Historic District has done. Because much of the River District is under the jurisdiction of State Parks, this wayfinding plan should be cooperatively created to provide consistency of information and a cohesive design.

The wayfinding plan should be carefully designed to meet various objectives including:

- Create a more distinctive River District identity using cohesive branding, logos, and colors for wayfinding signage and gateway elements to enhance the unique historic character of the River District.
- Provide gateway signage at key entrance points to the River District. Integrate accent landscape elements such as decorative paving, pedestrian scale lighting, and accent vegetation to announce arrival into the River District.
- Major gateways at primary intersections should also include cohesive vertical elements where possible, such as monuments, public art, decorative entry fencing, walls, trellises, interesting lighting, and/or large potted plants to further accentuate the entrances.
    - Suggested locations for gateway signs include Folsom Boulevard near Highway 50 and Museum Flat (south end) between the Historic District and river at the intersection of Riley and Leidesdorff Streets (central area), and near the intersection of Folsom Boulevard and Greenback Lane (north side).
- Incorporate directional signage to assist motorists in navigating to public access areas and key points of interest, including various points along Folsom Boulevard, Greenback Lane, Natoma Street, and throughout the Historic District.
- Provide changeable and themed banners along primary roadways, where feasible, in the River District area to promote seasonal events. The banners should mimic other River District wayfinding signage designs, fonts, and colors to emphasize the River District as a cohesive and unified area. The Historic District should include these same theming elements but also integrate a unique identity to distinguish the commercial core.
- Integrate trail directional signage to clearly identify routes, neighborhood connections, trailheads, points of interest, and identify key attractions within the River District area. Trail signage shall be cooperatively created with State Parks.
- Ensure directional signage utilizes common, universal symbols that are graphically easy to read and understand. The signage should clearly denote locations of key shopping areas, public parking, bicycle parking, civic buildings, and tourist destinations.
- Directional signage should include directional arrows and distances and/or walking and biking times to key destinations.
- Consider including a changing digital display in key areas outside the Historic District to announce upcoming community events on directional maps located in key locations and primary gathering areas.
- Wayfinding directional signs should be located to reduce glare on the face of the sign, preferably under the shade of a tree and/or placed adjacent to streetlights to ensure visibility in the evening.
- Directional signs should be integrated with other pedestrian amenities, such as benches and trash receptacles, and accentuated with landscaping where feasible.
- Consider long-term maintenance needs including periodic replacement and discus as an annual budgetary item.

iv. Recreation Enhancements

Recreational use encourages healthy lifestyles, builds community and family unity, and creates community support for parks and open space. Surrounding populations are anticipated to grow in adjacent urban areas and the River District recreational amenities must routinely be evaluated for their desired carrying capacity. Existing park and trail facilities should also be regularly evaluated to accommodate future growth. Failure to evaluate, maintain, and renovate recreation amenities and trails to match community demand will result in unsatisfactory experiences and environmental degradation because of overuse. Parks and recreation improvements ranked high in the amount of community feedback and interest, and the River District offers ample recreational opportunities with its vast size and diverse resources. Additionally, special events and festivals were the highest ranked recreation activity from the online questionnaire. This indicates an opportunity for the City to work with State Parks and private promoters to introduce new community programs for both residents and tourists. This Vision Plan recommends building upon the existing facilities to create more opportunities for outdoor gathering and recreational activities:

- Work with State Parks to expand year-round recreational facilities and public gathering opportunities within the River District.
- Evaluate opportunities to provide a more diverse mix of recreation and tourism activities that are compatible with nearby land uses and integrate a blend of recreational uses that are appealing to all age groups and abilities. Enhance spaces to better facilitate events such as parking areas or smaller vacant sites.
- Provide increased seasonal events and community activities to attract users to the River District area and contribute to an important revenue stream that can help support on-going operations and maintenance. Special events are encouraged because they can introduce new users to the River District and can potentially result in an expanded base of community awareness and increased long-term support for future improvements. Seasonal events and activities should occur in a manner that minimizes impacts on other River District users, natural resources, and aesthetics of the Vision Plan area. The Folsom community provided the following list of events and activities to consider for the River District:
    - Outdoor events such as art shows, farmers markets, and start/finish runs or bike races/events
    - Revitalized orchards, restored oak woodlands, botanical gardens, community gardens, community teaching garden with CA native plants, and butterfly/ pollinator gardens
    - Covered picnic areas and barbecue facilities
- Evaluate opportunities for unique recreational experiences that build on existing activities and demand such as a water tour – canoe, kayak, stand-up paddleboard (SUP) interpretive tours of points of interest seen from the water. These activities can be offered seasonally or monthly during the warmer months.
- Recreational facilities should be designed to blend into the surrounding natural environment. Consider utilizing nature-oriented play and art elements throughout the River District to highlight the surrounding environment.
- To encourage increased use of the River District's recreational facilities and integrate maps which identify other recreational and activity areas within the Vision Plan area.
- Outdoor lighting in recreational areas should be carefully located to provide security while minimizing impacts to wildlife and night sky aesthetics, such as optimizing foot candle ratios and providing shielding, full cut off optics, timers, and/or motion sensors.

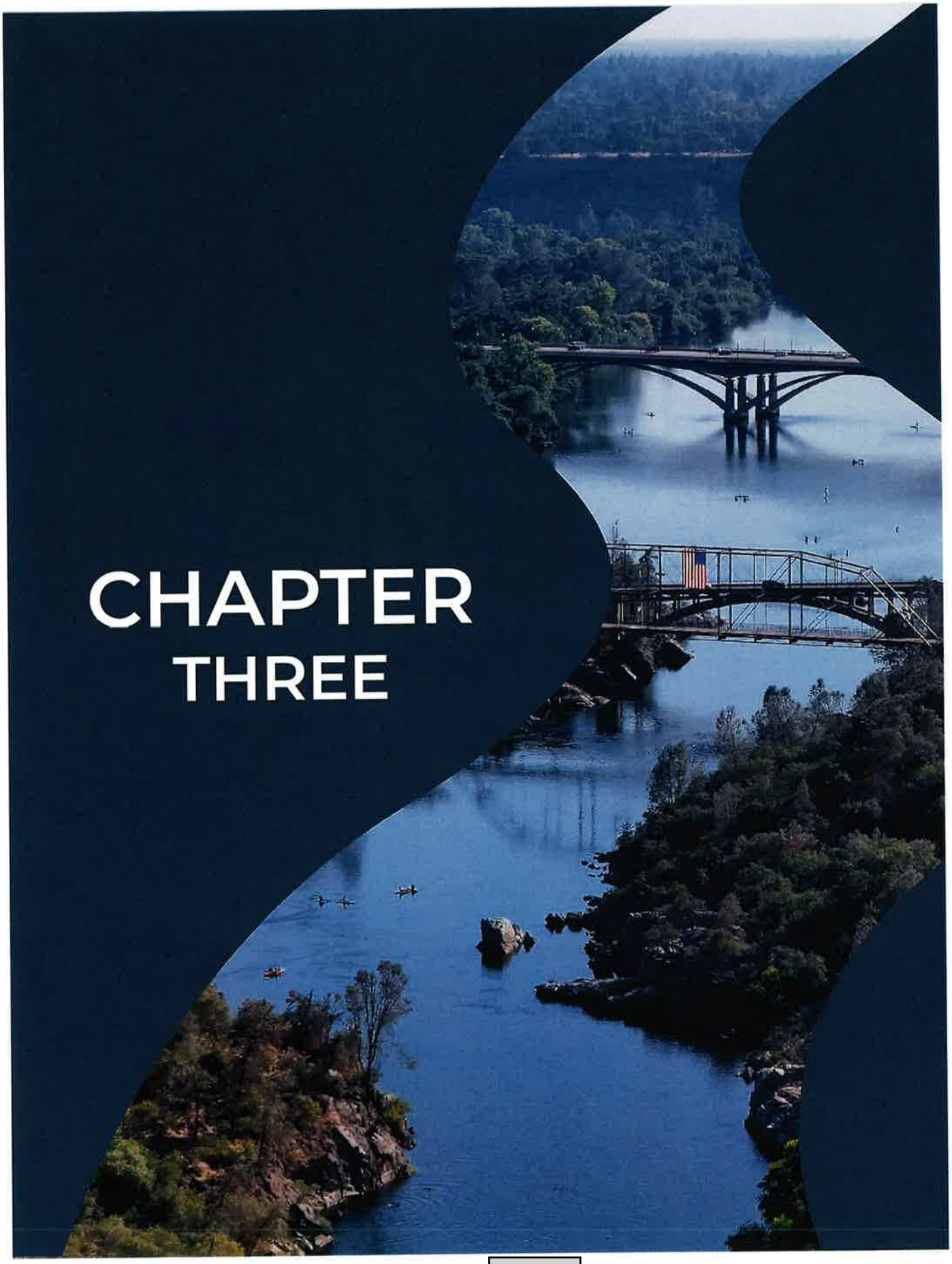
v. Streetscape Improvements

Streetscape improvements are recommended to enhance the safety of the key pedestrian crossings and to create a more defined sense of place for the River District area. Refer to the Historic District Design and Development Guidelines regarding the Historic District Circulation Plan and proposed new street layouts.

- Primary roadways within the Vision Plan area should be enhanced with themed elements within the public right-of-way to clearly designate the River District area, promote pedestrian and bicycle use and enjoyment, incentivize redevelopment, and create a safe and inviting atmosphere.
- Enhance existing primary roadways and key alleyways with accent landscaping, pedestrian scale lighting, decorative paving at key crosswalks, and pedestrian amenities such as benches, shade trees, and trash receptacles. Consider providing conveniently located water bottle refilling areas and dog bag stations within or adjacent to primary gathering areas.
- Evaluate opportunities to separate pedestrians from vehicular travel lanes, with potted plants, low bollards, landscaped planters, raised planters, seat walls, benches, or a consistent pattern of on-street parking to clearly identify these spaces as people places.
- Carefully consider appropriate opportunities to integrate accent lighting to enliven and activate pedestrian gathering areas such as overhead string lights, hanging lights, and/or lights wrapped around street trees.
- Work with the City's Arts Commission to strategically locate public art in highly visible areas where there are high amounts of pedestrian traffic or places where people congregate such as parks, plazas, and along primary alleyways and roadways. Consider providing both temporary and permanent art installations on public and/or private property to increase visual interest throughout the River District.
- Provide a more comfortable transit environment by enhancing bus shelters and transit stops as transit use increases in the future. Seek opportunities to promote and increase ridership.
- Install corner bulb-outs and shortened crosswalks, where feasible, to decrease the number of traffic lanes a pedestrian must cross and narrow streets to allow for enhanced bike lanes and pedestrian walkways. Additionally, look for opportunities to integrate refuge islands, priority pedestrian signal timing, in-road flashing lights, and/or decorative crosswalks in key locations with high levels of pedestrian or bicycle activity.
- Evaluate opportunities to enhance primary public alleyways, where feasible, with decorative elements as pedestrian-scale and accent lighting, public art/murals, potted plants, landscaping, and decorative paving in key locations.

H. IDENTIFICATION OF KEY SITES

Early in the Vision Plan process, existing opportunity sites were identified which could potentially accommodate future improvements and/or make a significant enhancement to the River District. Five conceptual key site plans have been created for this Vision Plan which illustrate potential future improvements within the River District, and they provide an approach to achieving the vision and planning principles for the River District. Refer to Chapter 3 for additional information.



CHAPTER THREE

Chapter 3
DESIGN CONCEPTS FOR KEY SITES

This chapter contains a list of design ideas and potential improvement recommendations for specific locations within the River District. The CAC prioritized five key sites shown in Figure 9 from several options because they can deliver the most impact and benefit to the River District area. The concepts in this chapter are provided to set a framework for a strategic approach to optimize the improvement potential of the River District area.

A. DESIGN CHARACTER AND INTENT

The sheer size of the River District means it is impractical to prepare a conceptual design for the entire Vision Plan area. Instead, the CAC worked with the project team to identify a prioritized list of key sites to focus on conceptual and illustrative designs in more detail and they were selected because they represent a variety of different project types within the River District, including urban, natural, recreational, and commercial uses. The final key sites were chosen because they met one or more of the City's goals for this Vision Plan (improving access to the water, enhancing recreational opportunities, and/or stimulating economic growth). Additionally, the sites were required to fit into one or more of the following set of criteria:

- Feasibility – Sites that had a more realistic chance of being improved were prioritized. That included property in public ownership (preferably the City of Folsom).
- Environmental constraints – Areas that a preliminary environmental assessment determined to be the least sensitive were prioritized. It is acknowledged that there are many sensitive environmental and cultural factors along the river corridor and that any specific project will require further analysis pursuant to CEQA.
- Community interest – Each key site selected received strong interest during the community engagement process and was supported by the CAC.

GUIDING PLANNING PRINCIPLES

PRINCIPLE 1

» Engage in early consultation and partnerships with State Parks and Native American tribes

PRINCIPLE 2

» Promote a "walkable city" by increasing safety and ease of access for pedestrians, bicyclists and vehicles

PRINCIPLE 3

» Create connections for increased recreational or economic opportunities

PRINCIPLE 4

» Celebrate, educate, and conserve the City's historical, cultural, and environmental resources

PRINCIPLE 5

» Commit to "best in class" efforts to inspire residents and visitors as projects and programs are implemented

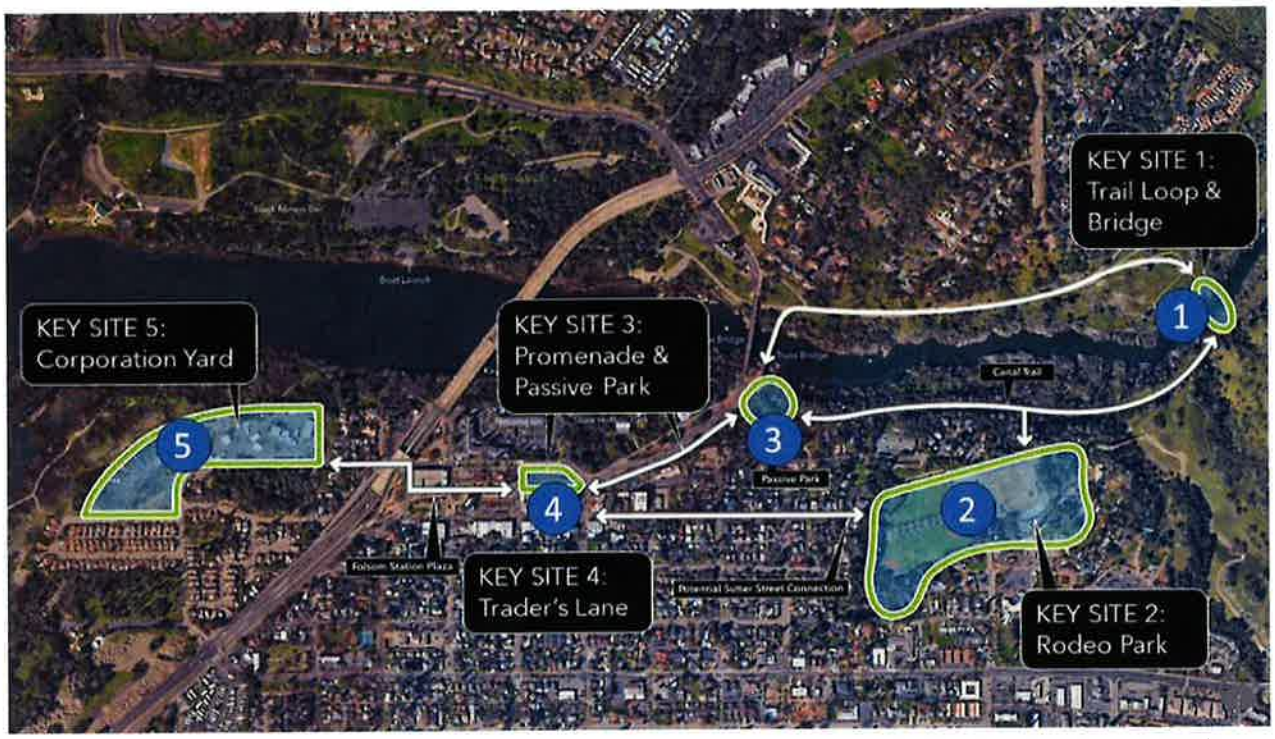


Figure 9. The five key sites and linkages

B. DESCRIPTION OF KEY SITE PLAN FEATURE AREAS

The five key sites described below have been selected because they have the potential to be highly and positively impactful to the River District. If realized, these improvements could amplify the City's relationship to the river and help to stimulate reinvestment in the River District area. As illustrated in Figure 9, these key sites collectively form a strong interconnected tapestry throughout the most heavily visited areas of the River District. If this vision is achieved, there will be innumerable secondary benefits to the City of Folsom in terms of visitor experience and economic activity. The following key sites are recommended as priority projects within the River District.

Key Site 1: Canal Trail and Bridge

The Canal Trail, which runs along the top of the historic canal on the east side of the river from Greenback Lane to a locked gate near the prison property line, is a very popular walk with locals and has some of the most spectacular vantage points of the river and a wide diversity of terrain. However, it is somewhat hidden, the access points are difficult to find for visitors, and it is currently limited to an out-and-back experience. The idea of creating a relatively easy loop trail by connecting the Canal Trail with the American River Parkway on the other side of the river was identified as a desirable amenity by both the CAC and the broader community.

To achieve this goal, a new single-span bridge across the river is envisioned to complete the loop. The proposed crossing point was determined after studying the physical constraints; however, this is only a potential location which was identified to illustrate a connection concept which could occur at another location within the River District if needed. The bridge was found to be best located on a gently sloping access from existing trails which is approximately a half a mile from Greenback Lane at a distinct bend in the river, and the elevation of both riverbanks is approximately equal. This bridge location would offer views of the river in both directions, providing a point of interest to draw visitors onto the trail. However, a future bridge feasibility analysis should be completed to evaluate an alternate bridge placement upstream in a previously quarried area of the river to reduce new ground disturbance along the river.

Figure 10. Schematic diagram of trail loop and connections achieved by addition of new bridge

Figure 11. Potential location for bridge based on accessibility and construction feasibility

Several iconic bridges already contribute to Folsom's identity, and this would provide another opportunity to create a memorable destination with a landmark architectural statement. The bridge's architectural character should complement its setting through scale and materials but does not necessarily need to be designed in a traditional style, and it should be designed and located to minimize environmental, cultural, and visual impacts.

The route is rich with natural and cultural history and is ripe for interpretation and education. Upon completion of the new bridge, this project would result in a one-mile loop from the Truss Bridge and offer a natural extension to the River Promenade discussed in Key Site 3 below. Intermediate access points should be established or enhanced to further improve connectivity to other facilities including the River Promenade (Key Site 3), Rodeo Park (Key Site 2) and the Johnny Cash Trail.

The bridge and creation of a looped trail connection align with State Parks' goals (FLSRA GP: pages ES-11, III-80, III-81, and III-85) and aim to interpret historic features along the American River Bike Path (ULN#10). This concept includes proposed improvements to State Parks property, though these ideas have not yet been endorsed by State Parks. The project will follow State Parks' processes and design discretion. However, the City should work proactively with State Parks to identify opportunities for partnering to achieve common goals.

As a long-term potential connection with this proposed looped trail system, the City should work with State Parks to extend a pedestrian trail to the old Folsom Dam. This area offers many opportunities to provide interpretive information about the original dam remnants and their connection to FPSHP.

i. Key Site 1 Planning Principles

The Canal Trail and bridge is consistent with this Vision Plan's planning principles described in Chapter 1.

- PRINCIPLE 1 – Engage in early consultation and partnerships with State Parks and Native American tribes

  This will be critical to ensure the project meets State Parks' requirements and that Native American tribes' interests and suggestions are integrated.

- PRINCIPLE 2 – Promote a "walkable city" by increasing safety and ease of access for pedestrians, bicyclists, and vehicles

  This will be realized by the installation of the bridge which will provide safer off-street connections.

- PRINCIPLE 3 – Create increased recreational or economic opportunities

  This will be achieved by the bridge creating tourism interest along the trail system and linking with other recreational areas and trails.

- PRINCIPLE 4 – Celebrate, educate, and conserve the City's historical, cultural, and environmental resources

  This will be achieved by identifying and creating appropriate interpretive topics and story lines.

- PRINCIPLE 5 – Commit to "best in class" efforts to inspire residents and visitors

  This will be achieved using quality materials and unique and innovative design elements to create a distinctive bridge and trail experience which entices residents and locals to visit the River District area.

Key Site 2: Rodeo Park

Nestled below City Park, and adjacent to the Zoo Sanctuary and the Johnny Cash Trail, Rodeo Park features aging natural grass sports fields, a central parking lot, and an arena that is home to the Folsom Rodeo each summer. This site was identified by the CAC as having high potential for revitalization for several reasons such as:

- Underutilized space around the rodeo arena that could be redesigned to make it more flexible throughout the year.
- Other existing uses such as the zoo, train ride, library, and sports facilities provide a built-in synergy of family-oriented activities including regional tourism demand.

- The facility is City-owned and previously developed, which means upgrades are less constrained and more feasible and realistic.

The Rodeo Park improvements are envisioned to improve the connection between the City Hall complex, Historic District, and Lake Natoma trails, while also providing increased family and youth-oriented activities and increasing recreational amenities and regional tourism demand within the River District area.

This Vision Plan concept takes a phased approach to the potential Rodeo Park improvements. The proposed improvements are described in three main phases; however, there are numerous ways to implement discrete projects within each phase, depending on Council priorities and the availability of funding.

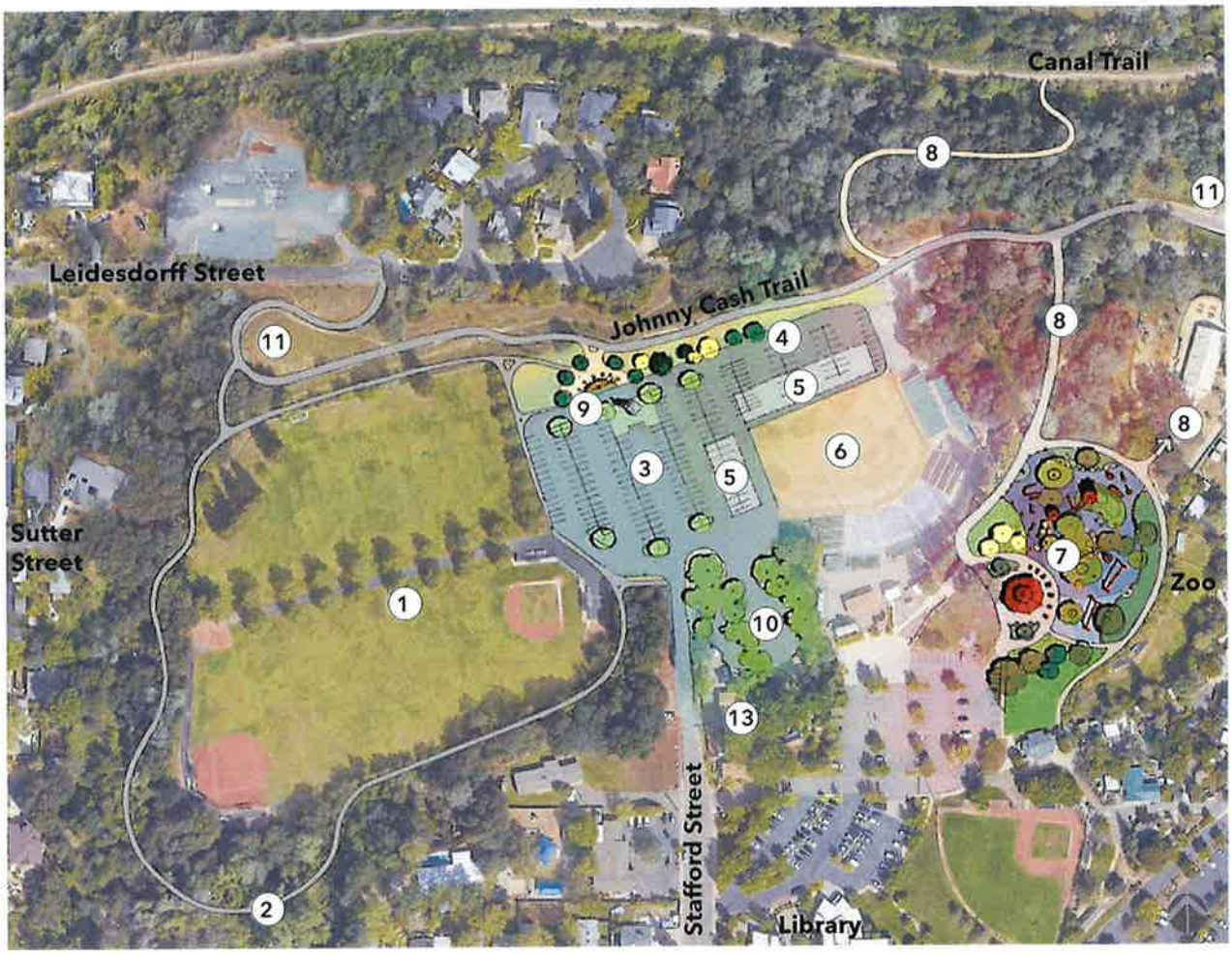
This Vision Plan supports the annual Rodeo maintaining its operations for as long as it needs the facility. Phase Three of the conceptual plan is the vision for the site should the Rodeo ever choose to leave. Phases One and Two are viable with the Rodeo continuing to operate as existing.

Phase One

Initially, there are several modest projects that could be implemented independently. Collectively, they lay the groundwork for the more ambitious long-term vision described below. Phase One could include:

- The addition of new pedestrian pathways around the southwest end through the existing woodland would provide a new recreational amenity for exercising and improve overall circulation around the park along with connections to State Parks trails and the Johnny Cash Trail. This enhancement would also increase visibility for safety and security within the woodland and help to reduce fire risk by reducing the fire ladder and fuel load potential.
- Upgrade the sports fields to tournament quality. This should include sport lighting carefully designed to minimize light trespass to adjacent residences and consideration of synthetic turf that would facilitate all-weather and year-round use. The existing field layout and central promenade and colonnade of trees would remain.
- Reduction of the unpaved rodeo area to the size required for rodeo events (approximately 150 feet by 250 feet). The surrounding area would be reclaimed for flexible park uses, including overflow parking, markets, and special events. The rodeo organizers would still be able to program the space as they currently do, by installing temporary bleachers to the south and west of the arena. This improvement concept also has the indirect benefit of reducing sediment-laden stormwater runoff because unprotected soil is reduced, and best management practices (BMPs) could be installed with parking lot improvements. Close coordination with the Chamber of Commerce will be needed to avoid unnecessary complications to their rodeo event operations.
- Renovation of the existing playgrounds next to the zoo. The plan envisions a large new, inclusive playground with shaded picnic areas for groups and individual families. This would also include the formalization of the path that connects to the Johnny Cash Trail (currently a gravel road).
- Formalization of the existing informal trail to the Canal Trail starting behind the rodeo arena. This trail should include wayfinding and interpretive signage to provide direct access to the river from Rodeo Park and directions to other points of interest (e.g., Sutter Street, Johnny Cash Trail, etc.).
- Creation of a small bicycle staging plaza midway along the western edge of the park to provide an entry portal onto the Johnny Cash Trail. With three future public artworks planned in close proximity, this location has potential for high use. It should include wayfinding and interpretive signage, benches, and amenities such as bike racks, a bike repair station, and a drinking fountain/bottle filler.
- Provision of a pedestrian connection to Sutter Street at the southwest end of the park. This would create a walkable connection between two popular activity centers, Rodeo Park and the Historic District. However, at this time, a connection in this location would require traversing private property and could only be accomplished with the cooperation of the owner by way of an access easement or other formal agreement.
- Inclusion of a fallout zone for use during fireworks events that will remain clear at all times of people, vehicles, and flammable items.

Rodeo Park - Phase 1 Concept



Key to Features

1. Upgraded sport fields with sports lighting
2. Walking path
3. Recondition parking to gain more spaces
4. Expanded parking/flex space
5. Temporary bleacher location
6. Rodeo arena
7. Renovated playground and picnic area
8. Trail connection
9. Bike trail entry node/plaza
10. Maintenance and storage
11. Johnny Cash art node

Phase 1 Summary

This phase would involve making improvements to existing facilities, including:

- Upgrades to the playground and group picnic areas between the bleachers and the zoo.
- Upgrades to the sports fields to accommodate higher level play and tournaments. This might include synthetic turf and sports lighting.
- Accessibility and pedestrian circulation improvements including a perimeter trail, and stronger connections through the park to the Johnny Cash Trail (and beyond).
- Reduction of dirt area around the rodeo arena to just the size needed for rodeo events. Temporary rodeo bleachers would be placed as shown. Remaining area would be paved for additional flex space and/or parking throughout the year.

Figure 12. Rodeo Park Conceptual Plan, Phase 1

Phase Two

This phase would add two exciting features: a Recreation Center for ages 3 to 13 and an adventure playground. Both would reinforce the spine that connects the zoo parking lot to the Johnny Cash Trail behind the rodeo arena.

- A Recreation Center, approximately 12,000 to 15,000 s.f. in size, would fill a void in the City's parks and recreation service system, catering primarily to elementary- and middle school-aged children and could contain a preschool and playground. The building would contain multiple rooms with a larger multi-purpose room to be used for educational purposes. The Recreation Center could provide activities throughout the school year and include after-school programs and summer camps utilizing the many assets of City Park and Rodeo Park (zoo, Georgia Murray Library, live steam train, sports fields, and new River District improvements).
- An "adventure playground" behind the northern bleachers provides a destination amenity in a unique environment featuring peculiar landforms formed by historic mining operations. Designed to engage with nature, this area envisions elevated play experiences amongst the native oaks and at ground level, built into the terrain. It would invoke a hidden world and allow children's imaginations and bodies to run free. Because of the nature of the equipment – such as zip lines and elevated rope apparatuses – this area would likely need to have controlled access. Whether it would be operated by the City or by a concessionaire would need to be determined later, as would the concept of charging admission. Further exploration of this concept by the Parks and Recreation Commission and staff is an implementation measure.
- Rodeo Arena improvements to enhance seating comfort, accessibility (ADA), visibility, patron comfort (shade), restrooms and concession areas (food trucks).

Rodeo Park - Phase 2 Concept

Key to Features

1. Upgraded sport fields with sports lighting
2. Walking path
3. Reconfigured parking to gain more spaces
4. Expanded parking/flex space
5. Temporary bleacher location
6. Rodeo arena
7. Renovated playground and picnic area
8. Trail connection
9. Bike trail entry node/plaza
10. Maintenance and storage
11. Recreation Center
12. Adventure Playground in existing woodland
13. Passive landscape area
14. Johnny Cash art node

Phase 2 Summary

This phase would add additional amenities and features along the spine between the rodeo and the zoo, providing more cohesion between spaces, and adding key activation nodes, including:

- Recreation Center for city programming.
- Unique 'Adventure Play' zone offering a unique and challenging environment to visitors. This area would be staffed/supervised and secured for safety.
- Passive park areas that provide pleasant transitions between activity nodes.

Figure 13. Rodeo Park Conceptual Plan, Phase 2

Phase Three

The third and final phase considers a scenario without the rodeo facility, should it be moved to a new venue in the future. This change would open the heart of the park to create a dynamic family hub surrounded by and connected with previously constructed amenities.

- A large interactive waterplay area with complementary elements such as shade structures, picnic lawns, restrooms/concessions, and a large gracefully sloped lawn that would be the perfect spot to relax and people watch. Traditional swimming pools and the associated operation and staffing costs can be avoided while still generating substantial revenue.
- Allows for an expansion of the adventure play area and formalization of the parking lot. Accessible circulation routes would be integrated to provide strong connections between upper and lower levels.
- As the final part of this last phase, the plan calls for the removal of the City maintenance yard at the zoo parking entry. This use can be accommodated off site or adjacent to the parking lot below. In its place, a beautified landscape area would be installed, with the potential for future expansion of the parking lot in front of the new Youth Recreation Center.

i. Key Site 2 Planning Principles

The Rodeo Park improvements are consistent with this Vision Plan's planning principles described in Chapter 1.

- PRINCIPLE 1 – Engage in early consultation and partnerships with State Parks and Native American tribes

  Although coordination with State Parks is not likely to be needed for the Rodeo Park improvements, there are areas of the City Park and its surroundings which are shown on important cultural resource maps, and it will be critical to ensure the Native American tribe's interests and suggestions are integrated in the preliminary design stages.

- PRINCIPLE 2 – Promote a walkable city by increasing safety and ease of access for pedestrians, bicyclists, and vehicles

  This will be realized by the improved connections to the Historic District, City Hall complex, trails within adjacent State Parks property, as well as facilities to support use of the Johnny Cash Trail.

- PRINCIPLE 3 – Create increased recreational or economic opportunities

  This will be met by creating additional recreation facilities that not only serve the Folsom community but also build upon the existing regional tourism base. Long-term operation costs and revenue recovery are important considerations for future park improvements, and the economic potential and operation and maintenance costs should be carefully analyzed when scoping Rodeo Park improvements.

- PRINCIPLE 4 – Celebrate, educate, and conserve the City's historical, cultural, and environmental resources

  This will be accomplished by incorporating wayfinding and interpretive signage that connects to key historical and cultural points of interest in the River District area. There are increased opportunities with the youth-oriented facilities to implement unique learning methods, such as interactive interpretive nodes, linked or progressive story topics, etc.

- PRINCIPLE 5 – Commit to "best in class" efforts to inspire residents and visitors as projects and programs are implemented

  This will be achieved by exploring and evaluating cutting-edge recreation amenities to differentiate Rodeo Park from other parks in the region. The focus will be on family and children's active, adventure recreation to avoid duplication and competition with other recreation outlets in the region. The design will incorporate innovative technology and BMPs for critical supporting infrastructure, such as sports and facility lighting and public buildings, while emphasizing accessibility (ADA) at new and existing facilities.

Rodeo Park - Phase 3 Concept

Key to Features

1. Upgraded sport fields with sports lighting
2. Walking path
3. Reconfigured parking to gain more spaces
4. Sloped lawn
5. Picnic area
6. Splash pad
7. Renovated playground and picnic area
8. Trail connection
9. Bike trail entry node/plaza
10. Maintenance and storage
11. Recreation Center
12. Adventure playground in existing woodland
13. Passive landscape area
14. Restrooms/Concessions
15. Johnny Cash art node

Phase 3 Summary

In the future, if the rodeo decides to relocate to a different venue, the park improvements could expand to create a central hub - a vibrant and dynamic family oriented destination:

- Expansion of Adventure Play zone.
- Large water spray park surrounded by shade pavilions, group areas, and concessions.
- Graceful sloped lawn for people-watching and family gathering.

Note: there is no plan at this time for the rodeo to relocate. This concept is simply intended to show a potential future vision for the park if that scenario came to be.

Figure 14. Rodeo Park Conceptual Plan, Phase 3

Example imagery for Rodeo Park concepts. Clockwise from top left: canopy play features; treehouse structures in woodland; sloped picnicking lawn; splash pad; play integrated into slopes; canopy play features; zipline.

Key Site 3: River Promenade

The section of Riley Street/Greenback Lane between Leidesdorff Street and the Rainbow Bridge is one of the busiest multimodal nodes in the City. This area represents the easiest and most direct access to the water from the Historic District, and it has the potential to create a compelling nexus between popular commercial, recreational, and natural areas.

Improving the functionality and safety of the Riley Street/Greenback Lane corridor is a high priority as it was highlighted by significant community input and CAC consensus. This key site concept involves constructing a 20-foot to 24-foot-wide promenade which maximizes the path width on the south side of the road by utilizing all the available right-of-way and capturing wasted space along the road shoulder with the addition of low retaining walls. The promenade will have dedicated bike lanes to minimize conflicts with pedestrians and will feature shade trees, decorative lighting, and enhanced paving to enhance the sense of place and draw in users from the adjacent Historic District. This new promenade will include a decorative railing along the roadway to discourage jaywalking from the Powerhouse parking lot and is suggested to be traffic-rated to protect path users from automobiles.

The upper segment from Trader's Lane to Scott Street has a typical urban sidewalk character and is currently constrained in width in several locations by vertical grade changes which present some design challenges, but enhancing these linkages is critical to creating a strong visual cue that intuitively guides visitors. There is an existing pinch point near the remnants of the old canal infrastructure where a small amount of stone wall may need to be carefully removed or relocated to provide a continuous promenade width. An interpretive station is suggested for this location to discuss the historic hydroelectric system and canal system that delivered water to the powerplant and logs to an historic mill.

At the bottom of the hill, there is an existing flat area to the east of the Historic Truss Bridge which has excellent views of the river and a pleasant surrounding environment. This area is recommended for improvement to create a small passive park and gathering hub for the many trail users who naturally converge at this point. The improvements should include a formalized trailhead for the Canal Trail, areas for river overlooks and shaded picnicking, site furniture, and features such as permeable paving, bike racks, and wayfinding signage.

Leaving from the proposed passive park is a pedestrian-only boardwalk-style walkway that proceeds underneath the existing bridges. This section of rocky riverbank is one of the most desirous locations to reach due to its natural beauty, but it is difficult to traverse on foot. This new boardwalk would provide comfortable pedestrian access that could be achieved by routing over and around the existing boulders. If State Parks installed a trail along the waterfront of the SHP, this boardwalk would be an ideal connection point and would enhance access and activity on the river's edge. To the west of the Rainbow Bridge, the boardwalk would veer left and connect with a new walkway segment along the Powerhouse State Historic Park frontage, effectively creating a loop down and back from the Historic District, and a safe means to cross Greenback Lane. A trail underpass at the historic canal was considered for linking under Greenback Lane; however, it was determined to not be feasible because of significant project footprint, construction impacts, and high construction cost.

The area around the Truss Bridge is frequently congested with a multitude of trail users and people seeking access to the water

River Promenade

Figure 16. Promenade provides a safe and pleasant connection between the Historic District and the river

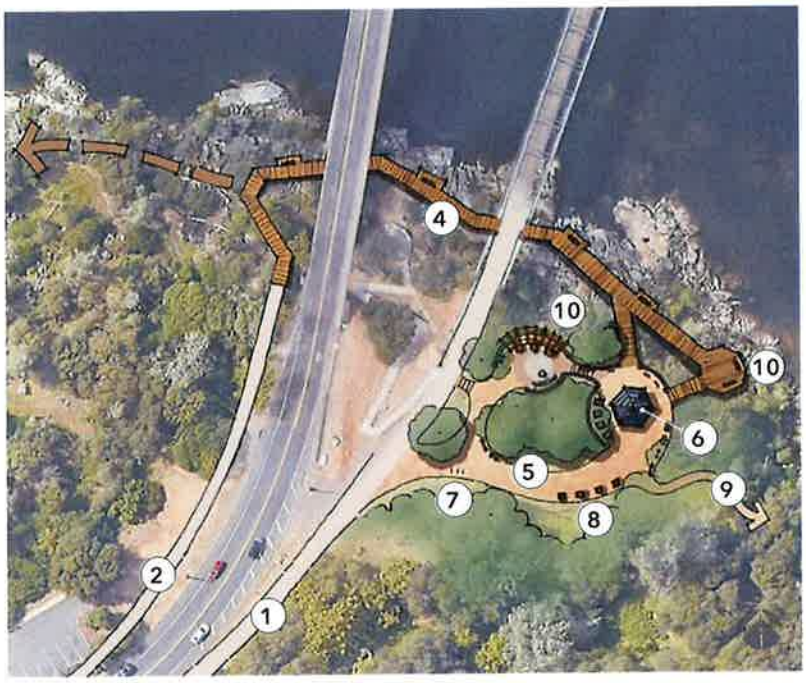


Figure 15. Passive park at end of River Promenade

Key to Features

1. Multi-modal River Promenade (20' to 24' wide)
2. New sidewalk
3. Traders Lane Area (see Key Site 4)
4. Pedestrian-only boardwalk under bridges with river overlooks
5. Permeable paving
6. Picnic shelter
7. Bike racks
8. Picnic tables and benches
9. Connection to Canal Trail with trailhead/wayfinding signage
10. River overlook

NOTE: Most of the ideas depicted at left fall within State Parks property. These ideas are not endorsed by State Parks, and any future projects would be pursuant to State Parks own processes, and their sole discretion.

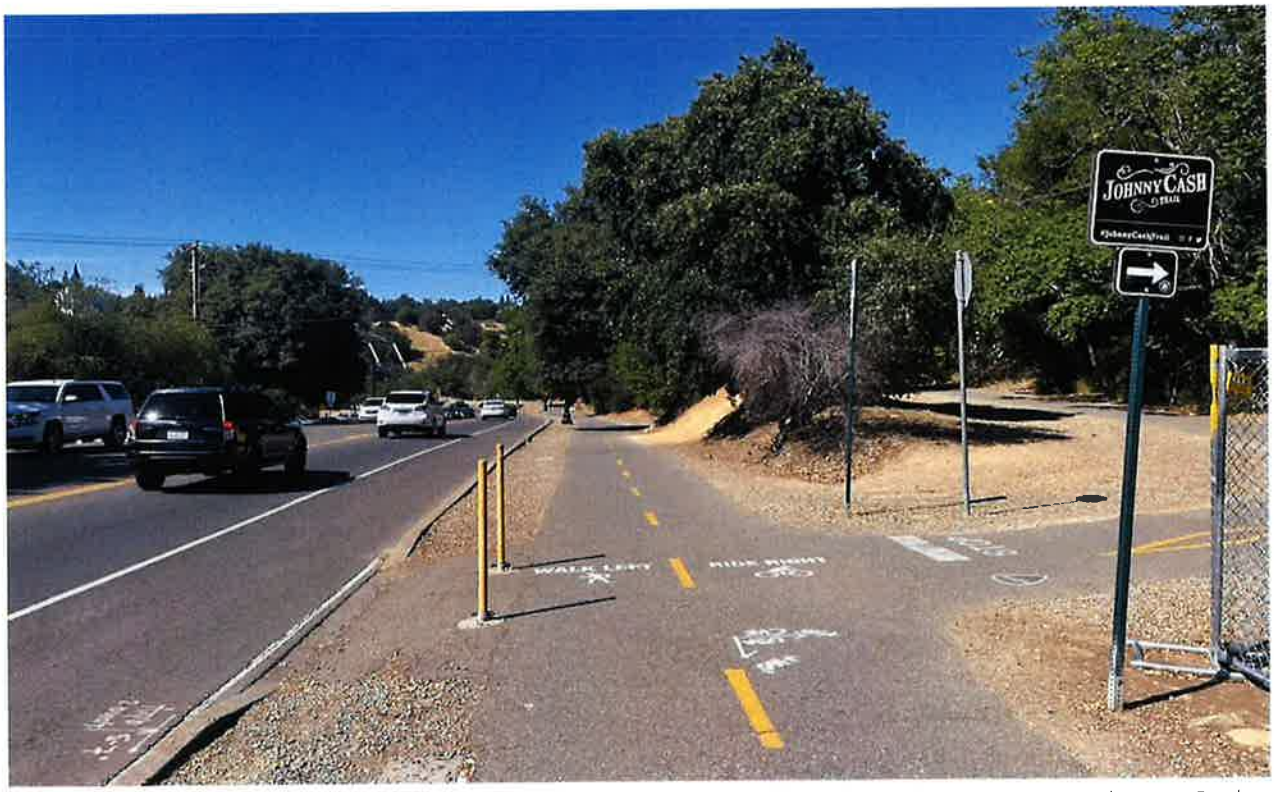


Figure 17. Before and after view of River Promenade concept looking down Riley Street towards Truss Bridge

i. Key Site 3 Planning Principles

The River Promenade improvements are consistent with this Vision Plan's Planning Principles described in Chapter 1.

- PRINCIPLE 1 – Engage in early consultation and partnerships with State Parks and Native American tribes

  This will be critical to ensure the project meets State Parks requirements and the Native American tribe's suggestions.

- PRINCIPLE 2 – Promote a walkable city by increasing safety and ease of access for pedestrians, bicyclists, and vehicles

  This will be realized by the wider promenade and barrier which will discourage jaywalking and allow more room for the different kinds of trail users and sheer popularity of this trail segment. The promenade and boardwalk will allow for safer off-street connections and provide an enhanced ambiance and experience for trail users. In addition, the formalized trailhead for the Canal Trail will enhance bicycle access and safety will be improved through clearly designated pedestrian and bicycle routes.

A boardwalk under Rainbow Bridge would provide access to one of the most desirable parts of the river

- PRINCIPLE 3 – Create increased recreational or economic opportunities

  This will be met by more formally connecting Trader's Lane and the Historic District with the river. Additionally, providing a passive park with shaded picnicking areas and spaces to linger at the river's edge will draw in locals and visitors to enjoy the excellent views of the river.

- PRINCIPLE 4 – Celebrate, educate, and conserve the City's historical, cultural, and environmental resources

  This will be accomplished by wayfinding linking to key areas in the Historic District and interpretive signage highlighting the historic hydroelectric system and canal system. The environmental resources of the area will be accentuated with river overlooks and shaded picnicking areas and a boardwalk-style walkway along the waterfront.

- PRINCIPLE 5 – Commit to "best in class" efforts to inspire residents and visitors as projects and programs are implemented

  This will be achieved through enhancing the sense of place through the creation of a memorable pedestrian experience with unique character-defining design elements. These may include landscaping, banners, decorative lighting, paving and railing materials, and wayfinding and interpretive signage, all of which will create a cohesive ambiance that announces the entrance into the Historic District and the heart of the River District.

Key Site 4: Trader's Lane Area

Occupying an approximately 1.3-acre area conveniently situated between the Historic District and State Park lands, the City-owned parking lot bounded by Trader's Lane and Leidesdorff, Riley, and Wool Streets presents a wonderful opportunity to advance the City's goals of stimulating economic activity, enhancing access to the river, and providing additional gathering areas. The first impression of the Historic District for people currently approaching south on Riley Street is the back side of Sutter Street commercial buildings – including service entries, dumpsters, and an asphalt parking lot. Almost all the buildings along Traders Lane were built to face Sutter Street and the backs of the buildings face the river, so they have only a few windows and the entrances from the Traders Lane area and typically only serve egresses in design and function. This Traders Lane concept helps create two building fronts and two opportunities for ingress/egress. However, this parcel is ideally suited to create a much stronger entry statement and can help to reestablish the Leidesdorff Street frontage as an integral part of the commercial core and welcome the visitors and the community into the heart of the River District.

This key site concept conceives of a new 134,000 +/- square foot building that reinvigorates the Historic District and provides additional pedestrian gathering spaces along the street. The project concept features a signature restaurant space near the Riley intersection, with a boutique hotel on the top floor, and flexible retail space facing the Trader's Lane alley with the intent of activating this space with healthy activities and uses. The middle floors of the building would include a public parking structure, which would replace the existing surface parking and Leidesdorff parallel stalls (approximately 112 existing stalls), and more than accommodate the parking needs of the hotel concept and the existing parking stalls, with approximately 166 spaces. Fire and emergency access to the site will be maintained.

The concept features quality architecture which is consistent with the Historic District Design and Development Guidelines and reflects the prominent historic buildings in the vicinity. The massing of the building would be carefully articulated to minimize its dominance over the adjacent structures, such as stepping down at the corner to allow views into the Historic District from below.

The design concept includes a gateway archway sign across Riley Street that denotes this primary entrance and enhances the unique character of Folsom by reflecting traditional forms influenced by the railroad and mining history. This archway could also function as a two-sided gateway to both the River District and the Historic District depending on the direction of approach.

A small boutique hotel is suggested on the fourth floor with approximately 30 to 35 rooms. Nothing like this currently exists in the City of Folsom, and previous studies have demonstrated a desire for something similar. From an urban planning perspective, adding accommodation in the commercial district is a proven way of increasing vitality, especially after-hours, for restaurants and visitor-serving businesses. This modestly sized hotel would complement existing offerings nearby.

Example of activated public space with representative architectural character

This area is a hub of activity, and this concept provides places for the public to recreate and people-watch, including a second-floor rooftop patio and a grand staircase for casual seating and gathering. Exterior public spaces, including a public plaza, are incorporated into the design to encourage people to spend time gathering and socializing. This plaza would visually and functionally anchor the south end of the proposed River Promenade described above with the aid of wayfinding signage and a consistent design language, such as shared paving materials, colored banners, planting palette, and/or streetscape furnishings. This site could offer a unique opportunity to provide interpretive historical information about the Folsom land grant and describe how William Alexander Leidesdorff settled this region. The intersection of Leidesdorff and Riley is frequently congested. While a roundabout was considered for this intersection, it was ultimately deemed inappropriate in scale and likely to have too many impacts on surrounding improvements.

The Trader's Lane improvements must comply with the operational needs of the City and meet applicable building and fire codes, such as a minimum clearance along Trader's Lane for emergency vehicle access, and should be consistent with the Historic District Design and Development Guidelines for the pre-1900 design of the Sutter Street Subarea. The final building design will be subject to review by the City's Historic District Commission.

i. Key Site 4 Planning Principles

The Trader's Lane improvements are consistent with this Vision Plan's planning principles described in Chapter 1.

- PRINCIPLE 1 – Engage in early consultation and partnerships with State Parks and Native American tribes

  Although coordination with State Parks is not likely to be needed for the Trader's Lane improvements, coordination with Native American tribes is recommended to ensure their interests and suggestions are integrated in the preliminary design stages.

- PRINCIPLE 2 – Promote a walkable city by increasing safety and ease of access for pedestrians, bicyclists, and vehicles

  This will be realized by the creation of enhanced pedestrian spaces along Trader's Lane and Leidesdorff Street.

- PRINCIPLE 3 – Create increased recreational or economic opportunities

  This will be met through activating Trader's Lane with visitor-serving retail and commercial enterprises, emphasizing pedestrian connections to the River Promenade to the east and the Railroad Block/Historic Folsom Station public plazas to the west. The addition of a boutique hotel and restaurant will not only generate additional tax revenue for the City but will also encourage more visitors to stay in Folsom and explore the River District.

- PRINCIPLE 4 – Celebrate, educate, and conserve the City's historical, cultural, and environmental resources where appropriate

  This will be achieved by utilizing the Riley/Leidesdorff intersection as an opportunity to create a recognizable gateway entrance with signage reflecting the Historic District's traditional materials and forms which were influenced by the railroad and mining history. Wayfinding signage will link to key cultural and historic landmarks in the Historic District and interpretive signage and/or public art could describe the Folsom land grant and how William Alexander Leidesdorff settled this region.

- PRINCIPLE 5 – Commit to "best in class" efforts to inspire residents and visitors as projects and programs are implemented

  This will be achieved through enhancing the sense of place by creating of a memorable pedestrian experience with unique character defining design elements, such as quality architecture, distinctive landscaping, decorative lighting and paving materials, and wayfinding and interpretive signage that create a compatible ambiance to reinvigorate the Leidesdorff Street frontage and announce the entrance into the Historic District and the heart of the River District.

Traders Lane Area

Figure 18. Concept to redevelop Traders Lane parking lot, showing ground floor plan of new building

Key to Features

1. Restaurant and hotel lobby (xx sf)
2. Retail facing alley (xx sf)
3. Hotel check-in entry
4. Valet/short-term parking
5. Parking garage entry
6. Ramp to 2nd floor parking
7. Elevator and stairs
8. Breezeway through building
9. Sidewalk (10' wide)
10. Alley activated with public uses
11. Public plaza
12. District gateway arch
13. Enhanced paving treatment
14. River Promenade (20' wide)

Figure 19. A roundabout was considered at Riley and Leidesdorff, but ultimately dismissed because it was detrimental to the character of the space

Figure 20. View of new building concept with Traders Lane in foreground

ii. Preliminary Environmental Assessment of Key Site 4

The Trader's Lane site is located on an existing parking lot with minimal environmental constraints. The site is on the edge of the 500-year floodplain and the south edge of the site borders an area containing soils with very high shrink-swell potential. During the design and engineering of the proposed building, it will be necessary to conduct geotechnical investigations (i.e., soil tests) to determine if there is a risk of heaving or settling. The site design should also consider the potential for flood effects during the most extreme flooding events.

This site has less risk of encountering previously undiscovered archaeological resources than other areas of the River District, but excavation could encounter buried historical or archaeological resources. Subsurface archaeological investigations and/or monitoring of excavation during construction should be considered to minimize risk to these resources.

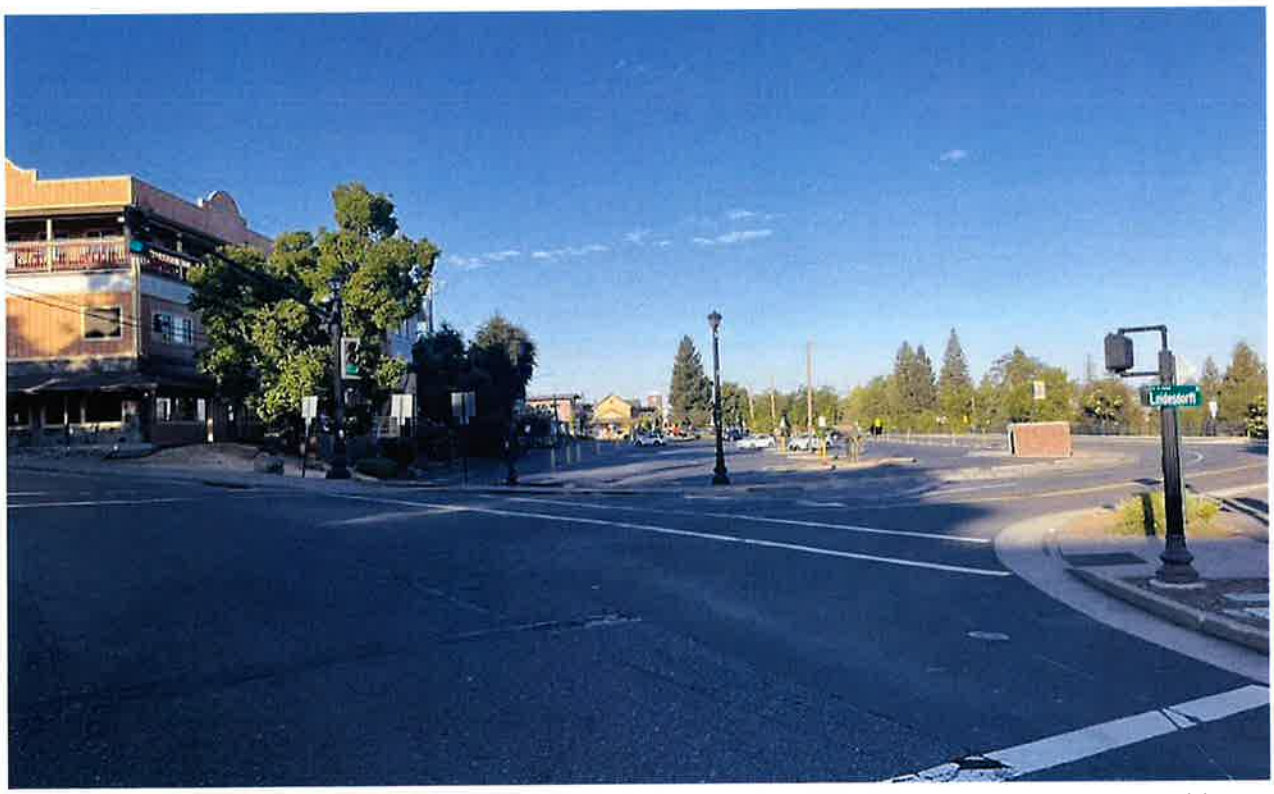


Figure 21. Before and after view from Riley Street of new plaza and building at Traders Lane parking lot, with district gateway partially shown at left

iii. Preliminary Economic Considerations of Key Site 4

The project team prepared a preliminary financial feasibility analysis to illustrate the opportunities and challenges related to the Trader's Lane private development concept. Refer to Section D below for economic considerations of Key Site Concepts with public realm improvements. A static development pro forma analysis is shown in the table in Figure 21, and it evaluates the feasibility of the Trader's Lane mixed-use development concept with the following assumptions:

- 10,455 sq. ft. of restaurant/retail space
- 31 hotel rooms
- 166 structured parking spaces

The pro forma considers planning-level costs of development to estimate the lease rates, average daily room rates, and parking revenue required to incentivize development.

Preliminary Financial Feasibility Findings

The high-level, point-in-time analysis indicates a positive financial feasibility outcome, but these findings are preliminary and may change as the concept is refined or economic conditions fluctuate. The initial assessment uses a Residual Land Value (RLV) approach, which estimates the land's value by subtracting all vertical development costs from the capitalized gross development value of the site's current proposed uses. The next step involves comparing the RLV with comparable land sales to determine whether the financial feasibility is competitive in the current market. Once the City secures a private development interest, the RLV analysis should be further refined to reflect any updates to the proposed site plan and to ensure competitiveness. Depending on the details of the negotiations with a private development interest at that time, the City may also consider selling the land at a reduced price or waiving the cost altogether to facilitate project implementation.

Development costs, market data, and uncertainty

- Development costs for illustrative development prototypes were derived from various sources and are based on current market-rate values. Due to the specifics of individual projects and recent cost volatility, actual development costs may vary from planning-level estimates.
- Market data was considered for the City of Folsom as an example. It is important to note that market lease rates, average daily rates, and parking revenues will vary by location though Folsom was used to provide an illustrative set of results for the River District.
- The effects and volatility of interest rates also mean that achievable price points are in flux and will vary over time.

Development challenges were reflected in the pro forma

- Current development costs are high throughout the whole State. Current lease rates for commercial space and Average Daily Rates (ADRs) for hotel space nominally offset these costs.
- The current RLV analysis reflects potential development risk by assuming a higher capitalization rate in calculating the proposed project's capitalized development value. To the extent that the City is able to minimize development risk, the assumed capitalization rate may be lower, resulting in a greater estimated value and positive feasibility result.

Pro Forma Factor	Assumption	Gross Development Value	Value Per Sq. Ft.
Development Program	10,455 restaurant/retail leasable sq. ft.; 31 hotel rooms; 166 structured parking spaces; 134,416 gross development sq. ft.		
Revenues			
Restaurant/Retail	$32.00 psf/year; 3.2% Vacancy; 20% Opex; 7.5% Cap Rate	$3,425,900	$279
Hotel	$300 ADR; $100 Other Daily Income; 76% Occupancy; 40% Opex; 7.5% Cap Rate	$27,518,100	$658
Structured Parking	$1,200 per public space/ year; $4,000 per hotel space; 30% Opex 7.5% Cap Rate	$4,149,300	$52
Total Capitalized Development Value		**$35,093,300**	**$261**
Costs			
Direct Costs	Various sources: CBRE; Saylor; Parking Costs; Pricing and Revenue Calculator Victoria Transport Policy Institute; EPS	$25,398,700	$189
Soft Costs	~35% of Direct Costs	$8,796,600	$65
Total Development Costs (Excluding Land)		**$34,195,300**	**$254**
Residual Land Value (RLV)		**$898,000 (Approx. $700k/ acre)**	**2.6% of Capitalized Development Value**

Note: Numbers may not sum due to rounding

Figure 21. Preliminary High-Level Financial Feasibility Analysis: Trader's Lane Building

Key Site 5: City Corporation Yard

The Vision Plan includes a general land use concept for the City-owned Corporation Yard located at the southern end of Leidesdorff Street. This approach aims to balance illustrating the community's vision for the Corporation Yard with preserving flexibility for future site planning efforts. It allows for design variation and provides opportunities for additional neighborhood compatibility and land use refinements.

After several iterations and revisions, the CAC reached census on the land use concept shown as Figure 23. The land use categories are deliberately broad and allow for a good deal of flexibility. For example, "visitor serving" could include a myriad of uses such as a cultural facility like a museum or commercial businesses such as restaurants or retail uses, and even conference/ hospitality services which have a similar feeling to Asilomar in Pacific Grove. The intent of this key site plan is to identify the types of uses that are deemed to be most appropriate for this site at a conceptual level. Consideration of actual uses and relationships will need to be undertaken in the future and be considered on their merit, along with the associated infrastructure, internal circulation, and parking, which will have to be accommodated within future site plan refinements.

Because the project site abuts State Park property, it is recommended that the City work with State Parks to enhance their trails to provide more direct access to the water's edge, make looped trail connections to other destinations within the Historic District, and explore design solutions to minimize conflicts with cyclists and pedestrians.

Along the entire river side of the site, there will be an approximately 20-foot-wide pedestrian promenade providing a relatively flat and accessible route to connect various Corporation Yard destinations and the State Park trail system. This promenade will have a more refined design than the existing Lake Natoma Trail and could include low-level pedestrian scale lighting designed to be sensitive to wildlife and light pollution. Shaded benches and interpretive and wayfinding signage is also suggested.

The proposed park site occupies the general area of the actual Gold Rush's Negro Bar, an African American mining community. This is a potential unique opportunity to interpret and celebrate Black History in Folsom through public art and park design.

The plan includes five land use categories and includes character images of the variety of uses that fit into each category. While "mixed-use" was a potential land use, the CAC determined it was not a priority for this site. Instead, the CAC suggested focusing on successfully achieving the other envisioned uses. Similarly, "passive open space" was not included because the site is already adjacent to a huge passive open space – the State Park – and adding more would be redundant. However, active park uses are envisioned with the Corporation Yard.

- A small amount of residential is shown at the north end of the site to provide a transition from the existing single-family homes on Leidesdorff Street.
- There are approximately 6.5-acres of commercial and visitor serving, some of which have artisan and makerspace uses blended in. Examples of this are the public markets that can be found in several communities, including the Barlow in Sebastopol, the Oxbow Market in Napa, and Tin City in Paso Robles.
- The new visitor-serving and artisan-makerspaces should complement, not replicate, existing Historic District retail and commercial outlets.
- An approximately 1-acre area is earmarked for an entertainment facility at the angle point of the site facing the river. This could be a venue that hosts open-air theatre and music performances or private special events like weddings and social gatherings.
- Six acres of active open space is included at the south end of the site. Representing approximately one-third of the Corporation Yard, this could be transformed into a public park with picnicking, walking trails, playgrounds, and gathering areas. A parking lot is indicated that would be available not only to park visitors, but also to paddlers for accessing the lake.
- Two areas are undesignated (labeled as TBD) adjacent to the existing neighborhood on Young Wo Circle. There was much discussion about this part of the site, including some support for residential, and some for more green space; ultimately the committee opted to preserve flexibility for the future and not commit at this time.

- A mid-19th century railroad engineer, Theodore Judah, created the first surveyed map of the town of Folsom for William Alexander Leidesdorff. The map comprised of a fourteen by seven block grid with twenty named streets, and today most of these street alignments remain. The historic Judah Map included the Corporation Yard area and this map should be used as an organizing theme for future site planning efforts, providing continuity to the gridded streets already in place.
- Pedestrian connections within the existing Historic District should be amplified to encourage exploration of other possible routes, not just Sutter Street.
- The concept also shows the extension of Leidesdorff Street and Forrest Street until they intersect at a roundabout. This provides two points of ingress and egress to the site for distribution of traffic concentration and emergency access.

i. Key Site 5 Planning Principles

The Corporation Yard improvements are consistent with this Vision Plan's planning principles described in Chapter 1.

- PRINCIPLE 1 – Engage in early consultation and partnerships with State Parks and Native American tribes

  This will be important to ensure the project is coordinated with State Parks trails, facilities, and amenities. Additionally, coordination with Native American tribes is recommended to ensure their interests and suggestions are integrated in the preliminary design stages.

- PRINCIPLE 2 – Promote a walkable city by increasing safety and ease of access for pedestrians, bicyclists, and vehicles

  This will be realized by creating enhanced trail connections to the river and a pedestrian promenade, as well as adding trail loops and connections to the Historic District.

- PRINCIPLE 3 – Create increased recreational or economic opportunities

  This will be met through the creation of commercial/visitor serving uses, entertainment, and artisan maker spaces along with the active open space areas.

- PRINCIPLE 4 – Celebrate, educate, and conserve the City's historical, cultural, and environmental resources

  This will be achieved through the incorporation of public art and/or interpretive signage which can advance the understanding of black miners in Folsom, and wayfinding signage will link to key cultural and historic landmarks in the Historic District. There are increased opportunities with youth-oriented facilities to implement unique learning methods. The surrounding environmental resources will be enhanced with improved trails and provide more direct access to the water's edge.

- PRINCIPLE 5 – Commit to "best in class" efforts to inspire residents and visitors as projects and programs are implemented

  This will be accomplished by enhancing the sense of place for the River District through the creation of a memorable pedestrian experience with unique character-defining design elements. These elements include quality architecture, distinctive landscaping, decorative lighting, high-quality site furnishings and paving materials, public art, and wayfinding and interpretive signage. Additionally, this key site will create a incorporate artisan and maker opportunities, with increased potential for unique retail investments. Together, these elements will create a unique and innovative space with a revitalized ambiance which will help to reinvigorate the River District.

Corporation Yard

Land Use Categories

- Active Park (6-ac)
- Commercial & Visitor Serving with a conference center (3-ac)
- Artisan/Makerspace blended with Commercial & Visitor Serving (e.g. Public Market) (3.5-ac)
- Entertainment (1-ac)
- Residential (0.5-ac)

Key to Features

1. Pedestrian friendly upgrades to Leidesdorrf St for strong connection to Historic District commercial core
2. Pedestrian promenade, 20' wide, on City property
3. Parking for park and river access
4. Suggested pedestrian trail improvements to create loops in and out of site and provide additional access to water (in State Park)
5. Focal point of interest - such as public art or architecture

Figure 23. Conceptual land use plan for the Corporation Yard

Residential

Single Family

Medium Density

Medium Density

Single Family

Multi-Family

Senior Housing

Mixed Use

Residential + Commercial

Residential + Commercial

Residential + Commercial

Residential + Commercial

Residential + Commercial

Residential + Commercial

Entertainment

Destination Space

Casual Activities

Music

Social Gathering Spaces

Indoor Venue

Outdoor Theater

Commercial & Visitor Serving

Accommodation

Museum

Dining/Shopping

Conference Center

Private Events

Lakeview Dining

Representative character images of land use concepts for the Corporation Yard (continued on the following page)

Open Space, Passive Recreation

Accessible Trails

Nature Habitat

Accessible Trails

Overlooks

River Promenade

Boardwalk

Open Space, Active Park

Picnicking

Playgrounds

Community Park

Community Park

Flexible Use

Exercise

Artisan/ Maker Space

Food & Beverage Production

Maker Space

Light Manufacturing

Artist Studios

Food & Beverage Production

Light Industrial

Representative character images of Visitor Serving and Artisan/Makerspace land use concepts for the Corporation Yard. Clockwise from top left: nature center/museum; pedestrian friendly dining and retail; event space; artist studio; Oxbow Public Market; craft food and beverage; markets.

Representative character images of Entertainment land use concepts for the Corporation Yard. Clockwise from top left: Outdoor theater in Lake Tahoe; social gathering at The Barn in Sacramento; outdoor performance space.

Representative character images of public park land use concepts for the Corporation Yard. Clockwise from top left: playground; flexible use areas; pickleball; family and group picnic.

Preliminary Environmental Assessment of Key Site Concepts

Key Site 1 – Preliminary Environmental Assessment

The Canal Trail and Bridge Concept is in a portion of the River District with several environmental constraints. The primary constraints in this location are the high landslide susceptibility due to proximity to steep riverbanks and the potential for encountering significant cultural resources. Construction of the new pedestrian bridge and connecting trails will require evaluations by geotechnical experts to evaluate landslide risk. Additionally, assessments by cultural resource experts and Native American tribes should be conducted to minimize and avoid potential impacts to cultural resources, ensuring a safe and sustainable design approach.

The existing Rainbow Bridge and Truss Bridge are designated scenic resources, and the design of the new pedestrian bridge should consider aesthetic styles that are compatible with the existing bridges, or that reflect unique connections to Folsom's historical and cultural past, while minimizing impacts to scenic views.

This site includes sensitive natural communities, with Interior Live Oak Alliance present on the south bank of Lake Natoma, and White Alder Alliance present on the north bank. Care should be taken to minimize direct and indirect disturbance to these communities.

As with most of the River District, this area has a high potential for previously undiscovered archaeological resources. A complete archaeological survey of the site should occur prior to preliminary design of the new pedestrian bridge and trail connections. This will allow archaeological resources to be identified early and avoided or otherwise protected.

Key Site 2 - Preliminary Environmental Assessment

The Rodeo Park site has minimal environmental constraints and is suitable for a wide variety of uses. The southern edge of the site includes soils that are mapped as having a very high shrink-swell potential. These soil types contain specific clays that can swell substantially when water is absorbed. This can result in damage to structures by causing heaving or settling. If structures are proposed along the southern edge of this site, a geotechnical investigation may be necessary to determine appropriate engineering approaches.

The existing woodland on the northeast corner of the site contains a sensitive natural community comprised of the Interior Live Oak Alliance. An adventure playground, or other proposals for this woodland, should be designed to maintain existing oaks to the extent feasible. It may be necessary to consult with a qualified arborist during the detailed design of this area.

Because this site is mostly developed, there is less risk that previously undiscovered archaeological resources would be encountered during construction. However, there is still a possibility that archaeological resources could be encountered during subsurface excavation or in previously undisturbed portions of the site, and a professional archaeologist should be involved during the detailed design process and early consultation with Native American tribes is recommended.

Key Site 3 - Preliminary Environmental Assessment

The portions of the promenade area near Greenback Lane would have very few environmental constraints because they are within urbanized areas along existing roadways. Trails closer to the river, the boardwalk under the existing bridges, and the proposed passive park would be in areas that are susceptible to landslides. The proposed trails, boardwalk, and passive park near the river are also within the 500-year floodplain and could be affected by flooding during extreme weather events. These features, and the boardwalk in particular, would require geotechnical investigations to identify appropriate engineering approaches that consider landslide and flooding risks. The proposed passive park is within the Interior Live Oak Alliance, a sensitive natural community. The park design and construction should preserve existing oak trees and minimize disturbance to surrounding vegetation.

Like much of the many other areas of the River District, this area has a high potential for undiscovered archaeological resources, particularly in elevated areas near the river. A complete archaeological survey of the site should occur prior to preliminary design of the trails, boardwalk, and passive park to identify and protect archaeological resources.

View of the Historic Truss Bridge and existing river overlook area from above

Key Site 4 - Preliminary Environmental Assessment

Refer to discussion in Section B above.

Key Site 5 - Preliminary Environmental Assessment

The Corporation Yard site is already developed and used in a light industrial capacity and includes minimal environmental constraints. Primary considerations for this site are related to land use compatibility. The site abuts a residential neighborhood along Young Wo Circle and Forrest Street. Care should be taken to minimize dust and noise impacts on adjacent residential areas during construction, and the site design and programming should consider the potential for long-term noise and traffic impacts to residential neighborhoods.

Because of its current use as a corporation yard, there is a risk of soil contamination from leaks or spills of fuel, oil, paints, lubricants, solvents, or other commonly used hazardous materials. While there is no evidence of contamination, soil testing may be appropriate prior to construction to determine if any remediation is necessary.

The State Park land between the site and the river includes sensitive natural communities. Trail connections between the site and the adjacent State Park should be designed to provide access while minimizing disturbance to native vegetation. Like the Trader's Lane Site, this site has a limited risk of including previously undiscovered archaeological resources, but excavation could encounter buried historical or archaeological resources. Subsurface archaeological investigations and/or monitoring of excavation during construction should be considered to minimize risk to these resources.

D. Preliminary Economic Considerations for Key Sites Concepts

KEY SITES WITH PUBLIC REALM IMPROVEMENTS

Key Sites 1, 2 & 3 - Preliminary Economic Considerations

New park and open space improvements, such as those proposed in this Vision Plan, drive both direct and indirect economic activity, creating jobs and stimulating local economies. They increase property values, particularly for homes and businesses close to well-maintained parks and trails, which boosts property tax revenues. Parks and open space also attract tourists who spend money on accommodations, dining, and retail, contributing to increased sales and transient occupancy taxes. High-quality parks and open space enhance the quality of life for employees, which makes areas more attractive for businesses looking to relocate or expand, ultimately generating new jobs. Additionally, park and trail improvements encourage health, wellness and social cohesion, which can help lower public healthcare costs over time.

KEY SITES WITH PRIVATE IMPROVEMENTS

Key Site 4 - Preliminary Economic Considerations

Refer to discussion in Section B above.

Key Site 5 - Preliminary Economic Considerations

The proposed development of the Corp Yard includes opportunities for commercial/visitor uses, residential units, entertainment space, artisan/maker space, along with open space. As indicated in Chapter 2, the Riverfront Area can enhance the local attractions for locals and tourists already in the area visiting the existing attractions such as State Parks and the Zoo. Market trends for retail reflect consistently low vacancy indicating demand for retail, entertainment space, artisan/maker space, and commercial/visitor space; however, at this time lease rates may not be sufficient to offset the high costs of construction in the current market.

Residential market trends indicate the need for housing in the City of Folsom with increasingly low vacancy rates coupled with increasing housing costs reducing supply for existing and future residents. While, the Folsom Plan Area has and will continue to provide additional residential units relieving some of the pressure, the proposed housing units in the Corp Yard could further bolster the City's housing inventory and there will be a continued need for housing at a variety of income levels.

Residential ownership products in the current market achieve higher values and have lower construction costs compared to the lower achievable market rents and higher construction costs for multifamily rental units. The financial feasibility of rental residential land use types are primarily driven by the cost of development significantly outweighing current market rents. For rental residential units to realize financial feasibility, there would need to be significant rental rate increases.

Additional approaches the City could consider for reducing costs and overall development risks include:

- Direct public subsidies
  - Provide direct loan or grant funding. The City could secure direct funding through federal, State, and regional grants to subsidize desired infill projects in the River District.
  - Obtain gap financing. The City could explore adoption of one or more innovative financing tools that could be used to help fill funding gaps (e.g., revolving loan fund).

- Indirect public subsidies
  - Waive or defer building and development fees. Jurisdictions have some leverage in instituting policies and programs to address building and development cost constraints. The City also could consider developing a lower fee structure or waiving fees for projects containing affordable housing, infill projects, and other missing housing types to improve feasibility.
  - Consider land acquisition and disposition. The City could consider the acquisition of real estate and donate to private developers or allow deferred payment to eliminate, reduce, or defer land costs.
  - Fund backbone infrastructure improvements. Although this analysis excluded any costs related to offsite infrastructure improvements, intensified infill development often necessitates upgrades to backbone infrastructure, representing another development cost and feasibility challenge. The City could obtain funding for capital investments in infrastructure to support development in the River District.
- Streamline development and environmental review processes
  - Streamline development review. Consider streamlining the development review process for infill projects that meet objective standards by granting ministerial approval. Streamlined development review processes can save time and money by eliminating discretionary reviews, public hearings, and additional environmental review.
  - Streamline environmental review. Consider completing a City-sponsored and City-funded California Environmental Quality Act (CEQA) analysis for the Project to pre-clear opportunity sites.
- Consider regulatory changes
  - Reduce parking requirements. Parking is a costly addition to many developments, specifically the high costs of structured parking, and reduces the developable space for residential units. Reducing parking requirements can reduce the cost of a project while increasing the density.
  - Increase building height and density. Consider increasing minimum and maximum allowable densities and zoning requirements to increase the City's housing capacity, ensure higher density projects (which can lead to greater affordability), and make projects more economically feasible.
  - Support a wide array of housing types. Update planning regulations to encourage or require new subdivisions to include two-, three-, and four plexes, or other missing housing types that are designed to look cohesive with adjacent single-family homes.

E. Creating a More Walkable City

Each key site described in this chapter individually contributes to the fabric of the River District but considered together they work in concert resulting in a rich interconnected network of spaces and places. When fully realized, there will be pedestrian-centric arteries from the Corporation Yard to the river and beyond.

By virtue of its central location, the area around Trader's Lane becomes the nexus of this activity, a hub that all these elements eventually feed into. Therefore, the development proposed in Key Site 4 has a critical role to play; the proposed development accomplishes the goal of creating a strong gateway statement for people approaching from Greenback Lane, and activating a space that currently has a distinctly "back-of-house" feel. This idea will effectively complete the block, re-establishing the urban street frontage of Leidesdorff Street and expand the pedestrian circulation network throughout the historic commercial core, as illustrated in Figure 24.

One of the most compelling features this plan envisions is the completion of a walkable spine that connects the river promenade through the middle of the block to the railroad plaza and beyond to the Corporation Yard. As new private development occurs along this corridor – such as around Folsom Station Plaza – it could further strengthen and engage with pedestrians by designing buildings to face the middle of the block and including paseos to allow more porosity between Leidesdorff and Sutter Streets.

The River District Vision Plan, through the five key site concepts and other district-wide initiatives, emphasizes pedestrian connectivity with ideas that will enhance peoples' experience as they live, work, and recreate in the River District.

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The River District Master Plan, through the five key site concepts and other district-wide initiatives, emphasizes pedestrian connectivity with ideas that will enhance peoples' experience as they live, work, and recreate in the River District.

Current pedestrian traffic flow, along streets

Current pedestrian traffic flow, mid-block

Expanded pedestrian traffic flow around Trader's Lane site

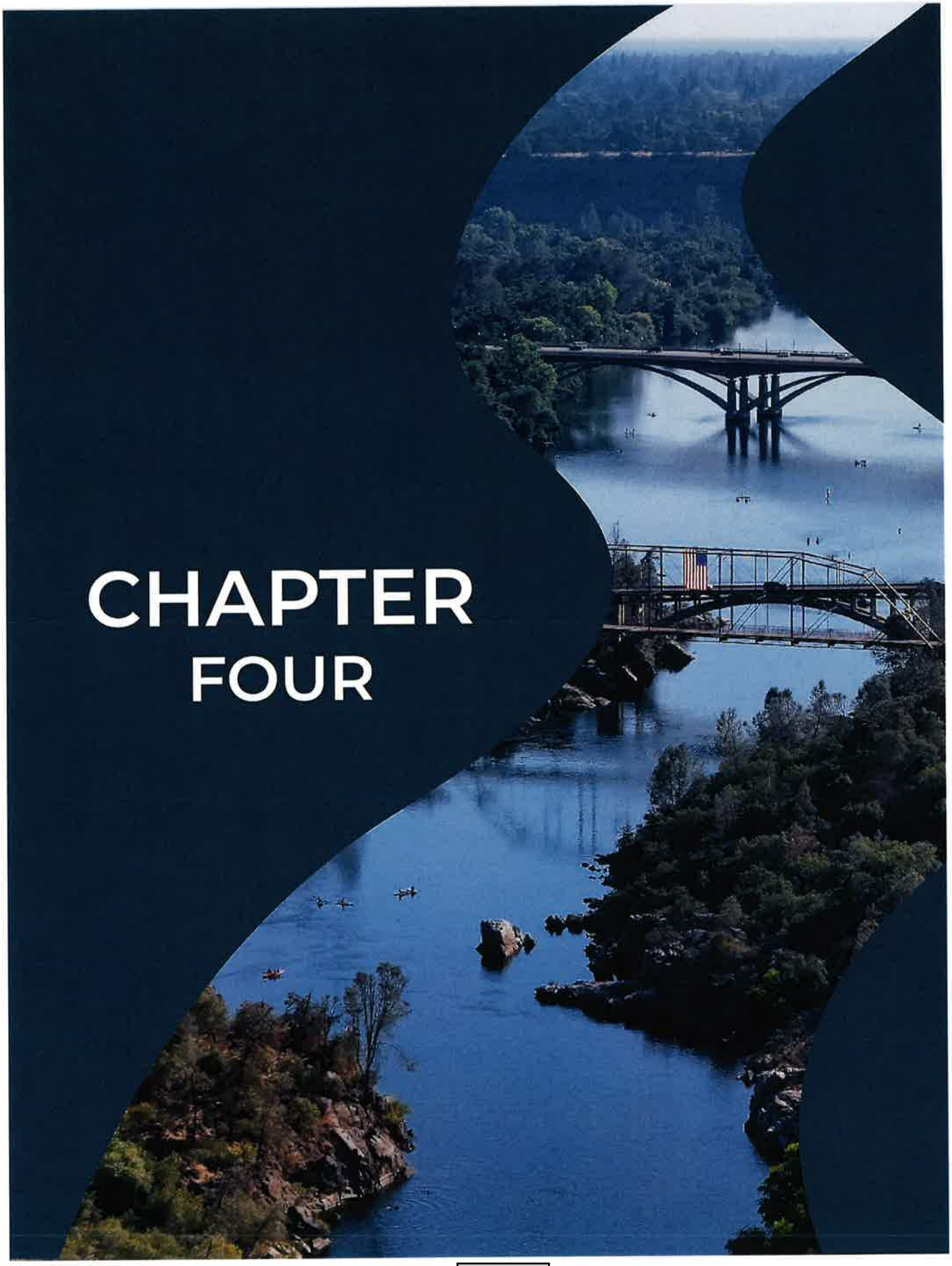
Expanded pedestrian traffic flow through Trader's Lane (alley)

Pedestrian connections to other River District sites

Primary pedestrian spine

Proposed new buildings/points of interest

Figure 24. Enhanced pedestrian network



CHAPTER FOUR

Chapter 4
VISION PLAN IMPLEMENTATION

This Vision Plan will be implemented through a combination of public and private investment, with many components potentially eligible for grant funding due to their pedestrian and bicycle-friendly nature and their relationship to places of cultural and historical significance. Funding will be required for both capital improvements and the ongoing maintenance and operational costs associated with these improvements. This chapter outlines strategies for implementation and recommendations to encourage and incentivize new improvements in the River District area.

A. Implementation Recommendations

For planning purposes, the River District Vision Plan implementation recommendations have been divided into three basic categories. A list of considerations for prioritizing the proposed River District improvements are listed below in Section B and summarized in Table 6-1:

- Major Capital Improvements – include the five key site areas described in Chapter 3 and key potential projects identified during the Vision Plan planning process and generally align with the City of Folsom's Capital Improvement Plan efforts.
- Districtwide Improvements – trail and access improvements, wayfinding, interpretation and education elements, gateway features, streetscape enhancements, and landscaping.
- Strategic Initiatives - facilitate, partner, or engage in subsequent property development or improvements consistent with City and State Parks plans, processes, and environmental review.

The following recommendations provide strategies to begin implementing individual components envisioned in the Vision Plan, and they are listed by order of priority.

Recommendation 1: Implement the Key Site Concept Plans to achieve the vision and planning principles for the River District and help to spur reinvestment in the River District:

- Prepare a pro forma financial evaluation to assess the economic feasibility of design prototypes
- Prepare refined concept plans and analysis, as needed
- Develop construction documents and obtain building permits

Recommendation 2: Focus on defining and attracting development opportunities for key sites. This could include the following efforts by the City:

- Outreach to individual property owners to identify specific candidate sites for renovation, reuse, or redevelopment
- Prepare additional design prototypes to determine feasible redevelopment (or intensification) options for additional key sites
- Consider establishing a merchant or business organization to advocate for programs, projects, and priorities in the River District.
- Consider pursuit of public/ private partnerships and/o RFP process on City owned land to solicit developable opportunities.

Recommendation 3: Set the stage for future investment with improvements to the physical setting in the River District by implementing the programmatic opportunities in Chapter 2. These investments could include, but are not limited to:

- Develop and consistently apply a design language for the district to reinforce its identity and presence in the city. This could include things like branding, furniture, signage, construction materials, and design details
- Add River District gateway monuments, banners, and wayfinding/directional signage

- Improve streetscapes with enhanced paving at key areas, landscaping, lighting, and pedestrian amenities
- Encourage outdoor dining and gathering spaces
- Enhance public park and recreational spaces
- Encourage installation of placemaking elements such as public art pieces
- Provide widened and repaired sidewalks, and improve crosswalks

Recommendation 4: Pursue federal, state, regional, and local funding sources for infrastructure and planning projects.

- Work with agencies with interests in, or have jurisdictional responsibilities within the River District, to explore dedicated source(s) of funding. The implementation of the River District Vision Plan will require significant, long-term funding.
- Ensure significant, upfront capital and long-term maintenance funding is available from both existing and potential new sources of public and private funding. The implementation of the River District Vision Plan will require In addition, implementation will require time and support from City staff and the broader community.
- Utilize existing sources of funding such as the City's General Fund or the Capital Improvement Plan (CIP). These funding sources can be used to fund a range of activities, including ongoing operations and maintenance, economic development projects, and infrastructure improvements, including streetscape, parks and open space, and other capital improvements. However, these funding sources rely on annual authorization by City Council and include a variety of funding streams that can vary on an annual basis.
- Seek new funding sources include grants, taxes and assessments, public-private partnerships, and other commonly used public funding and financing tools. These sources can be used to fund parks and open space and other infrastructure improvements, historic preservation, environmental cleanup, public art, and other economic development projects. There are differing levels of funding capacity and benefits and drawbacks for each source, which should be considered before pursuing a particular funding source.
    - A new sales tax measure, Measure G, is a citizen's initiative placed on the November 2024 ballot. If approved by voters, this new sales tax rate could provide funding for parks and other infrastructure projects, as determined by City Council action.
- Work with agencies with interests in, or have jurisdictional responsibilities within the River District, to explore dedicated source(s) of funding.
- Explore public-private partnerships as opportunities arise.

Enlarged view of the proposed improvements for Trader's Lane key site concept

Implementation Categories

There are three overarching categories which contain organize the proposed River District improvements. These categories are not intended to be implementation priorities, but they are provided to group projects with similar land ownerships, and in some cases costs.

Category 1

Projects on properties that the City owns and controls, and would be publicly funded:

- Rodeo Park (Key Site 2)
- River Promenade – City Owned (Key Site 3): improvements to portions within the public right-of-way and City owned property

Category 2

The projects requiring collaboration and/or approval of State Parks or other agencies:

- River Promenade – State Parks Owned (Key Site 3): portions within State Parks lands, including the passive park and boardwalk
- Canal Trail Loop and Bridge (Key Site 1)

Category 3

Public-private partnership projects, both of which are complex and expensive to develop:

- Trader's Lane (Key Site 4)
- Corporation Yard (Key Site 5)

B. Capital Project Priority Considerations

Attempting to prioritize the list of Vision Plan projects is challenging because so much is dependent on funding. Additionally, City priorities are not static – this is a long-term plan, and trends, attitudes, and values continuously evolve.

The more ambitious ideas – Key Sites 4 and 5 – would be immediately transformative and would provide a catalyst for private investment and economic stimulus. However, these would also require favorable market conditions attractive to private parties, and substantial City investment including potentially significant off-site utility infrastructure upgrades.

The River Promenade project – Key Site 3- addresses arguably the most immediate need for the community; the congestion and safety of this corridor were of the highest concern to both the CAC and general community throughout the Vision Plan process. If constructed, this project will functionally connect the Historic District to the river and form a critical link between other key sites.

There are numerous smaller projects that would be less impactful, but significantly easier to accomplish. These include things such as new trail connections and design elements that start to define the district's character and identity. If completed, these could help to generate excitement and momentum to advance the River District vision.

The following table contains a list of projects that emerged from the Vision Plan process. This table does not attempt to rank the projects in order of priority for the reasons discussed above. The relative costs are provided to give future decision makers a basic understanding of the project scope in terms of anticipated magnitude costs, and the listed in a very general relative scale from low to high for comparison.

River District Project Summary						
Vision Plan Goal?	**Part of Key Site?**	**Project**	**Potential Funding Source**	**Relative Cost**	**Alignment with State Parks Goals?**	**Notes**
Capital Projects						
Recreation	2	Rodeo Park, Phase 1	Public[2]	Moderate/ High	Outside SRA	Can be divided into numerous smaller projects
Recreation	2	Rodeo Park, Phase 2	Public[2]	High	Outside SRA	Can be divided into numerous smaller projects
Economic Development	4	Trader's Lane Site	Public-Private	High	Outside SRA	
Recreation/ Access	3	River Promenade[1]	Public[2]	Moderate/ High	Generally supported (RTMP: ULN #3)	
Recreation/ Access	3	Passive Park (bottom end of River Promenade)[1]	Public[2]	Low/ Moderate	Generally supported (RTMP: ULN #3)	
Recreation/ Access	3	Boardwalk under Rainbow Bridge[1]	Public[2]	Moderate	Generally supported (RTMP: ULN #3 & 4 FLSRA GP: Powerhouse #15)	Contingent on River Promenade and Passive Park development
Recreation	1	Bridge at North Segment[1]	Public[2]	Moderate	Generally supported (FLSRA GP: Visit #52)	
Economic Development	5	Corporation Yard Site	Public-Private	High	Generally supported (RTMP: ULN #3)	Can be divided into numerous smaller projects
		District Gateway - South End	Public[2]	Low	Outside SRA	
	4	District Gateway - Trader's Lane	Public[2]	Low	Outside SRA	
Recreation/ Access		Improve Willow Creek parking lot and amenities[1]	Public[2]	Moderate	Highly supported (RTMP: LLN #11 FLSRA GP: Natshores #S-18)	

Figure 24. River District project summary table

(Continued on next page)

Recreation/ Access		Docks under Folsom Blvd Bridge[1]	Public[2]	Low/ Moderate	Generally supported (FLSRA GP: Visit #22 & Natshore #N-3)	
Recreation/ Access		Trail connection – JCT to Canal Trail (near North Bridge)[1]	Public[2]	Low	Highly supported (RTMP: ULN #3 & LLN #18 FLSRA GP: Visit #63 & Natshore #N-2)	
Recreation/ Access		Trail connection – Rodeo Park to Canal Trail[1]	Public[2]	Low	Highly supported (RTMP: ULN #3 & LLN #18 FLSRA GP: Visit #63)	
Recreation/ Access		Trail connection – Rodeo Park to Sutter Street	Public[2]	Low	Outside SRA	Project crosses private property and would need to be negotiated.
Recreation/ Access		Trail connection – Canal Trail to Passive Park at Truss Bridge[1]	Public[2]	Low	Highly supported (RTMP: ULN #3 & LLN #18 FLSRA GP: Visit #63)	
District-Wide Improvement Projects						
Recreation		Interpretive Exhibits[1]	Public[2]	Low	Highly supported (RTMP: ULN #10 & LLN #16 FLSRA GP: Culture #27 & 28, Interpret #1, 7, 8, 10, 14, 15. Visual #2, Powerhouse #11 & 13, Natshore #S-3 & Aldercreek #13 & Riparian #11 & Marsh/Pond #1)	
Recreation		Wayfinding/ directional signage[1]	Public[2]	Low	Generally supported (FLSRA GP: Interpret #1 & Powerhouse #16)	
Recreation		Habitat restoration (e.g. invasive plant removal)[1]	Public[2]	Moderate	Highly supported (FLSRA GP: Plants #2, 6 & 8, Chaparral #9, Woodland #5 & 6, Grassland #5, Ruderal #1, Riparian #2 to 5 & 7, Natshore #N-6, N-8 to N-10 & #S-5 to S-7 & S-9 & Aldercreek #4, Marsh/Pond #2)	
Recreation		Trail furnishings (e.g. benches, bike racks)[1]	Public[2]	Low		
Recreation/ Access		Trail improvements (e.g. between Corporation Yard and river)[1]	Public[2]	Low	Highly supported (RTMP: ULN #3 & LLN #18 FLSRA GP: Visit #63)	

Footnotes:

1. Project is partially or entirely in State Parks jurisdiction and would require approval and coordination with State.

2. Includes public funding such as the City general fund, grants, bonds, and/or special tax measures.

C. Recommendations for Next Steps

The next steps in the River District's planning process can take many forms and this chapter provides a guide to move the vision forward. The review process will entail more thorough site studies and analysis of traffic conditions, utility services, flood plain concerns, and property and easement restrictions. Subsequent steps will include substantial additional public review, the preparation of construction documents and permitting for key site projects. and site and project specific CEQA environmental review. Potential Future River District Programs and Measures.

i. Potential Future River District Programs and Measures

The following programs and measures are recommended to bring more visitors into the River District area, enhance the sense of place, and increase safety:

- Promote River District bridge tours, public art walks, and water tours.
- Work with State Parks to facilitate additional programs and community events and work together to better integrate the Powerhouse SHP into the Historic District.
- Coordinate with State Parks to implement public art along the trail system in key locations, such as the Pillar Mural Project at the Lake Natoma Crossing.
- Work with State Parks to provide vehicle access improvements such as line of sight, vegetation clearing, and incorporating accel and deceleration vehicular travel lanes at:
  - Willow Creek
  - Black Miners Bar
- Coordinate with State Parks to install a Welcome Center/Visitor Center/Cultural and Interpretation Center potentially at Black Miners Bar and/or "Museum Flat" (Folsom Blvd and Hwy 50).

Create incentives to facilitate renovation/reuse of existing commercial and office buildings in the River District. These incentives could include:

- Provide matching grant program by the City to help finance the cost of façade improvements
- Reduced/waived City fees for planning and/or building permits
- Provide low-interest loan program for major building renovations
- Include some incentives as a "limited time offer," or having a first-come first-served orientation, to encourage early adopters

Review the Vision Plan annually during the city council's strategic planning sessions, and the long-term capital improvement program (CIP) deliberations, and identify funding for prioritized projects. This process should allow for regular and ongoing community input. It is recommended that the City Council and City Manager make a specific assignment to 1 or more staff of the Community Development, Parks and Recreation, and Public Works departments to be responsible for ongoing implementation of the River District Vision Plan.

ii. Partnering with State Parks

The City desires to build upon its relationship with State Parks for both the advancement of master plan objectives and concepts, and also objectives contained in the FLSRA General Plan and the Road and Trail Management Plan. Programs and improvements common to State Parks' documents and the River District Master Plan have been identified by both the public and the CAC. These represent opportunities to create additional partnerships between the agencies to advance proposals that might otherwise be overlooked or bypassed. This River District implementation chapter is intended to be a fluid and responsive to community interests, and updated periodically over time. The following are recommended actions to enhance partnerships with State Parks:

- Commit to regular meetings (not less than annually) with State Parks Gold Fields staff to review Vision Plan implementation progress and project objectives

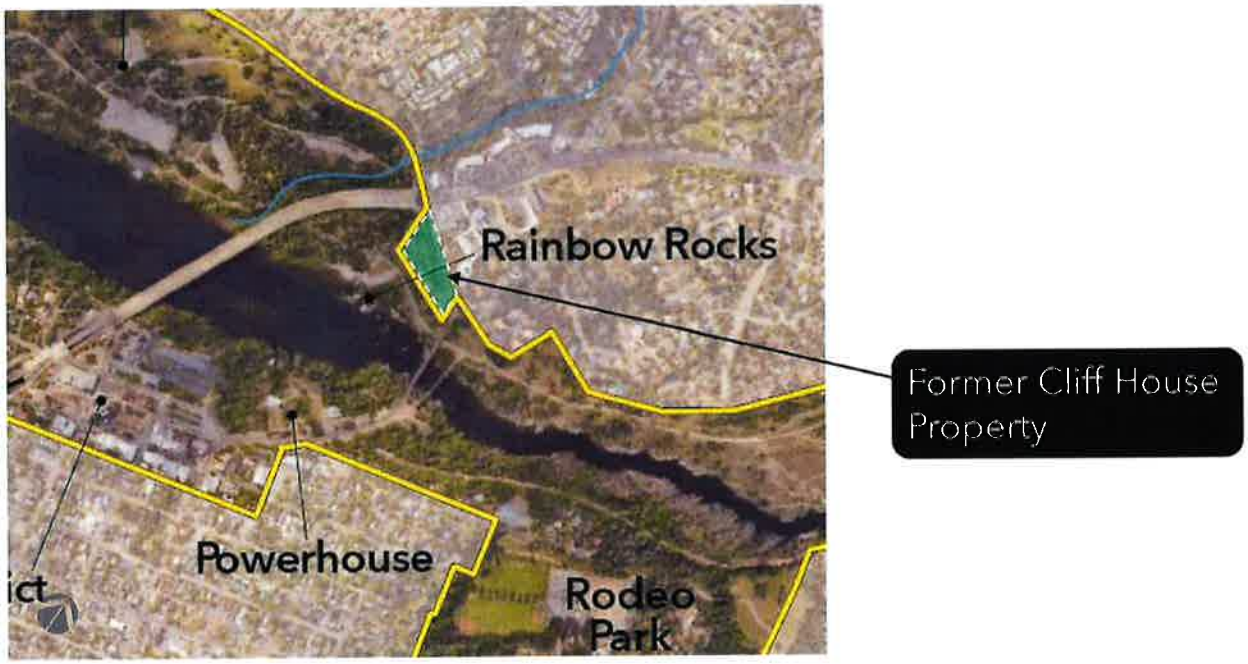
- Provide city council direction to staff regarding annual city strategic initiatives, Vision Plan objectives, budget directives, and expected outcomes
- Develop program and project definitions aligned with city and community interests and based upon the Vision Plan
- Identify capital funding feasibility strategies on an annual basis
- Identify long-term operations and maintenance costs, feasibility and strategies as part of each project's site specific Master Plan
- Review the Vision Plan annually during the city council's strategic planning sessions, and the long-term capital improvement program (CIP) and identify funding for prioritized projects

iii. Potential River District Phase 2 Projects

This Vision Plan provides an overview of the entire River District area with the intent to provide increased recreational opportunities and access, enhance economic growth opportunities, and protection of environmental, cultural, and historical resources. As the conceptual plans in this Vision Plan move forward, further studies may be required by qualified professionals. Additionally, future studies and planning are recommended to further enhance the River District area:

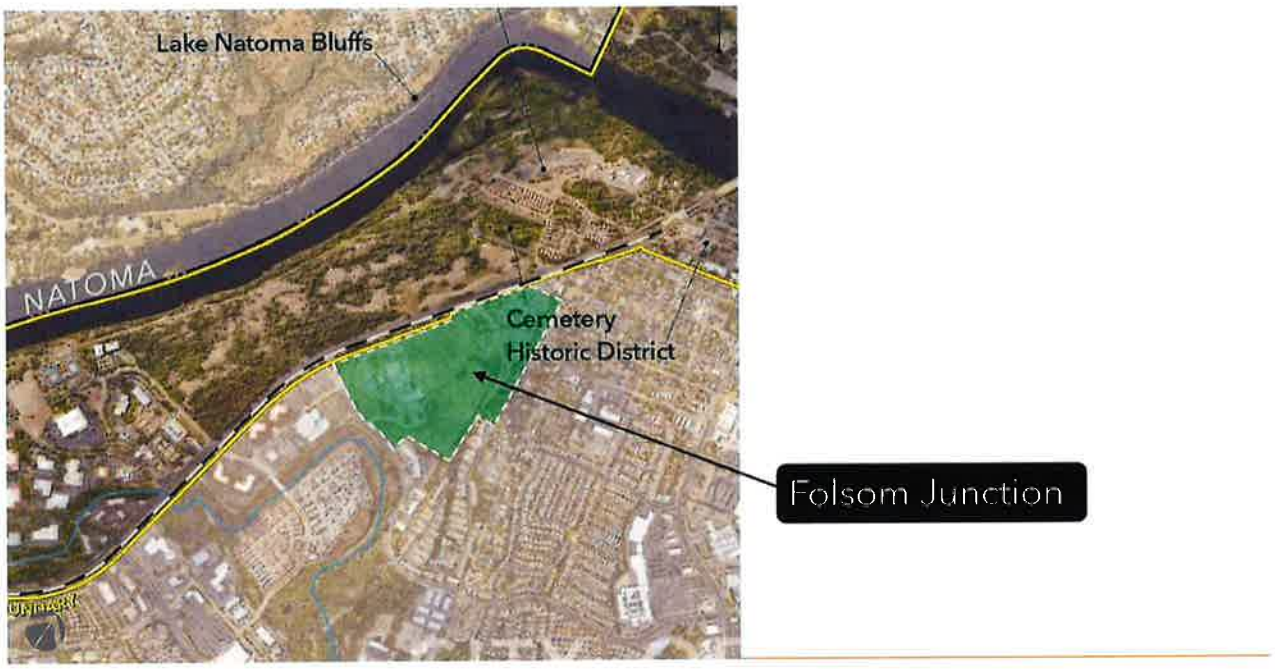
- Future site specific, or project specific, Master Plans and a River District Specific Plan with associated CEQA analysis, such as a traffic study and more focused environmental documentation.
  - A River District Specific Plan would contain a more detailed analysis of the area and would be required by law to contain at least the following key elements:
    - Land Use planning and regulatory provisions
    - Mobility and circulation analysis
    - Infrastructure and public facilities analysis
    - Implementation measures and financing mechanisms
    - Specific Plan administration, enforcement, and amendments requirements
- Potential refinements to the River District Master Plan boundary - there was interest from some CAC members in potentially expanding the River District Master Plan boundary in five locations which are shown on the following pages. These adjustments to the River District boundary are subject to future consideration and will require additional studies. The potential future additions to the boundary include:
    - Areas 1 and 2 - The CDCR Old Folsom Prison property and a small City-owned park site adjacent to the prison
    - Area 3 - Crawdads on the Lake restaurant site (former Cliff House)
    - Area 4 - Folsom Junction/Wye Property
    - Area 5 – Natoma Ground Sluice Diggings area
- As the community of Folsom changes in the future, the City should consider creating a secondary River District planning boundary for existing and future land uses located immediately outside the River District boundary. The creation of this boundary would acknowledge the multiple land uses immediately outside the River District boundary that would benefit from the River District planning principles, furthering the influence of this Vision Plan and beautifying the community.

Areas 1 & 2: Old Folsom Prison & City-Owned Park



Area 3: Crawdads on the Lake (former Cliff House)

Figure 26. Potential future refinements to the River District Vision Plan boundary
(continued on the next page)

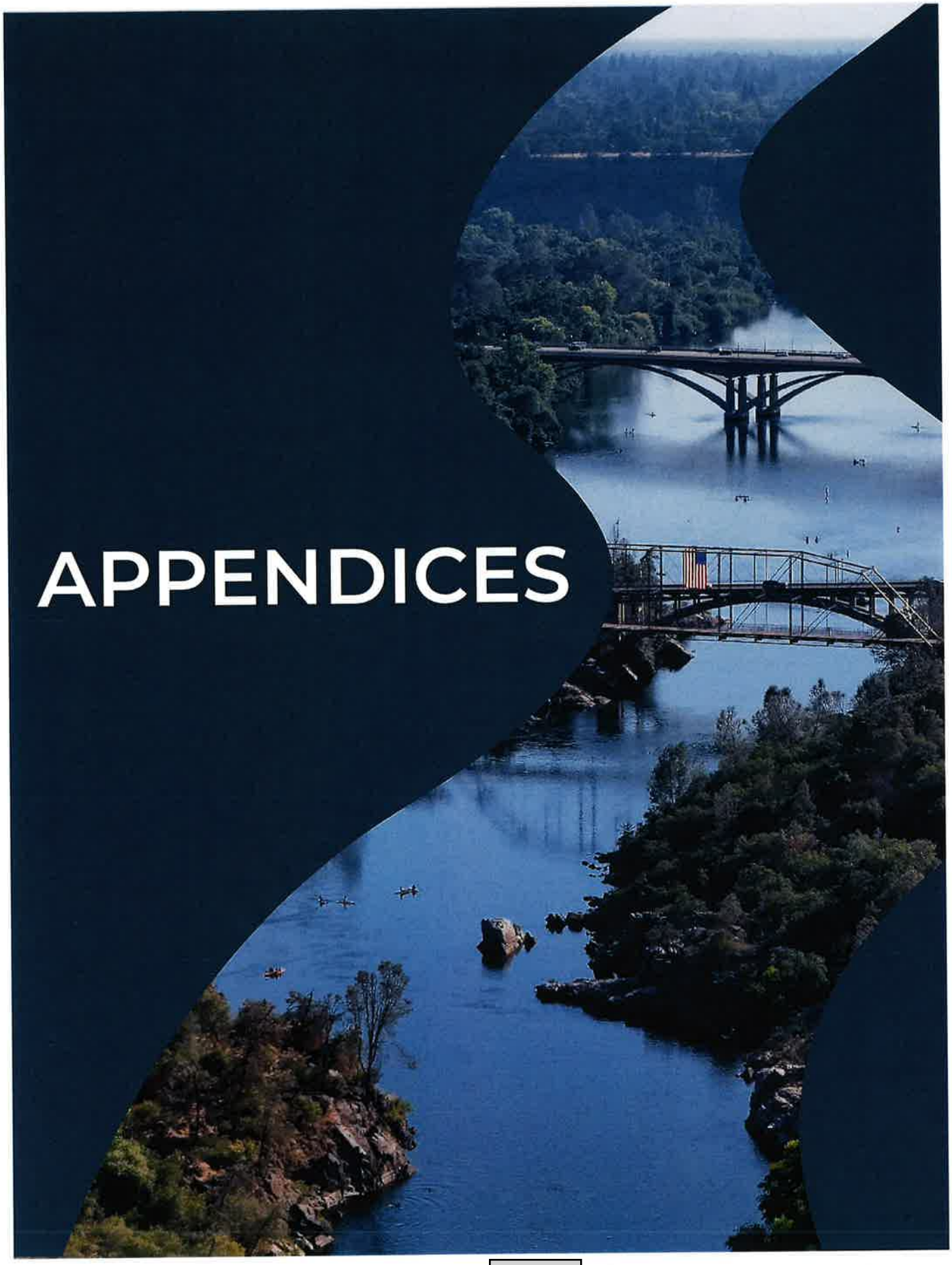


Area 4: Folsom Junction

Area 5: Natoma Ground Sluice Diggings

iv. Possible Additional Future River District Studies and Master Plans

- Wayfinding Plan – Work collaboratively with State Parks on the creation of a cohesive brand and theme for the River District and directional system that is clear, intuitive, and efficient. Use technology where appropriate, and assure accessibility and inclusivity.
- Interpretive/Education Plan – Work collaboratively with State Parks, Native American Tribes and other historical, cultural and environmental stakeholders to develop a district-wide
- Public Art Plan - Work collaboratively with Folsom's Art Commission and State Parks to integrate temporary and permanent art exhibits within the River District. Consider creating a comprehensive "Art Walk" with a network of public art placed along trails and primary public roadways.
- Trails and Access Plan Update - Work with State Parks to determine the most appropriate locations for trail improvements, new trail connections, highlighting scenic vistas, and water access enhancements, such as:
  - Future bridge feasibility analysis should be completed to evaluate the bridge placement in Key Site 1 with an alternate upstream location in a previously quarried area of the river.
  - American River Canyon Drive and Greenback Lane user trail
  - Shoreline Trails along BMB shoreline and FPSHP shoreline
- Emergency Access Plan – Work with State Parks, the Folsom Fire Department, and Police Department to prepare an analysis of emergency access points and needed improvements, including the most feasible locations for future emergency boat-launching facilities within the River District.



APPENDICES

APPENDICES

i. OPPORTUNITIES AND CONSTRAINTS MEMORANDUM

ii. ECONOMIC CASE STUDIES

iii. SUMMARY OF COMMUNITY OUTREACH DATA AND SURVEY RESPONSES

iv. CORPORATION YARD - PLANNING STUDIES

v. CITIZEN'S ADVISORY COMMITTEE (CAC) MEETING AGENDAS

Memo

455 Capitol Mall, Suite 300
Sacramento, CA 95814
916.444.7301

Date: December 6, 2023

To: Lief McKay and Debbie Jewell, RRM Design Group

From: Lily Bostrom and Adam Lewandowski, Ascent Environmental

Subject: **Folsom City River District Opportunity and Constraints**

1.1 PURPOSE OF THIS MEMO

This memorandum describes the potential environmental opportunities and constraints related to development and redevelopment of public lands in the Folsom City River District. Identified environmental opportunities and constraints in the River District are mapped and summarized below. For mapping purposes, the River District was divided into three segments, the Northern Reach, the Central Reach, and the Southern Reach.

1.2 ENVIRONMENTAL OPPORTUNITIES AND CONSTRAINTS

A summary of the level of environmental constraints for public parcels in the Folsom City River District and are shown on Exhibits 1a through 1c below. Environmental considerations that were used to develop the constraints ratings include 100-year flood zones, 500-year flood zones (including the 200-year flood zone), areas with very high landslide susceptibility, areas with high soil shrink-swell potential, and sensitive habitats (i.e., wetlands, protected wildlife habitat and plants/vegetation). The relative level of constraints are organized into four categories: redevelopment unlikely, least constrained, moderately constrained, and highly constrained. Each of these are described in more detail in Table 1. Constraint categories were applied to City-owned property and state/federal-owned properties within the River District, as shown on Exhibits 1a through 1c. City-owned property could be developed with new buildings and structures, while development on state or federal land would more likely be limited to trails, parks, and open space. Therefore, the constraints ratings are slightly more conservative on City-owned land than on state/federal land.

As shown on Exhibits 1a through 1c, the least constrained areas include the area west side of Lake Natoma north of the Rainbow Bridge, parcels in the Historic District and near/within the City's corporation yard, the area between Glenn Light Rail Station and Lake Natoma, and the area immediately west of Iron Point Light Rail Station. The most highly constrained portions of the River District generally include the areas immediately adjacent to Lake Natoma (due primarily to high landslide susceptibility), and other areas with high landslide susceptibility (e.g., the northwest portion of Black Miners Bar) and/or areas with wetlands and other waters present (e.g., the wetland near Willow Creek in the Southern Reach). Refer to Table 1 below for a summary of each of the environmental constraints ratings and associated appropriate development and uses for each.

Table 1 Environmental Opportunities and Constraints Ratings

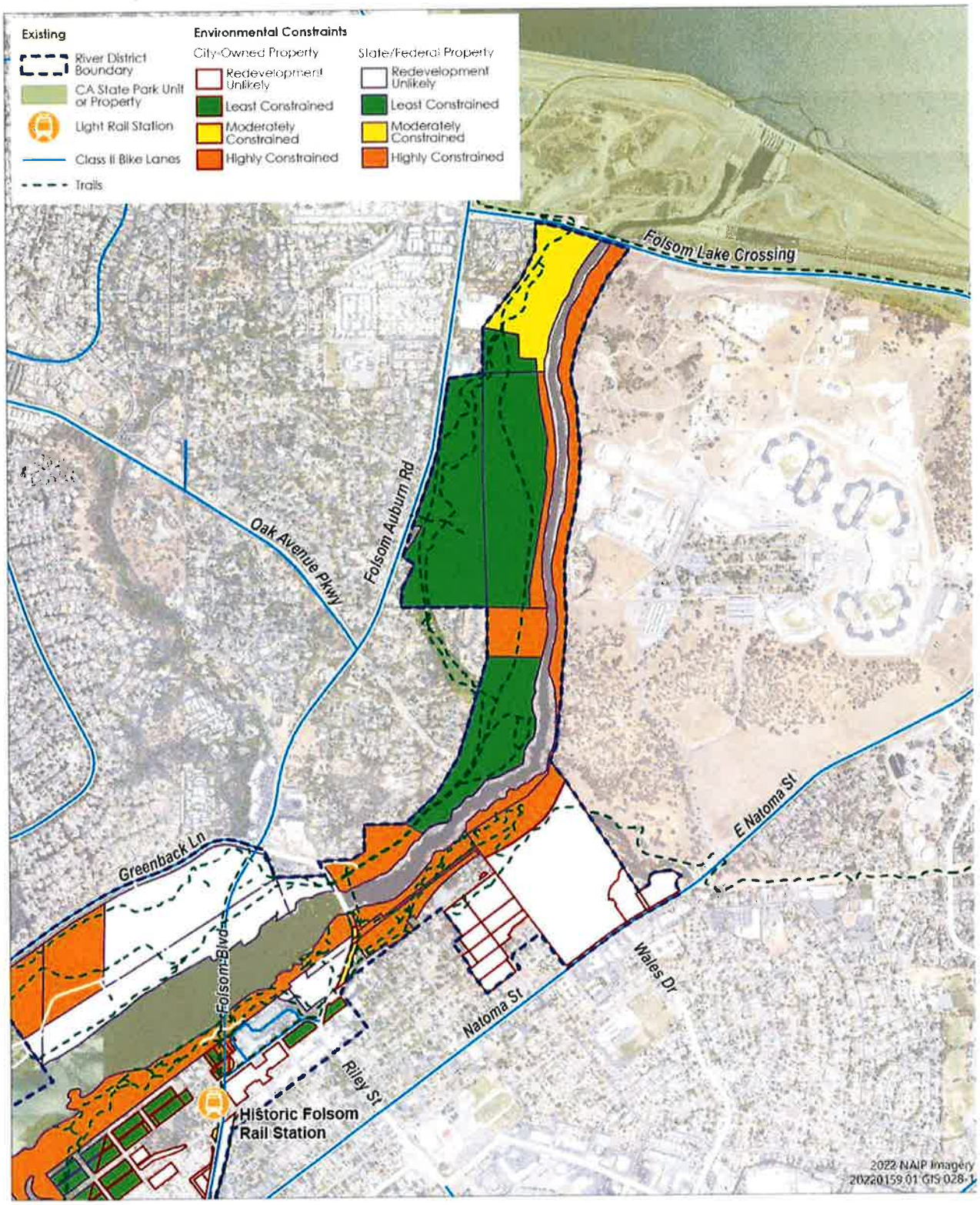
Environmental Constraints Rating	Summary of Rating	Appropriate Uses / Development
Redevelopment Unlikely (white)	These areas are already developed with established land uses that are unlikely to change (e.g., Folsom City Zoo, cemetery, developed areas of Black Miners Bar)	N/A (continuation of current uses)
Least Constrained (green)	No environmental constraints identified on city-owned property Zero to one minor constraint identified on state/federal property	Structures/buildings, trails, recreational amenities
Moderately Constrained (yellow)	One or two minor constraints identified on city-owned property Two minor constraints identified on state/federal property (no wetlands or high landslide susceptibility areas present)	Trails, recreational amenities; structures/buildings possible but may require specialized design or mitigation
Highly Constrained (orange)	These areas have wetlands present, high landslide susceptibility, or three or more overlapping environmental constraints	Trails, recreational amenities; structures/buildings would only be possible with specialized design and/or mitigation

Note: a stricter system for rating city-owned land was used because it is assumed that proposed development could involve new structures; environmental constraints affect the ability to build new structures more than they do for new and/or improved recreational amenities such as trails or benches.

As shown in Table 1, the most flexibility with regard to redevelopment in the River District occurs in the areas that are least constrained, shown in green in Exhibits 1a through 1c. From an environmental perspective, any type of development (e.g., trails, buildings) could be appropriate in these areas. As constraints increase, the ability to develop new buildings and structures decreases. The 'Highly Constrained' areas shown in orange contain wetlands, high landslide susceptibility, or three or more other overlapping environmental constraints. While developing a building or structure may be possible in these areas, it would be more difficult due to the need to mitigate for the presence of several environmental resources and/or hazards.

As a part of the opportunities and constraints analysis, Ascent reviewed a variety of environmental constraint types, including potential hazards (geologic, flooding, and hazardous materials), natural and biological resources, sensitive receptors, scenic resources and scenic views, cultural resources, as well as opportunities for enhanced recreation. Ascent created maps depicting each of these opportunities and constraints (see Appendix A). Each category of opportunities or constraints are discussed in detail below. Cultural resource investigations determined that the entire River District has the potential to contain significant cultural resources. All development would require site-specific cultural investigations prior to construction. Due to the need for site-specific cultural investigations and the confidentiality of site-specific cultural resource information, information on known resources is not included in this memo.

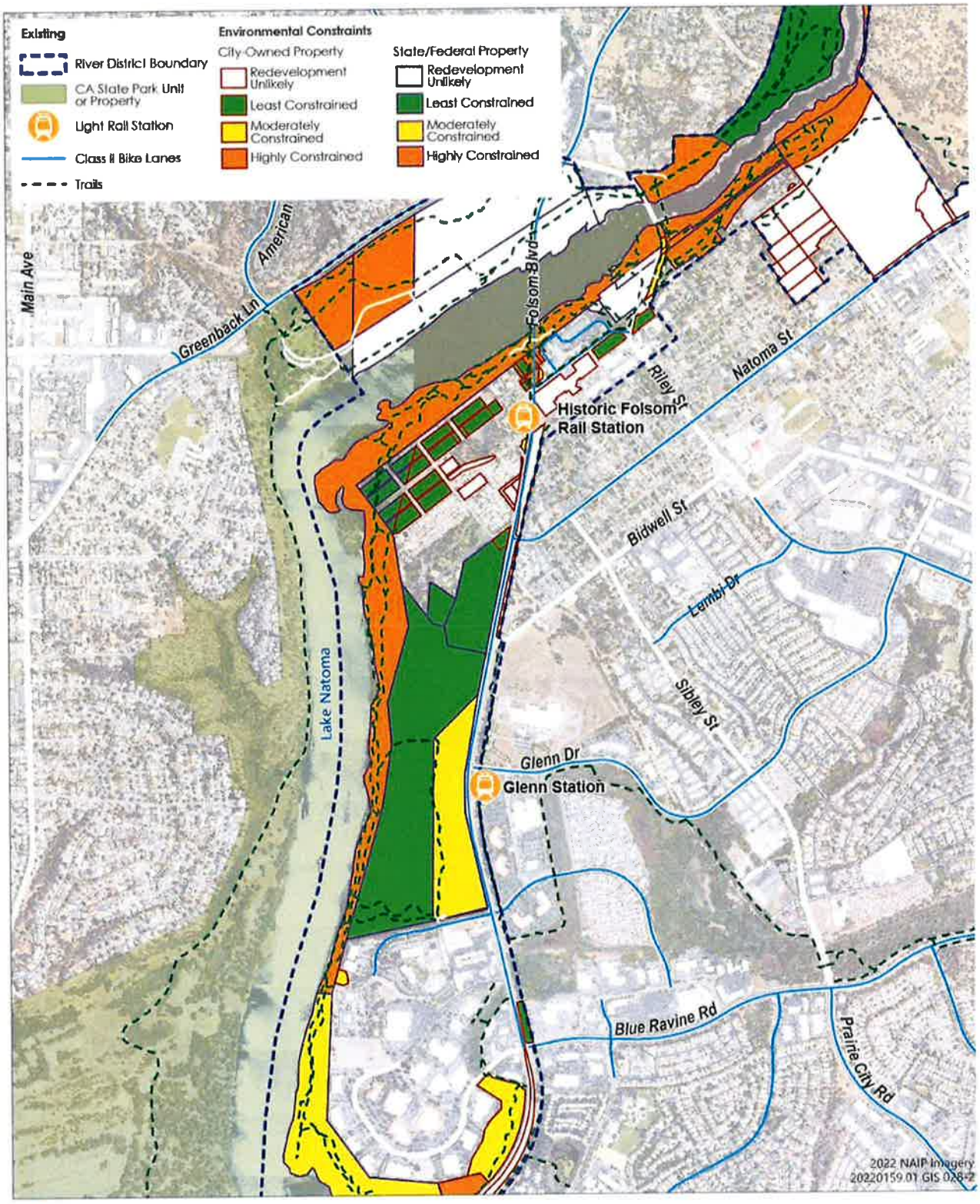
Exhibit 1a | Environmental Opportunities and Constraints Map: Northern Reach



CITY OF FOLSOM
RIVER DISTRICT

0 0.125 0.25 Miles

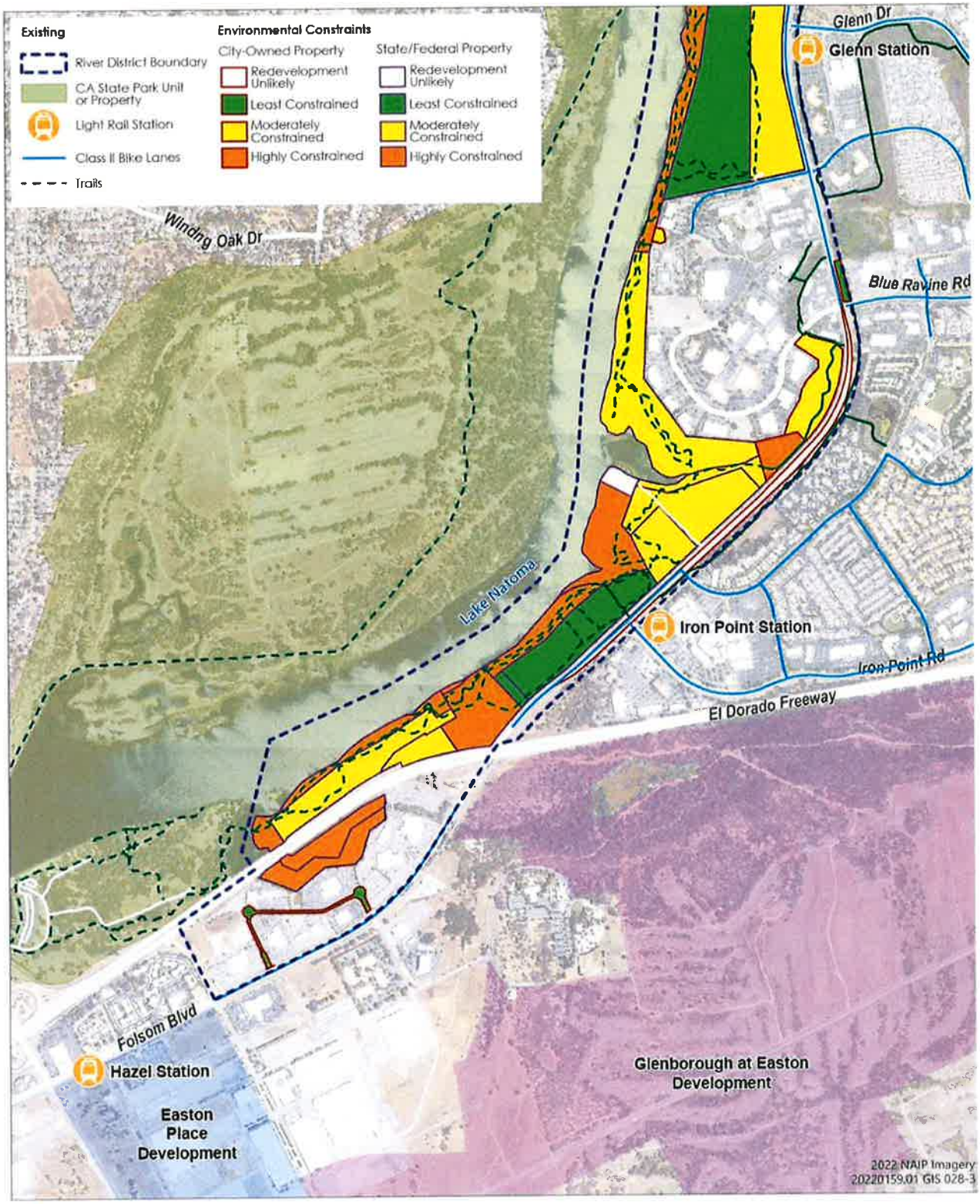
Exhibit 1b | Environmental Opportunities and Constraints Map: Central Reach



CITY OF FOLSOM
RIVER DISTRICT

0 0.125 0.25 Miles

Exhibit 1c | Environmental Opportunities and Constraints Map: Southern Reach



CITY OF FOLSOM
RIVER DISTRICT

0 0.125 0.25 Miles

Potential Hazards

Potential hazards to development in the River District include geologic hazards, flood hazards, and known hazardous materials sites. Ascent identified areas with very high soil shrink-swell potential (i.e., unstable soils), high landslide susceptibility, 100-year flood zones, 500-year flood zones (including the 200-year flood zone), and known hazardous materials sites from the State Water Resources Control Board's GeoTracker and the Department of Toxic Substances Control's EnviroStor websites. While 10 known hazardous materials sites were identified within or immediately adjacent to the River District, none of the sites were active or had any current land use or development restrictions; therefore, they are not shown on the map or discussed further.

As shown on the hazards maps in Appendix A, there are areas with very high shrink-swell potential, high landslide susceptibility, 100-year flood zones, and 500-year flood zones (including the 200-year flood zone) throughout the River District. Areas with very high shrink-swell potential and/or high landslide susceptibility would be more difficult to develop due to the need to incorporate building design standards that consider these potential soil hazards. Specifically, development would need to adhere to the California Building Standards Code (CBSC, California Code of Regulations [CCR] Title 24). The CBSC includes regulations for seismic safety, excavation of foundations and retaining, walls, and grading activities. Particularly in high landslide areas, certain types of development are not appropriate, such as new residences, schools, or other areas where people may congregate. Development in floodplains is possible and would need to meet the requirements of the Federal Emergency Management Agency's (FEMA) National Flood Insurance Program (NFIP), the flood provisions in the CBSC, and local floodplain management regulations.

Sensitive Receptors, Scenic Resources, and Natural Resources

Ascent reviewed and mapped sensitive receptors to air quality emissions and noise within 0.25-mile of the River District, and city-designated scenic resources and scenic views, sensitive natural communities and habitats including wetlands, and documented special-status wildlife occurrences within the River District (and immediately adjacent in the case of the known wildlife occurrences). Given the complexity of regulations around natural and biological resources, a separate Biological Resources Constraints Memo has been prepared and is attached as Appendix B. Detailed descriptions of the sensitive natural communities and habitats including wetlands, and documented special-status wildlife occurrences are included in Appendix B, along with detailed mapping and a discussion if development constraints and regulatory requirements. Therefore, detailed discussion of natural and biological resources is not included in this memo.

As shown on the maps in Appendix A, there are several sensitive receptors (e.g., residences, schools) located immediately adjacent to the River District in the Northern Reach and Central Reach. While the presence of sensitive receptors would not prohibit development, potential impacts to sensitive receptors from air quality and noise associated with development would need to be considered during review under the California Environmental Quality Act (CEQA). In cases where noise and air quality emissions thresholds would be exceeded, mitigation measures to reduce impacts would need to be implemented.

Scenic resources and scenic views are present throughout the Folsom River District. Scenic views are areas that have been identified in adopted plans and from which a scenic vista is available, such as from Greenback Lane above Black Miners Bar. These include views from city-designated scenic corridors. Scenic resources are both landscape and built features of interest, some of which provide panoramic views. Examples of scenic resources in the River District include the Truss Bridge and the Rainbow Bridge. Although the presence of scenic resources, corridors, and views likely would not preclude development, development that is visible from designated scenic views and corridors would need to consider to what degree it may alter the existing scenic view and avoid substantially degrading the view. In addition, development in and around scenic resources would need to avoid damaging the scenic resources and qualities that qualify them as scenic. These aspects of development would need to be considered during CEQA review.

Recreational Opportunities

There are multiple existing trails and recreation areas within and surrounding the Folsom River District, which are shown on the Opportunities Map in Appendix A. Given this, there are several opportunities in the River District to improve trail connections, enhance existing trails, and make other improvements to existing recreational areas. Recreational opportunities on City-owned lands include creating a continuous trail connection between Powerhouse State Historic Park and the existing trails to the east and west, improving connections from existing light rail stations to the River District and existing trails, and providing additional trail connections into open space areas surrounding existing development. Textboxes with identifying City recreational opportunities and California State Parks recreation improvement proposals are included on the Recreational Opportunities maps in Appendix A. There are also opportunities for restoration within the River District, which is described in detail the Biological Resources Constraints Memo in Appendix B.

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———. 2010 (June). *Folsom Lake State Recreation Area & Folsom Powerhouse State Historic Park. General Plan/Resource Management Plan. Volume 1: Chapters I-III: Final General Plan & Resources Management Plan.* Approved October 8, 2009. Available: https://www.parks.ca.gov/pages/21299/files/FLSRA_GP_RMP_Vol1_Final_Plan.pdf. Accessed August 30, 2023.

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———. 2021. *Folsom General Plan 2035.* Adopted August 28, 2018; Amended August 24, 2021. Available: https://www.folsom.ca.us/home/showdocument?id=12958&t=638100643766099105. Accessed August 30, 2023.

Scenic Resources

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———. 2021. *Folsom General Plan 2035.* Adopted August 28, 2018; Amended August 24, 2021. Available: https://www.folsom.ca.us/home/showdocument?id=12958&t=638100643766099105. Accessed August 30, 2023.

Sensitive Receptors

City of Folsom. 2021. *Folsom General Plan 2035.* Adopted August 28, 2018; Amended August 24, 2021. Available: https://www.folsom.ca.us/home/showdocument?id=12958&t=638100643766099105. Accessed August 30, 2023.

Graphic/GIS Sources

- Shrink-swell potential: Data downloaded from NRCS in 2022.
- Landslide susceptibility: Data downloaded from the Department of Conservation and the California Geological Survey in 2020. Data is based on Wills C.J., Perez, F., Gutierrez, C., 2011, Susceptibility to deep-seated landslides in California: California Geological Survey, Map Sheet 58.
- 100-year and 500-year floodplains: Data downloaded from Federal Emergency Management Agency in 2023.
- Opportunities (e.g., parks, trails, bike lanes):
    - Data received from CA State Parks in 2023
    - Data received from the City of Folsom in 2023

Economic & Planning Systems, Inc.
The Economics of Land Use

455 Capitol Mall, Suite 701 ▪ Sacramento, CA 95814
916.649.8010 ▪ www.epsys.com

INTRODUCTION

CASE STUDY LOCATIONS

- Bend, OR
- Greenville, SC
- Asheville, NC
- Martinez, CA

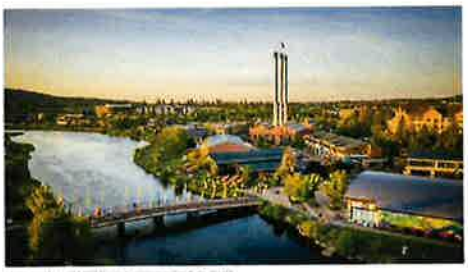
BEND, OREGON

OLD MILL DISTRICT – DESCHUTES RIVER

BEND, OR

OLD MILL DISTRICT ALONG THE DESCHUTES RIVER

- Year Adopted: 1998
- City Population at Adoption: 34,154
- History:
  - 1920s: 5 operating mills; depletion of Oregon's forests and a changing economy; the last mill closed in the 1980s
  - 1994: public access to 14,000 feet of riverfront
  - 1995: river trails created for public use
  - 1997: a fish ladder installed in the Colorado Street bridge for fish migration
  - 1998: approval of Oregon's land use laws and city zoning requirements to develop the site
- Economic Development:
  - Historic preservation/adaptive reuse
  - Private Developer-led
  - Phased development



OLD MILL DISTRICT – BEND, OR

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GREENVILLE, SOUTH CAROLINA

FALLS PARK ON THE REEDY RIVER/HISTORIC WEST END OF DOWNTOWN

GREENVILLE, SC

FALLS PARK ON THE REEDY RIVER/HISTORIC WEST END OF DOWNTOWN

- Year Adopted: 2004
- City Population at Adoption: 56,764
- History:
  - 1989: Downtown Development Strategy identified the Reedy River as a priceless asset to the downtown and tourism and identified the need to remove the Camperdown Bridge
  - 1980s–1990s: City used TIF to revitalize many publicly owned buildings, streetscapes, landscaping, and infrastructure
  - 2000s: Falls Park on the Reedy Master Plan was brought to fruition, the bridge was removed, pedestrian bridge installed, landscaped, two plaza levels with private restaurant and public restrooms
- Economic Development:
  - Public–Private Partnerships led to revitalization and development
  - Repurposed surface parking lot into residential development
  - Branding of 5 key corners, streetscape improvements

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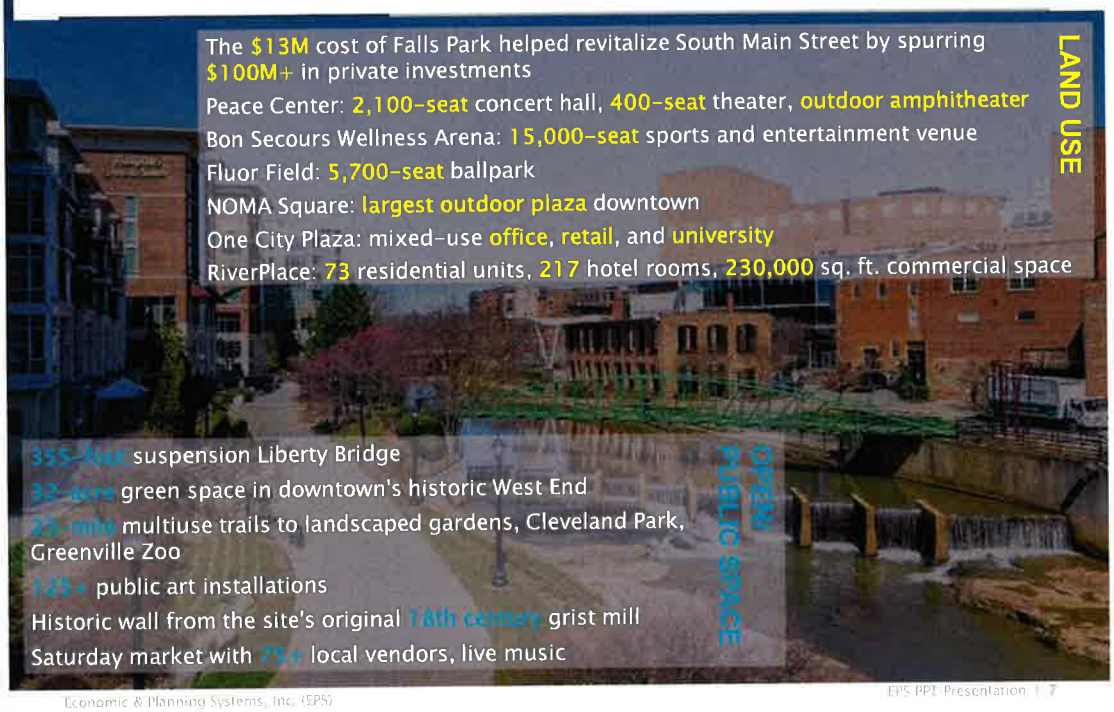
EPS PPT Presentation | 6

FALLS PARK – WEST END – GREENVILLE, SC



LAND USE

The $13M cost of Falls Park helped revitalize South Main Street by spurring $100M+ in private investments

Peace Center: 2,100-seat concert hall, 400-seat theater, outdoor amphitheater

Bon Secours Wellness Arena: 15,000-seat sports and entertainment venue

Fluor Field: 5,700-seat ballpark

NOMA Square: largest outdoor plaza downtown

One City Plaza: mixed-use office, retail, and university

RiverPlace: 73 residential units, 217 hotel rooms, 230,000 sq. ft. commercial space

OPEN PUBLIC SPACE

355-foot suspension Liberty Bridge

32-acre green space in downtown's historic West End

25-mile multiuse trails to landscaped gardens, Cleveland Park, Greenville Zoo

125+ public art installations

Historic wall from the site's original 18th century grist mill

Saturday market with 75+ local vendors, live music

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ASHEVILLE, NORTH CAROLINA

FRENCH BROAD RIVER – RIVER ARTS DISTRICT

ASHEVILLE, NC

FRENCH BROAD RIVER – RIVER ARTS DISTRICT

- Year Adopted: 1990
- Population at Adoption: 66,184
- History:
  - 1880s new industrial/residential area near the river following Asheville's connection to the Western North Carolina railroad
  - 1916: Flood washed away existing attraction Riverside Park
  - 1920s–1930s: residents moved; the industrial area stayed
  - 1940s–1980s: neglected and abandoned and then home to public housing projects
  - 1989–1990: the RiverLink committee and Riverfront Plan were established to reincorporate the riverfront into the fabric of the community
  - 1991: Carolina Power & Light donates land that becomes French Broad River Park
  - 1994: French Broad River Park opens
  - 2000s: The Wilma Dykeman Riverway Master Plan & the Greenways Master Plan
- Economic Development:
  - "One more day" implemented as a strategy for development/revitalization to help keep tourists that are there to visit the Biltmore Estate to stay one more day in Asheville
  - Link the river to Downtown
  - How to make the river the region's most salient characteristic
  - Monthly bus tours visiting Asheville's older neighborhoods and other attractions along the river

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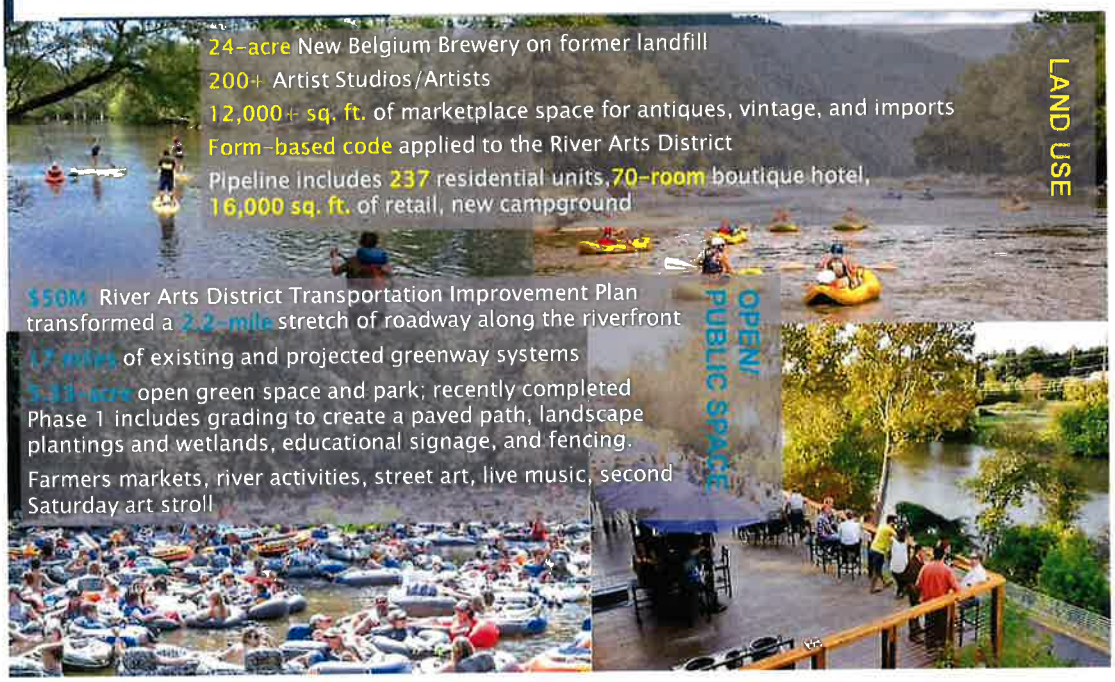
EPS PPT Presentation | 9

FRENCH BROAD RIVER– RIVER ARTS DISTRICT – ASHEVILLE, NC



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EPS PPT Presentation 10

MARTINEZ, CALIFORNIA

WATERFRONT MARINA

MARTINEZ, CA

WATERFRONT MARINA

- Year Implemented: Est. adoption December 2023
- Current Population: 37,300
- History:
  - A large portion of the area is Public Trust Lands held in a trust by the State, limited to regional- and water-dependent or related uses that serve public purpose
  - Current uses include the Martinez Marina, Bait Shop, Yacht Club, amphitheater, dog park, disposal pond, picnic area, parking lots, Sea Scouts, Eagle Marine, and Waterfront Park
  - Amtrak runs along the boundary with a station nearby
  - Waterfront Marina Trust Lands Use Plan Public Review Draft, August 2023
- Economic Development:
  - Develop a regional recreational destination by activating the waterfront and marina areas
  - Create flexible space for a variety of experiences and users
  - Align with downtown plans and investment to achieve shared goals
  - Connect Martinez to the water

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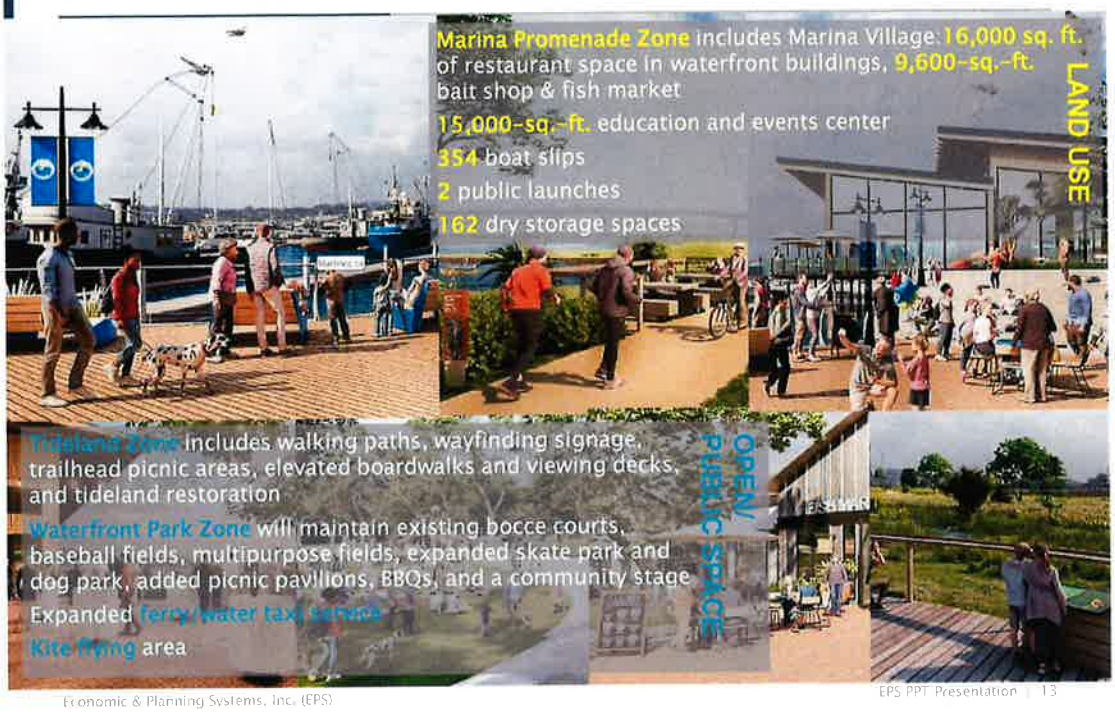
EPS PPT Presentation 12

WATERFRONT MARINA – PROPOSED – MARTINEZ, CA



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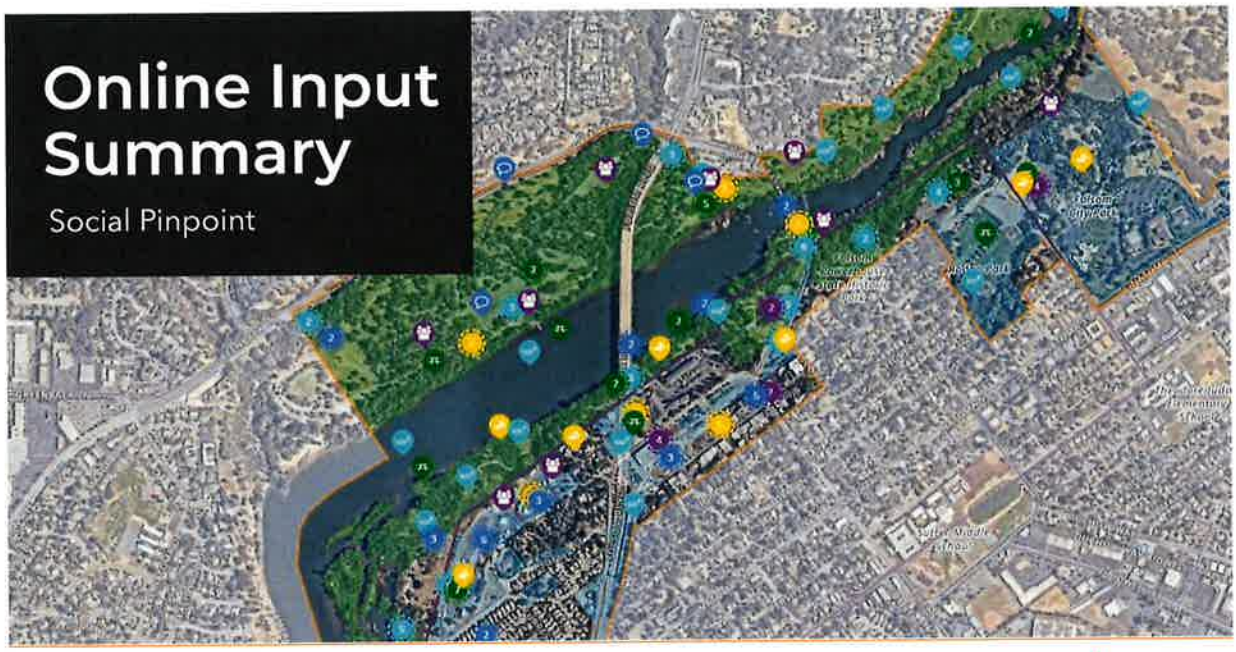
EPS PPT Presentation | 13

Appendix iii: SUMMARY OF COMMUNITY OUTREACH DATA AND SURVEY RESPONSES



Slide 2 RIVER DISTRICT MASTER PLAN | Citizen's Advisory Committee 2/28/24 rrm design group

Engagement Statistics

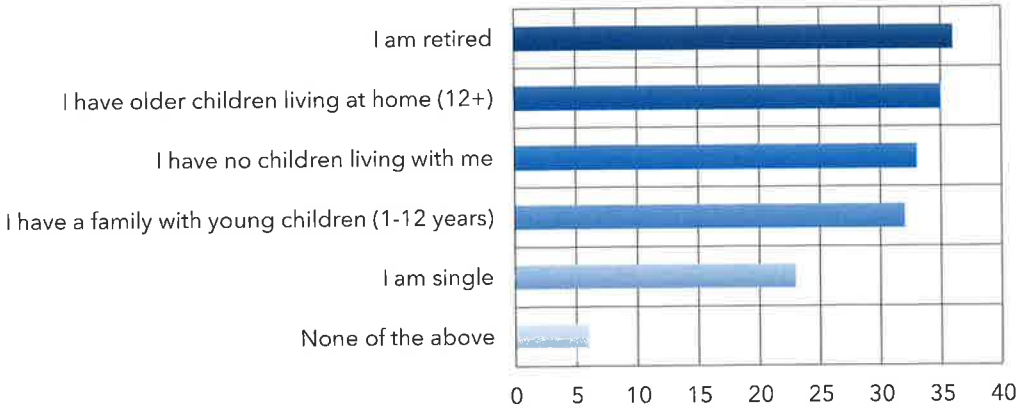
Website was active for **8** weeks

- Individual participants: **300**
- Comments on map: **526**
- Questionnaire responses: **165**

Slide 3 RIVER DISTRICT MASTER PLAN | Citizen's Advisory Committee 2/28/24 rrm design group

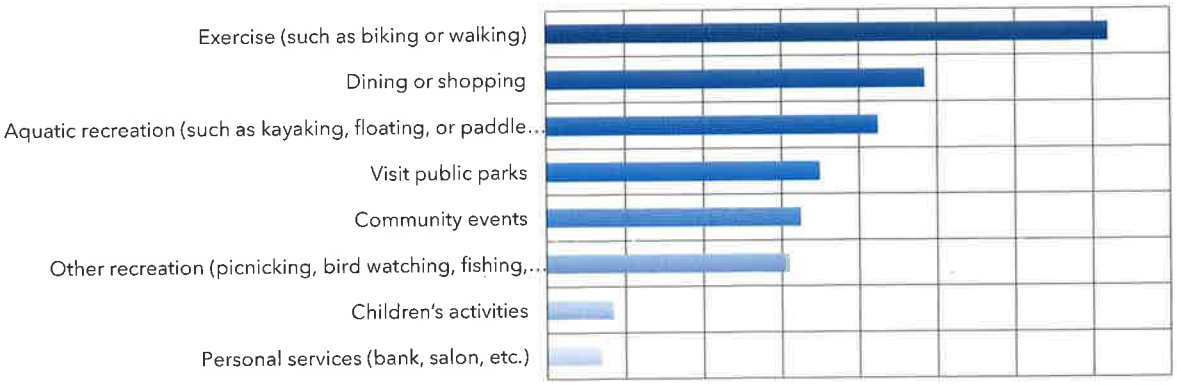
Online Questionnaire

What statement best describes you?



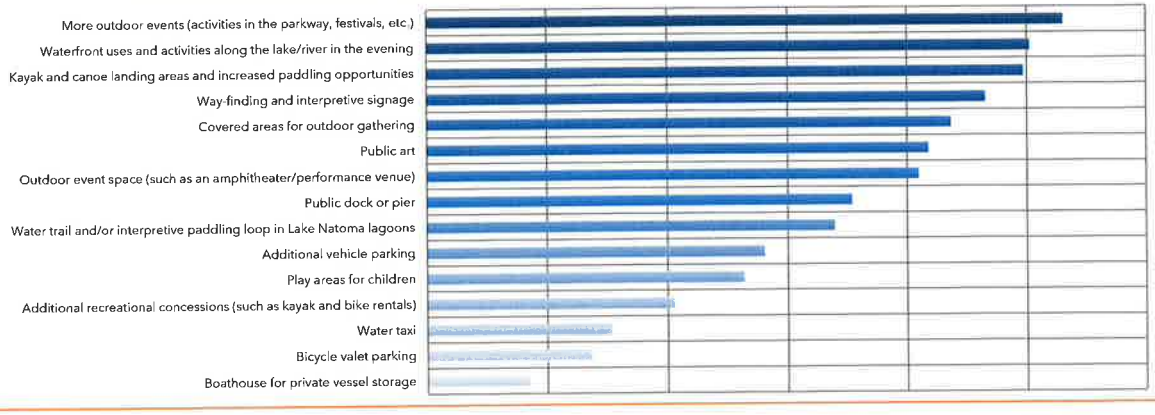
Online Questionnaire

Why do you usually visit the River District area?



Online Questionnaire

What new recreational uses/amenities in the River District would you support?



Slide 6 RIVER DISTRICT MASTER PLAN | Citizen's Advisory Committee 2/28/24 rrm design group

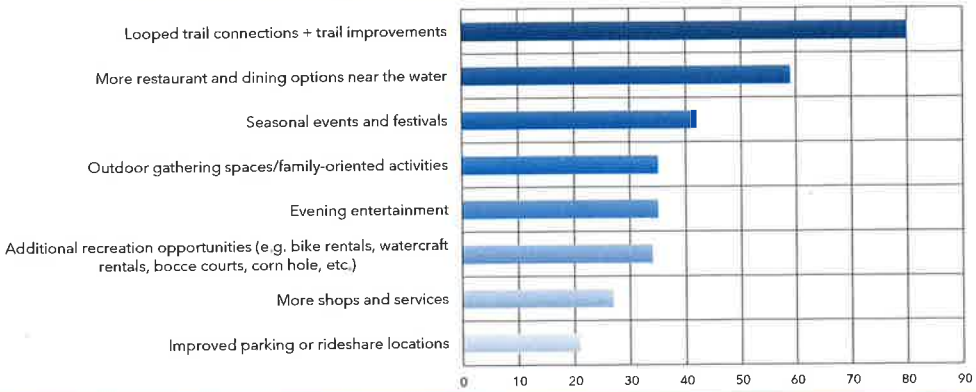
Online Questionnaire

In the future, where should enhanced trail connections to the water be prioritized?

Slide 8 RIVER DISTRICT MASTER PLAN | Citizen's Advisory Committee 2/28/24 rrm design group

Online Questionnaire

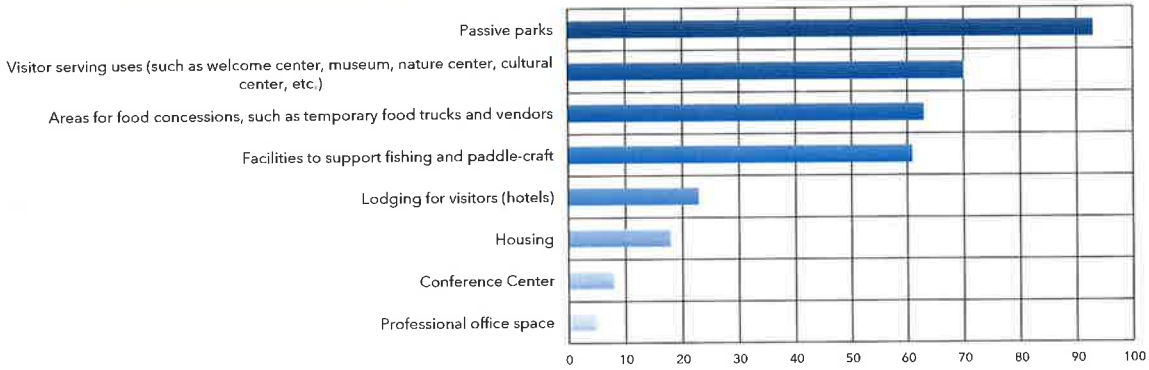
Which of the following would attract you to the River District more often?



Slide 9 RIVER DISTRICT MASTER PLAN | Citizen's Advisory Committee 2/28/24

Online Questionnaire

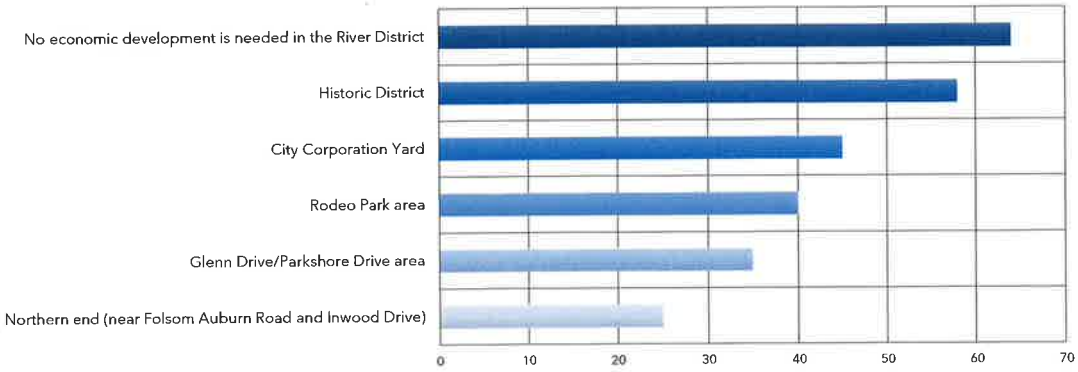
Which of the following do you believe would be appropriate additions to the River District?



Slide 10 RIVER DISTRICT MASTER PLAN | Citizen's Advisory Committee 2/28/24

Online Questionnaire

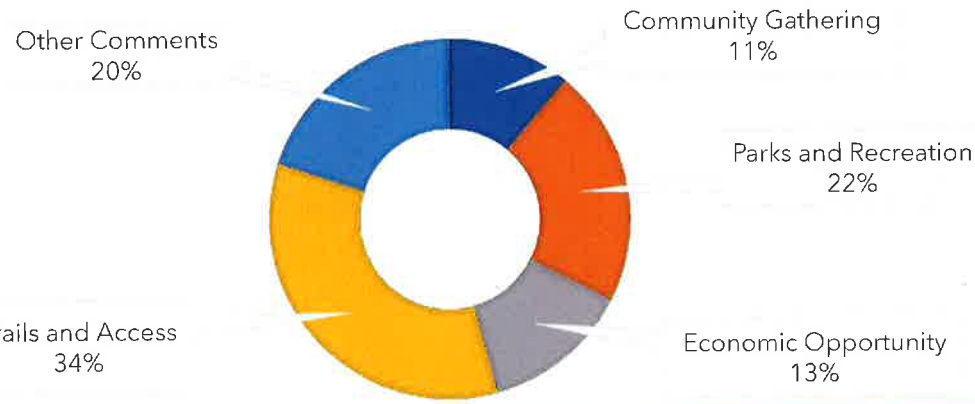
What specific areas would you most prefer to see economic development occur?



Slide 11 RIVER DISTRICT MASTER PLAN | Citizen's Advisory Committee 2/28/24

Engagement Statistics

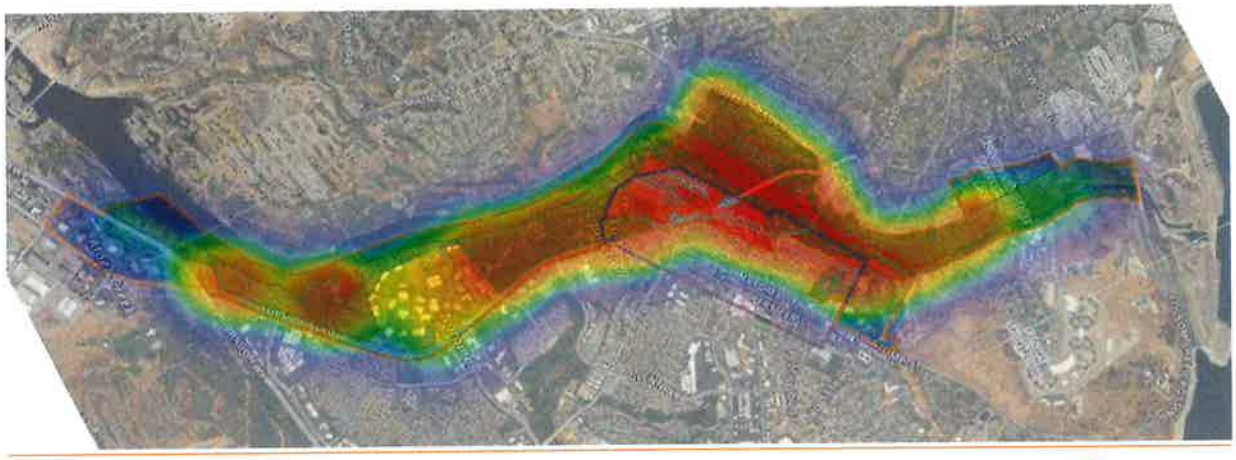
Distribution of Map Comments by Topic



Slide 12 RIVER DISTRICT MASTER PLAN | Citizen's Advisory Committee 2/28/24

Engagement Statistics

Distribution of Map Comments by Location



Idea Prioritization

PROCESS FOR PRIORITIZING THE MAP COMMENTS:

1. Similar ideas grouped together by topic and sentiment
2. Assigned a numerical value for each of the following criteria:
   a) Consistency with State Parks Goals
   b) Consistency with City Master Plan Goals
   c) Environmental Constraints
   d) Property Ownership
   e) Supported by the CAC
   f) Net "likes" ("dislikes" subtracted from "likes")
3. Scores added together to give overall score

Idea Prioritization

Methodology Example

Overall Score	Idea (similar comments combined)	Net Likes	Supported by CAC		Consistent with City Goals		Property Owned by City		Environmental Constraints		Apparent Consistency with State Parks Goals	
404	**Create an improved trail under Rainbow Bridge to connect users to the Walker (Truss) Bridge.** This would align nicely with other suggestions for continuing the trail past the lake side of the Powerhouse, but if that idea is not approved this should still be a priority and can connect up with the existing trail along the road and through the Powerhouse parking lot.	**104**	100	**Yes**	100	**Yes** Recreation and Access	0	**No**	0	**High**	100	**Yes** RTMP: Construct ADA accessible trail at Folsom Powerhouse State Park & Increase trail connections and access *(ULN #3 & #4 + Figure 8)* RMP: Class 1 trail from Lake Natoma Crossing Bridge to Truss Bridge *(POWERHOUSE-15)*

Idea Prioritization

High Scoring Ideas/Sentiments from Social Pinpoint

South	Central	North
Overlooks of the lake	Waterfront trail in front of Powerhouse ("Bridge-to-Bridge")	Improve and extend Canal Trail, including footbridge across river
Improve Willow Creek launch area	Improve safety and connectivity between Historic District and Rainbow Bridge	Improve Rodeo Park area to make it a multipurpose facility
Provide Native American interpretation	Add public docks for personal watercraft (kayak, SUP, etc.)	Improve access to Black Miners Bar boat launch area
Education about nature	*Much interest and varying perspectives in Corp Yard site*	Enhance area near south end of Truss Bridge, with water access

Appendix iv: CORPORATION YARD - PLANNING STUDIES

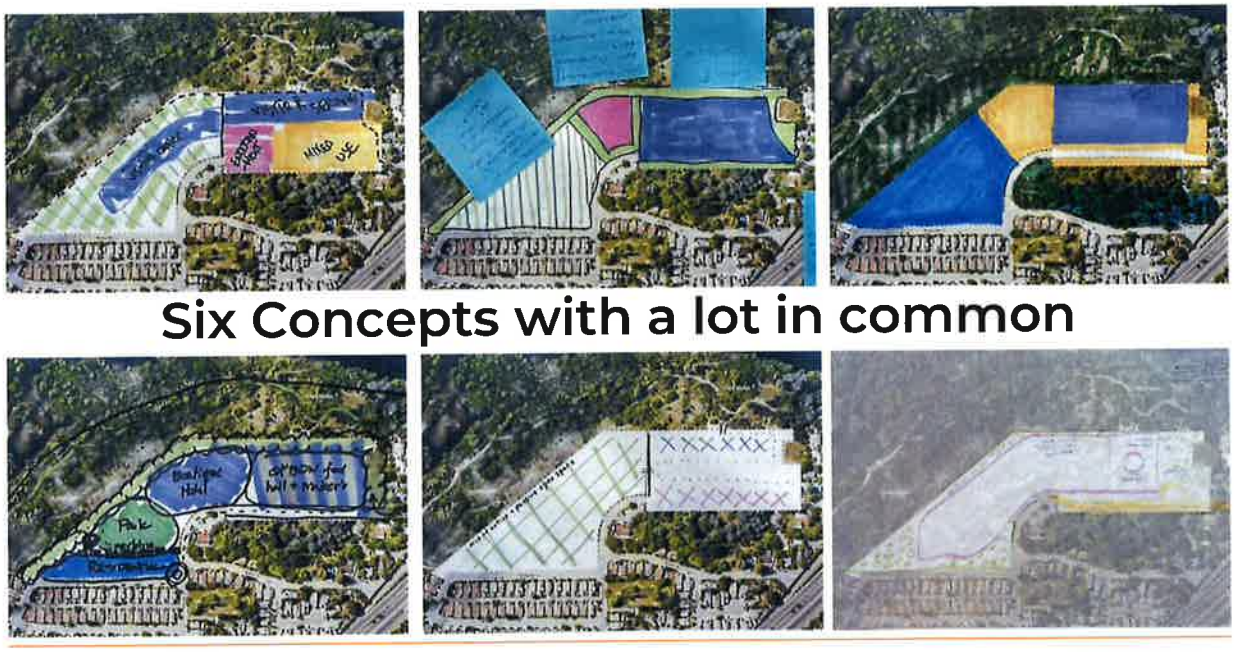
Corporation Yard

Land Use Concept Refinement

Corporation Yard Process

1. Group Exercise: 6 Options
2. Blended Concepts: 3 options
3. Single Option
4. Judah Map Overlay
5. Refined Concept

Appendix



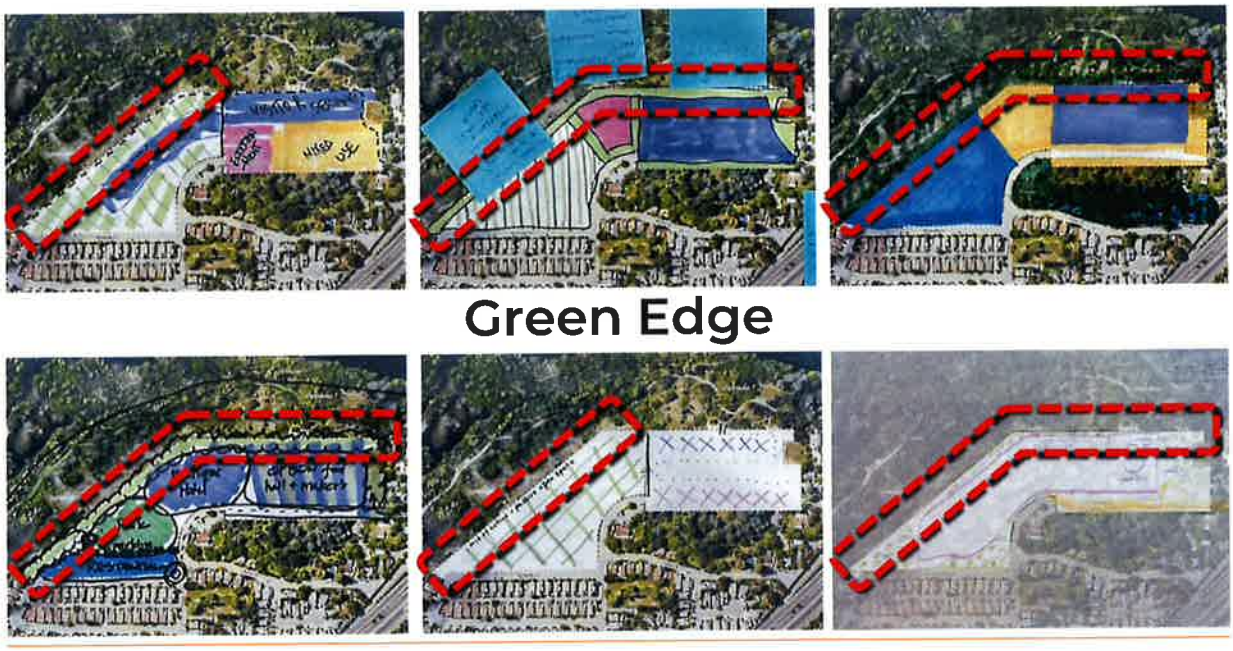
Residential

Mixed Use

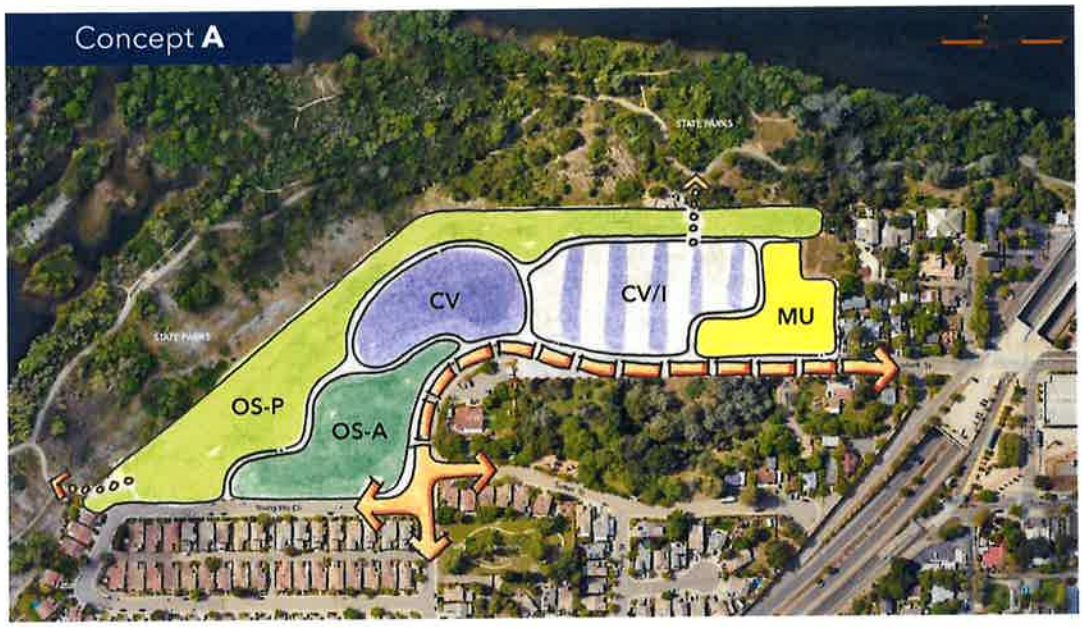
Appendix

Slide 36 RIVER DISTRICT MASTER PLAN | Citizen's Advisory Committee 4/24/24 rrm design group

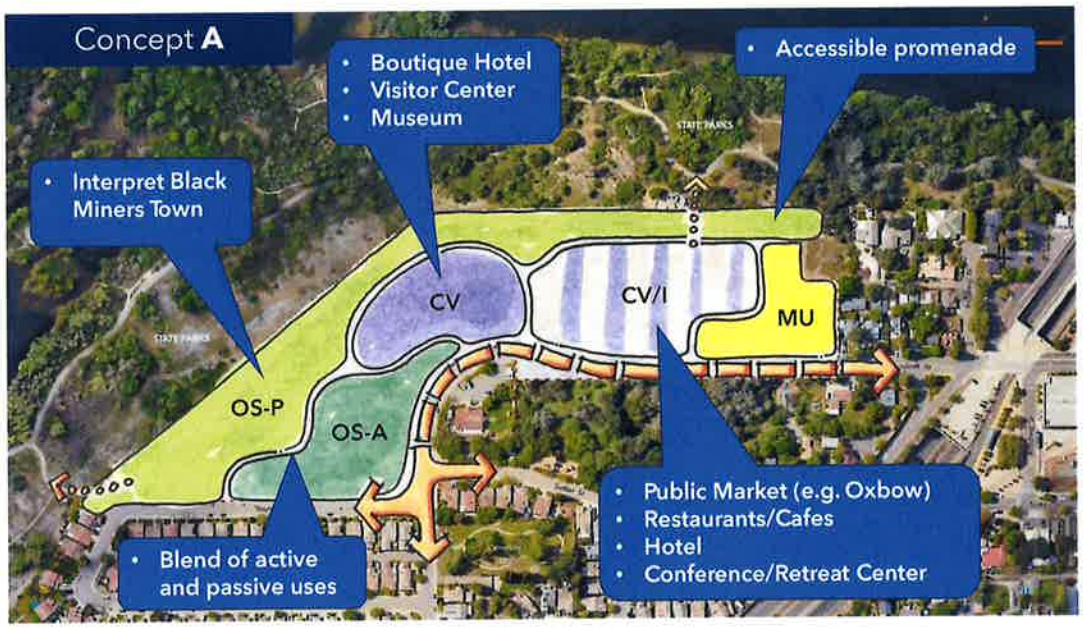
Slide 37 RIVER DISTRICT MASTER PLAN | Citizen's Advisory Committee 4/24/24 rrm design group


Green Edge

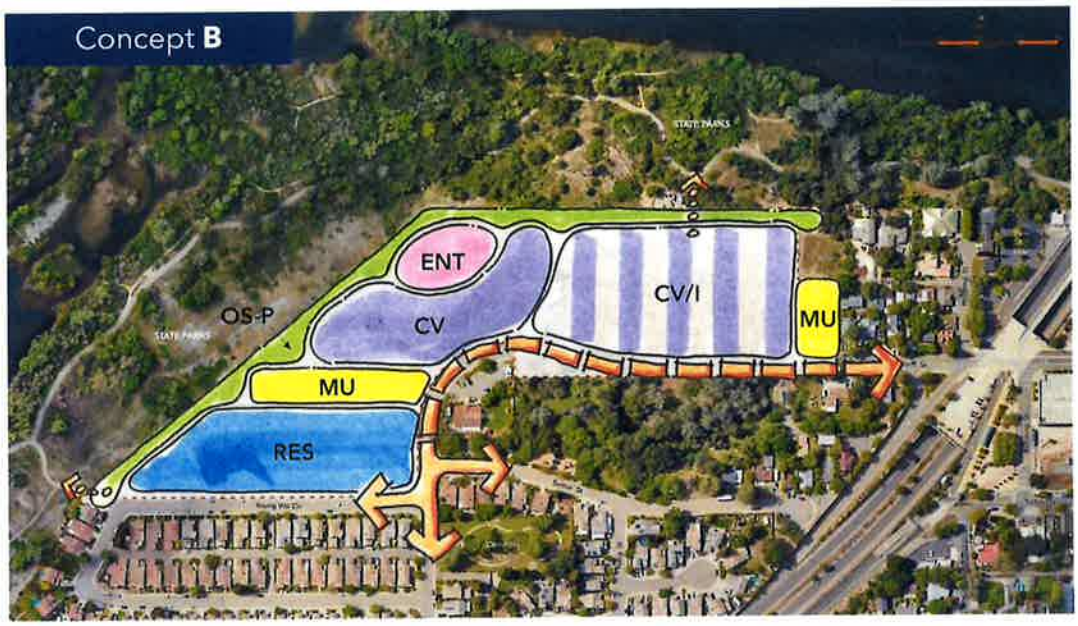
Appendix



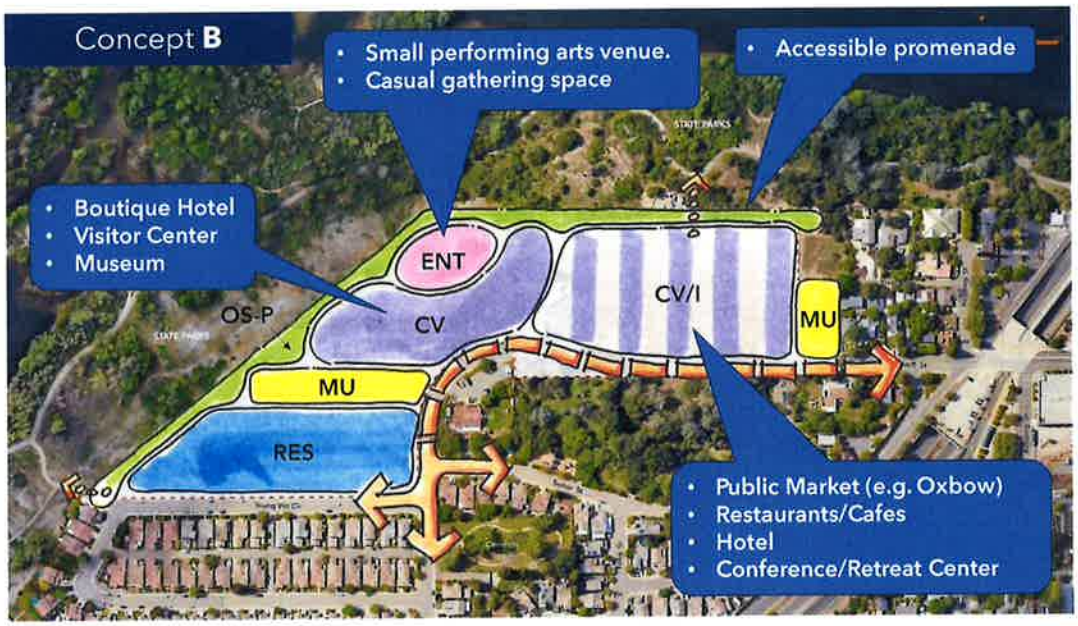
Slide 39 RIVER DISTRICT MASTER PLAN | Citizen's Advisory Committee 4/24/24



Slide 40 RIVER DISTRICT MASTER PLAN | Citizen's Advisory Committee 4/24/24



Slide 41 RIVER DISTRICT MASTER PLAN | Citizen's Advisory Committee 4/24/24

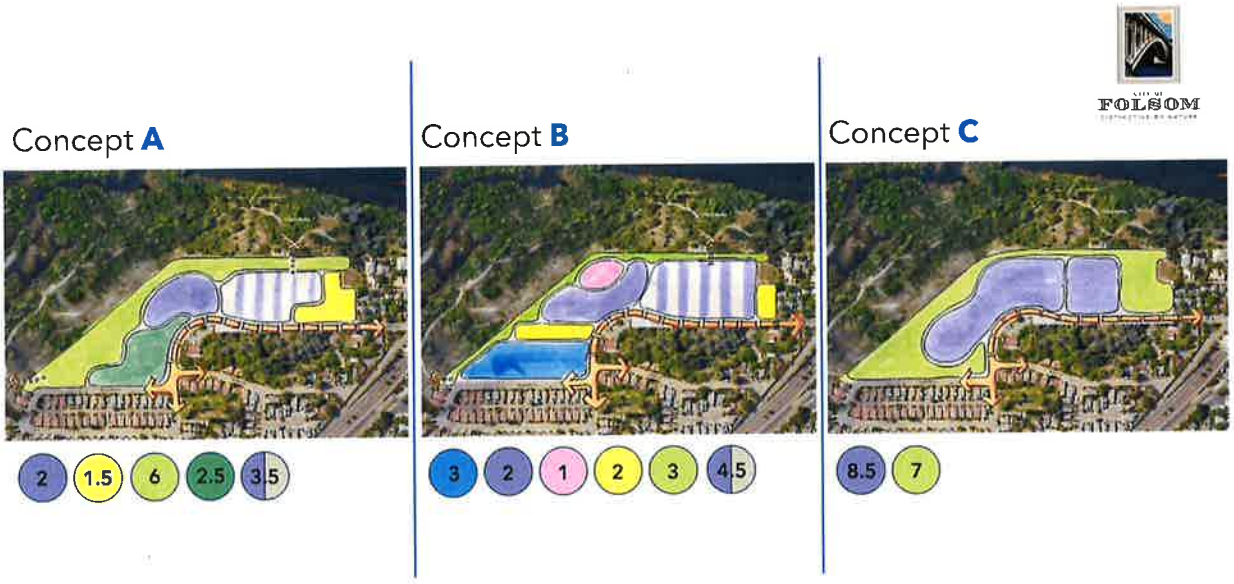


Slide 42 RIVER DISTRICT MASTER PLAN | Citizen's Advisory Committee 4/24/24

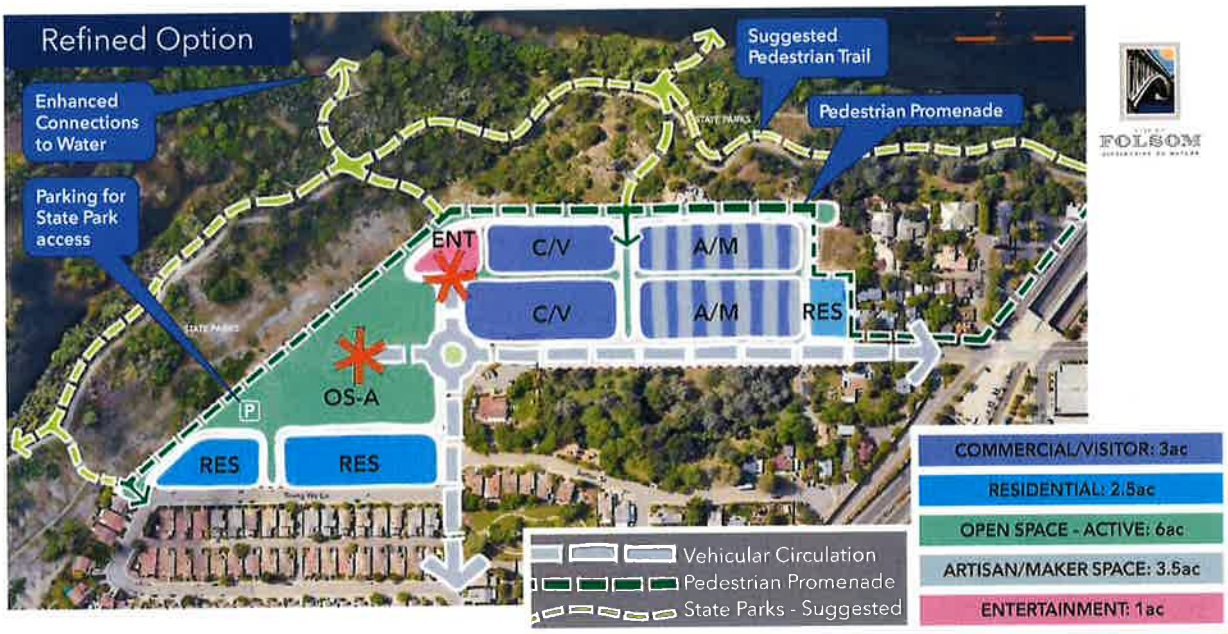
Appendix

Slide 43 RIVER DISTRICT MASTER PLAN | Citizen's Advisory Committee 4/24/24

Slide 44 RIVER DISTRICT MASTER PLAN | Citizen's Advisory Committee 4/24/24



Slide 24 RIVER DISTRICT MASTER PLAN | Citizen's Advisory Committee 1/24/24 rrm design group



Slide 4 RIVER DISTRICT MASTER PLAN | Citizen's Advisory Committee 4/24/24 rrm design group

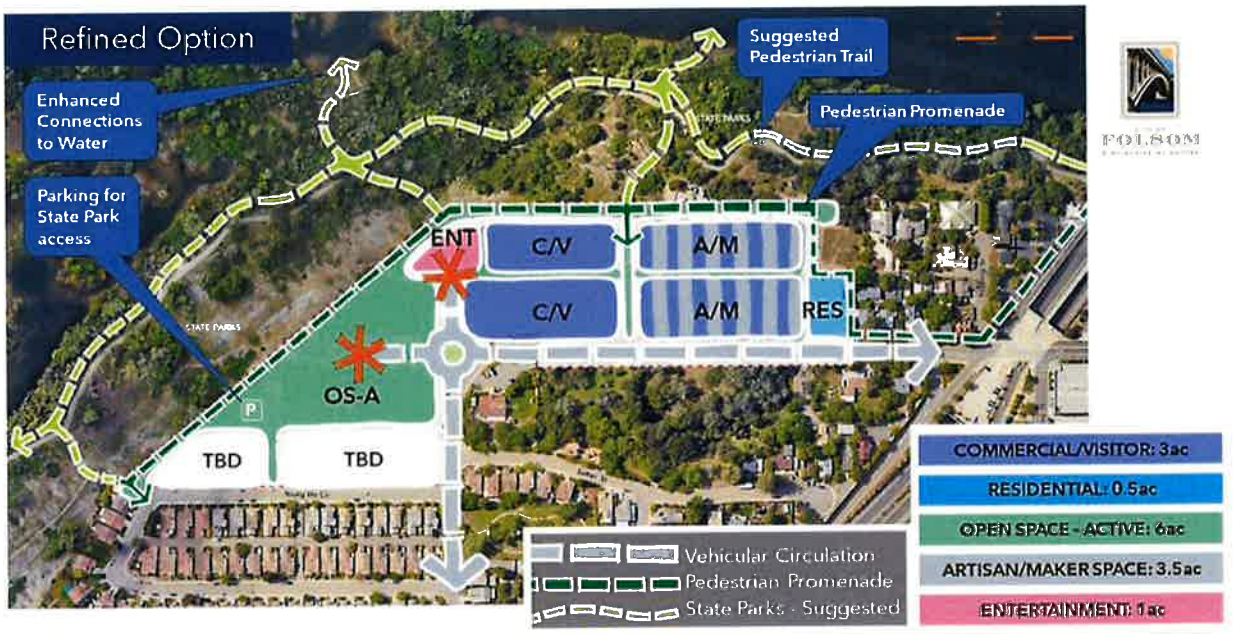
Appendix

Refined Option

Slide 5 RIVER DISTRICT MASTER PLAN | Citizen's Advisory Committee 4/24/24 rrm design group

Refined Option

Slide 6 RIVER DISTRICT MASTER PLAN | Citizen's Advisory Committee 4/24/24 rrm design group



Slide 4 RIVER DISTRICT MASTER PLAN | Citizen's Advisory Committee 4/24/24 rrm design group

Slide 7 RIVER DISTRICT MASTER PLAN | Citizen's Advisory Committee 4/24/24 rrm design group

River District Master Plan Citizens Advisory Committee Meeting Agenda

Folsom Public Library Georgia Murray Building Meeting Room
411 Stafford Street, Folsom, CA
August 31, 2023
6:00 p.m.

CITY OF FOLSOM COMMUNITY DEVELOPMENT

Committee Members:

Lynne Bailey	Rita Mukerjee Hoffstadt	Krystal Moreno
Jennifer Cabrera	Karen Holmes	Scott Muldavin
Bruce Cline	Lisa Horton	Brian Murch
Claudia Cummings	Will Kempton	Mike Reynolds
Brian Dulgar	Jennifer Lane	Edward Roza
Pat Flynn	John Lane	Devin Swartwood
Joe Gagliardi	Barbara Leary	Crystal Tobias
Deborah Grassl	Jim Lofgren	Srinivas Yanaparti

1. Call to Order

2. Roll Call

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

4. Discussion Items

a. Welcome and Introductions

b. Purpose, Scope and Ground Rules

c. Brown Act Overview

d. Election of Chair/Vice Chair

e. Future Meeting Schedule and Time

5. River District Video Introduction

6. Committee Member Perspectives – Review of Committee Worksheet (attached)

a. What does success look like…fast forward 10 to 20 years in the future?

b. What are our collective goals?

c. What are you most excited about?

d. What are you most concerned about?

5. Informational Items

6. Next Meeting Date

7. Adjournment

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

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 Manager's Office at (916) 461-6010, or mkasama@folsom.ca.us. Requests must be made as early as possible and at least two full business days before the start of the meeting.
Any documents produced by the City and distributed to the Committee 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 during normal business hours.

River District Master Plan Citizens Advisory Committee
Meeting Agenda
RG Smith Room, Folsom Community Center
52 Natoma Street, Folsom, CA
September 27, 2023
6:00 p.m.

CITY OF FOLSOM COMMUNITY DEVELOPMENT

Committee Members:

Lynne Bailey	Rita Mukerjee Hoffstadt	Krystal Moreno
Jennifer Cabrera	Karen Holmes	Scott Muldavin
Bruce Cline	Lisa Horton	Brian Murch
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1. Call to Order

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

4. Discussion Items

a. RRM Design Group Scope of Work and Milestones (5 min)
   i. Potential mid-project review with the City Council

b. What does a master plan look like? (10 min)

c. Preliminary River District Master Plan Table of Contents (5 min)

c. Common themes from the August 31st worksheet exercise (10 min)

5. CA State Parks Presentation – Folsom Lake State Recreation Area General Plan and Road and Trail Management Plan (30 min)

6. Opportunities and Constraints (60 min)

a. Citizens Advisory Committee
   i. Process and Ground Rules (use of the "dust bin, parking lot, continue/approve" voting blocks for certain discussion items)

b. Interactive committee work group discussion and identification of potential district assets, areas and unique opportunities to meet the intent of the General Plan, as well as district elements such as hazards, cultural and environmental resources that represent project constraints or opportunities for protection and enhancement.

River District Citizens Advisory Committee Agenda – September 27, 2023 page 2

7. Informational Items

8. Next Meeting Date

9. Adjournment

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FOLSOM

RIVER DISTRICT MASTER PLAN
CITIZENS ADVISORY COMMITTEE MEETING AGENDA
October 25, 2023, 6:00 PM
Folsom Community Center, RG Smith Meeting Room
52 Stafford Street, Folsom, CA

COMMITTEE MEMBERS:

Lynne Bailey	Rita Mukerjee Hoffstadt	Krystal Moreno
Jennifer Cabrera	Karen Holmes	Scott Muldavin
Bruce Cline	Lisa Horton	Brian Murch
Claudia Cummings	Will Kempton	Mike Reynolds
Brian Dulgar	Jennifer Lane	Edward Roza
Pat Flynn	John Lane	Devin Swartwood
Joe Gagliardi	Barbara Leary	Crystal Tobias
Deborah Grassl	Jim Lofgren	Srinivas Yanaparti

CALL TO ORDER

ROLL CALL

BUSINESS FROM THE FLOOR

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DISCUSSION ITEMS

1. CAC Process and Ground Rules – 5 min
2. CAC Tentative Advanced Schedule and Agenda Topics (outline attached) – 10 min
    a. RRM Scope of Work/Design Process

CAC WORK GROUP ACTIVITY/DISCUSSION

1. Opportunity and Constraints – Interactive discussion and identification of potential district assets, areas of unique opportunities to meet the intent of the General Plan, as well as district elements such as hazards, cultural and environmental resources that represent project constraints or opportunities for protection and enhancement.
    a. Continue with River District North Area Group Discussion – 30 min
        i. Group report back on priority Opportunities and key Constraints – 10 min
    b. River District South Area Group Discussion – 50 min
        i. Group report back on priority Opportunities and key Constraints – 10 min

INFORMATIONAL ITEMS

1. CAC Meeting Notes – September 27, 2023 (attached to email)
2. Cultural Resource Constraints Memo from Ascent Environmental (attached to email)
3. Summary of State Parks Stakeholder Meeting (outline attached)
4. Online Community Survey – Folsom Blvd Overcrossing https://www.surveymonkey.com/r/FolsomOC

NEXT MEETING DATE

Wednesday, December 13, 2023 – 6:00 pm; Folsom Community Center, RG Smith Room

ADJOURNMENT

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FOLSOM

RIVER DISTRICT MASTER PLAN
CITIZENS ADVISORY COMMITTEE MEETING AGENDA
December 13, 2023, 6:00 PM
Folsom Community Center, RG Smith Meeting Room
52 Stafford Street, Folsom, CA

COMMITTEE MEMBERS:

Lynne Bailey	Rita Mukerjee Hoffstadt	Krystal Moreno
Jennifer Cabrera	Karen Holmes	Scott Muldavin
Bruce Cline	Lisa Horton	Brian Murch
Claudia Cummings	Will Kempton	Mike Reynolds
Brian Dulgar	Jennifer Lane	Edward Roza
Pat Flynn	John Lane	Devin Swartwood
Joe Gagliardi	Barbara Leary	Crystal Tobias
Deborah Grassl	Jim Lofgren	Srinivas Yanaparti

CALL TO ORDER

ROLL CALL

BUSINESS FROM THE FLOOR

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ACTION ITEM

1. Folsom Blvd Overcrossing, Preferred Alternatives Review and Recommendation to City Council – 30 min Presentation from Parks and Recreation Department - Brett Bollinger, Sr. Trails Planner (included with agenda)

INFORMATION ITEMS – 15 min

1. Environmental Constraints Technical Memorandum (included with agenda)
2. Orangevale Notification (discussion only)
3. Social Pinpoint Interactive Mapping Tool (discussion only)
4. CAC Meeting Notes from October 25, 2023 meeting (included with agenda)

CAC WORK GROUP ACTIVITY/DISCUSSION

1. Opportunity and Constraints – Interactive discussion and identification of potential district assets, areas of unique opportunities to meet the intent of the General Plan, as well as district elements such as hazards, cultural and environmental resources that represent project constraints or opportunities for protection and enhancement.
    a. River District Central Subarea Group Discussion – 75 min
        i. Group report back on priority Opportunities and key Constraints – 25 min

NEXT MEETING DATE

Wednesday, January 10, 2024 – 6:00 pm; Folsom Community Center, RG Smith Room

ADJOURNMENT

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FOLSOM

RIVER DISTRICT MASTER PLAN
CITIZENS ADVISORY COMMITTEE MEETING AGENDA
January 24, 2024, 6:00 PM
Folsom Community Center, RG Smith Meeting Room
52 Natoma Street, Folsom, CA

COMMITTEE MEMBERS:

Lynne Bailey	Rita Mukerjee Hoffstadt	Krystal Moreno
Jennifer Cabrera	Karen Holmes	Scott Muldavin
Bruce Cline	Lisa Horton	Brian Murch
Claudia Cummings	Will Kempton	Mike Reynolds
Brian Dulgar	Jennifer Lane	Edward Roza
Pat Flynn	John Lane	Devin Swartwood
Joe Gagliardi	Barbara Leary	Crystal Tobias
Deborah Grassl	Jim Lofgren	Srinivas Yanaparti

CALL TO ORDER

ROLL CALL

BUSINESS FROM THE FLOOR

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INFORMATION ITEMS

1. CAC Meeting Notes from the January 10, 2024 meeting (included with agenda along with the Corporation Yard conceptual land use plans created by individual CAC work groups)

GROUP DISCUSSION/RECOMMENDATIONS

1. RRM Design Group will prepare and present for discussion a synthesis of prior CAC opportunities and constraints issues for the various subareas of the River District identified during prior meetings – 30 min.
2. RRM Design Group will prepare and present for discussion two to three alternatives, representing a synthesis of CAC Corporation Yard conceptual land use plans completed at the January 10th meeting (included with the agenda) – 45 min.

WORK GROUP ACTIVITY/DISCUSSION

1. Interactive discussion and identification of potential Rodeo Arena and surrounding area assets, areas of unique opportunities to meet the intent of the General Plan, as well as district elements such as hazards and potential constraints, cultural and environmental resources, adjacent residential areas, and nearby existing uses that will influence reuse ideas for the Rodeo Arena and its surrounding area.
    a. Group discussion regarding key opportunities and constraints and "general" land use categories and/or facility programming ideas to increase use – 30 min
    b. Group report back on conceptual plans – 15 min

NEXT MEETING DATE

Wednesday, February 28, 2024 – 6:00 pm; Folsom Community Center, RG Smith Room

ADJOURNMENT

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CITY OF
FOLSOM
DISTINCTIVE BY NATURE

RIVER DISTRICT MASTER PLAN
CITIZENS ADVISORY COMMITTEE MEETING AGENDA
February 28, 2024, 6:00 PM
Folsom Community Center, RG Smith Meeting Room
52 Natoma Street, Folsom, CA

COMMITTEE MEMBERS:

Lynne Bailey	Rita Mukerjee Hoffstadt	Krystal Moreno
Jennifer Cabrera	Karen Holmes	Scott Muldavin
Bruce Cline	Lisa Horton	Brian Murch
Claudia Cummings	Will Kempton	Mike Reynolds
Brian Dulgar	Jennifer Lane	Edward Roza
Pat Flynn	John Lane	Devin Swartwood
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Deborah Grassl	Jim Lofgren	Srinivas Yanaparti

CALL TO ORDER

ROLL CALL

BUSINESS FROM THE FLOOR

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INFORMATION ITEMS – 10 min

1. CAC Meeting Notes from the January 24, 2024 meeting (included with agenda along with the three refined Corporation Yard conceptual land use plans discussed by the CAC)
2. Email communication received by the City from residents and interested parties (included with the agenda).
3. River District Organizing Committee summary recommendations (included with the agenda).

GROUP DISCUSSION/RECOMMENDATIONS

4. RRM Design Group will prepare and present for discussion a synthesis of the comments received from the Social Pinpoint public engagement platform regarding the public's interests and concerns within the River District – 30 min.
5. RRM Design Group will prepare and present for discussion, based on CAC comments, a refinement of the preferred Corporation Yard general land use plan concept – 30 min.
6. RRM Design Group will prepare and present alternatives, representing a synthesis of CAC Rodeo Park conceptual land use plans completed at the January 24th meeting (included with the agenda) – 30 min.
7. CAC discussion with RRM Design Group regarding recommendations for design/planning work on the "Key Sites" as defined in RRM's scope of work – 15 min.

NEXT MEETING DATE

Wednesday, March 27, 2024 – 6:00 pm; Folsom Community Center, RG Smith Room

ADJOURNMENT

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FOLSOM

RIVER DISTRICT MASTER PLAN
CITIZENS ADVISORY COMMITTEE MEETING AGENDA
March 27, 2024, 6:00 PM
Folsom Community Center, RG Smith Meeting Room
52 Natoma Street, Folsom, CA

COMMITTEE MEMBERS:

Lynne Bailey	Rita Mukerjee Hoffstadt	Krystal Moreno
Jennifer Cabrera	Karen Holmes	Scott Muldavin
Bruce Cline	Lisa Horton	Brian Murch
Claudia Cummings	Will Kempton	Mike Reynolds
Brian Dulgar	Jennifer Lane	Edward Roza
Pat Flynn	John Lane	Devin Swartwood
Joe Gagliardi	Barbara Leary	Crystal Tobias
Deborah Grassl	Jim Lofgren	Srinivas Yanaparti

CALL TO ORDER

ROLL CALL

BUSINESS FROM THE FLOOR

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INFORMATION ITEMS – 20 min

1. CAC Meeting Notes from the February 28, 2024 meeting (included with agenda)
2. Social Pinpoint and Online Questionnaire Summary (included with agenda)

GROUP DISCUSSION/RECOMMENDATIONS

3. RRM Design Group will prepare and present for discussion, based on CAC comments, additional refinements of the evolving Corporation Yard general land use plan concept – 30 min.
4. RRM Design Group will prepare and present for discussion, based on CAC comments, additional concepts for Rodeo Park and surrounding areas. – 40 min.
5. CAC discussion with RRM Design Group regarding recommendations for design/planning work on the "Key Sites" as defined in RRM's scope of work – 25 min.

NEXT MEETING DATE

Wednesday, April 24, 2024 – 6:00 pm; Folsom Community Center, RG Smith Room

ADJOURNMENT

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FOLSOM

RIVER DISTRICT MASTER PLAN
CITIZENS ADVISORY COMMITTEE MEETING AGENDA
April 24, 2024, 6:00 PM
Folsom Community Center, RG Smith Meeting Room
52 Natoma Street, Folsom, CA

COMMITTEE MEMBERS:

Lynne Bailey	Rita Mukerjee Hoffstadt	Krystal Moreno
Jennifer Cabrera	Karen Holmes	Scott Muldavin
Bruce Cline	Lisa Horton	Brian Murch
Claudia Cummings	Will Kempton	Mike Reynolds
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Deborah Grassl	Jim Lofgren	Srinivas Yanaparti

CALL TO ORDER

ROLL CALL

BUSINESS FROM THE FLOOR

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DISCUSSION ITEMS

1. Master Plan Project Expectations and Schedule (memo from Pam Johns, Community Development Director included with agenda) – 5 min
2. Surplus Land Act (discussion with Pam Johns, Community Development Director, summary presentation slide deck from League of California Cities/Kosmont Companies included with agenda) – 15 min
3. River District Master Plan Boundary Comparison of General Plan vs Organizing Committee – 15 min

GROUP DISCUSSION/RECOMMENDATIONS

4. CAC recommendation of Corporation Yard general land use plan concept – 20 min.
5. RRM Design Group will prepare and present for discussion, based on CAC comments, additional refinements of the evolving Rodeo Park general land use/recreation program. – 30 min.
6. CAC discussion with RRM Design Group regarding recommendations for design/planning work on the "Key Sites" as defined in RRM's scope of work – 30 min.

INFORMATION ITEMS

7. CAC Meeting Notes from the March 27, 2024 meeting (included with agenda)

NEXT MEETING DATE

Wednesday, June 5, 2024 – 6:00 pm; Folsom Community Center, RG Smith Room

ADJOURNMENT

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FOLSOM

RIVER DISTRICT MASTER PLAN
CITIZENS ADVISORY COMMITTEE MEETING AGENDA
July 24, 2024, 6:00 PM
Folsom Community Center, (RG Smith Meeting Room)
52 Natoma Street, Folsom, CA

COMMITTEE MEMBERS:

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Jennifer Cabrera	Karen Holmes	Scott Muldavin
Bruce Cline	Lisa Horton	Brian Murch
Claudia Cummings	Will Kempton	Mike Reynolds
Brian Dulgar	Jennifer Lane	Edward Roza
Pat Flynn	John Lane	Devin Swartwood
Joe Gagliardi	Barbara Leary	Crystal Tobias
Deborah Grassl	Jim Lofgren	Srinivas Yanaparti

CALL TO ORDER

ROLL CALL

GROUP DISCUSSION/REVIEW AND COMMENT

1. RRM Design Group will prepare and present for discussion, the final-draft illustratives of the Key Sites (location diagram included with the agenda) prioritized from the May 22nd meeting. The illustratives will be included in the master plan as examples of potential design/planning solutions to achieve the objectives of the General Plan – 60 min.

   The Key Sites include:
   a. Rodeo Park
   b. North Subarea Pedestrian Bridge
   c. River Promenade
   d. Traders Lane

2. RRM Design Group will prepare and present for discussion, a matrix of the goals and guidelines from the Folsom Lake State Recreation Area General Plan summarized and focused specifically on the River District Master Plan, Lake Natoma, and public feedback previously received – 30 min.

3. CAC discussion with RRM Design Group regarding the draft outline of the River District Master Plan document (included with the agenda) – 15 min.

4. CAC consideration of adding a committee meeting in August (Thursday, August 15th or Monday, August the 26th) – 5 min.

INFORMATION ITEMS

5. CAC Meeting Notes from the June 5, 2024 meeting (included with agenda)

BUSINESS FROM THE FLOOR

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NEXT MEETING DATE

To Be Determined

ADJOURNMENT

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ATTACHMENT 4

Traders Lane Concept Plan General Fund Revenue Estimate by EPS

MEMORANDUM

To: City of Folsom

From: Amy Lapin and Kate O'Beirne

Subject: Folsom River District: Trader's Lane Conceptual High-Level Annual General Fund Revenue Estimate; EPS #232039

Date: October 2, 2024

The Economics of Land Use

Introduction

The City of Folsom (City) requested Economic & Planning Systems, Inc. (EPS) prepare a high-level estimate of key General Fund revenues that may be generated by the proposed Trader's Lane project (Project), included in the September 2024 Folsom River District Vision Plan, prepared by RRM Design Group and EPS. This memorandum summarizes select City General Fund revenue sources resulting from the proposed Project. It is important to note this analysis does not include certain minor City General Fund revenues or the cost of City services funded by the General Fund (e.g., public safety, planning) associated with the Project.

Proposed Project

Trader's Lane is a proposed retail and hotel project on a 1.3-acre City-owned surface parking lot in the River District. The Project site is located between the Historic District and State Park lands and is bounded by Trader's Lane and Leidesdorff, Riley, and Wool Streets. The site concept comprises a new commercial structure totaling approximately 134,000 square feet. The conceptual project includes 12,300 square feet of restaurant and retail space, a 41,800-square-foot, 31-room boutique hotel, and a parking structure with 166 spaces. See **Appendix A Table A-1** for the Project land use summary used to estimate key General Fund revenues.

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

Oakland
Sacramento
Denver
Los Angeles

www.epsys.com

Key General Fund Revenues

EPS estimated key General Fund revenues generated by the proposed Project:

- Property Tax
- Property Tax in Lieu of Vehicle License Fees (PTVLF)
- Sales and Use Tax
- Proposition 172 (Public Safety) Sales Tax
- Transient Occupancy Tax

As shown in **Table 1**, the proposed Project is estimated to generate about $329,400 annually at buildout to the City's General Fund. All figures are presented in 2024 dollars.

Table 1. Estimated Annual Key General Fund Revenue from Trader's Lane Project (2024$)

Item	Reference Table	Estimated Revenue at Buildout	
		Total (Rounded)	% of Total
General Fund Revenues			
Property Tax [1]	Table A-2	$62,600	19.0%
Sales and Use Tax [2]	Table A-3	$63,100	19.2%
Transient Occupancy Tax	Table A-6	$203,700	61.8%
Total General Fund Revenues		**$329,400**	**100.0%**

Source: EPS.

[1] Includes Property Tax In-Lieu of Motor Vehicle In-Lieu Fee Revenue (VLF) revenue.
[2] Includes Prop. 172 tax revenue.

The following sections describe the assumptions and methodology used to estimate each key General Fund revenue source.

Property Tax

Estimated annual property tax revenue resulting from development in the Project is presented in **Table A-2** in **Appendix A**. The estimated assessed values for Project land uses are in static 2024 dollars—real growth in assessed value is not estimated. The share of property taxes the City is assumed to receive from the Project is derived from the total assessed value of the Project and the City's property tax allocation share of the 1 percent ad valorem property tax, as shown in **Table A-7** in **Appendix A**.

The Project is in Tax Rate Area (TRA) 004-018. As shown in **Table A-2**, the City is shown to receive approximately 21.1 percent of the property tax revenue after adjusting for percentage shift to the Educational Revenue Augmentation Fund (ERAF).

Property Tax in Lieu of Vehicle License Fees

A formula provided by the State Controller's Office was used to forecast PTVLF. PTVLF is calculated by taking the percentage increase of the City's assessed value resulting from the Project and applying that percentage share to the City's current State allocation of PTVLF. This calculation is shown in **Table A-2** in **Appendix A**.

Sales Tax

Sales tax revenues are based on estimated taxable sales generated by the Project in the City. The sales tax components examined in this analysis are based on the Bradley-Burns 1 percent local sales tax rate. This analysis estimates sales tax revenues to the City's General Fund, as shown in **Table A-3**.

The analysis uses two methodologies to estimate taxable sales generated by the Project:

1. The **Market Support Method** measures taxable sales generated from new Project employees.
2. The **Retail Space Method** measures taxable sales from the Project's retail land uses.

Market Support Method

New Employees

The sales tax analysis accounts for taxable retail expenditures made by the new employees generated by development of the Project. The number of employees is estimated by using the total occupied building square footage for each commercial land use and applying an average square foot per employee factor for each corresponding land use (see **Table A-1** in **Appendix A**). EPS estimates employees spend approximately $15 per business day on taxable goods.[1]

Total sales revenues generated for the City by the Project's new employees and corresponding calculations for the Market Support Method are shown in **Table A-4** in **Appendix A**.

Retail Space Method

Annual taxable sales generated by retail uses in the Project were calculated by taking an "annual sales per square foot" factor, as shown in **Table A-5** in **Appendix A**. To prevent double counting, the Project's total taxable sales estimated from the Retail Space Method are reduced by the on-site taxable sales estimated by the Market Support Method (Project employees).

Total sales revenues and corresponding calculations for the Retail Space Method are shown in **Table A-5** in **Appendix A**.

Proposition 172 Public Safety Sales Tax

Revenues from the City's share of the County's half-cent sales tax for public safety are included in the analysis and calculated in **Table A-3** in **Appendix A**. The City's public safety sales tax share is based on 0.45 percent of the County's 0.5 percent.

Transient Occupancy Tax

Transient Occupancy Tax (TOT) is estimated based on the number of hotel rooms in the Project, the average daily room rate, estimated occupancy, and the City TOT rate of 8 percent. The City TOT rate of 8 percent is applied to the estimated annual nights the rooms are booked to arrive at the annual estimated TOT revenues. Estimated TOT revenues are shown in **Table A-6** in **Appendix A**.

---

[1] This analysis is based on the assumption there are 240 business days per year.

APPENDIX A:

General Assumptions

Table A-1 Project Land Uses and Employment A-1

Table A-2 Estimated Property Tax Revenue A-2

Table A-3 Estimated Sales and Use Tax Revenue A-3

Table A-4 Estimated Annual Taxable Sales from Market Support.....A-4

Table A-5 Estimated Annual Taxable Sales from Commercial Space.....A-5

Table A-6 Estimated Annual Transient Occupancy Tax Revenue.....A-6

Table A-7 Property Tax Allocation A-7

Table A-1
Folsom River District: Trader's Lane
Fiscal Impact Analysis
Project Land Uses and Employment

Land Use	Total Building Square Feet at Buildout	Estimated Employment: Employment Density (Sq. Ft. / Employee) [1]	Estimated Employment: Total Employees
Trader's Lane Conceptual Project [2]			
Restaurant	6,500	500	13
Retail	5,800	500	12
Hotel	41,800	1,500	28
Total Project	**54,100**	**-**	**52**

Source: RRM Design Group; EPS.

[1] Average square feet per employee assumptions based on EPS research.
[2] Project land uses also include a 80,316-square-foot parking structured parking garage with 166 spaces, which may generate annual General Fund revenue to the City, but is excluded in this analysis to remain conservative.

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Table A-2
Folsom River District: Trader's Lane
Fiscal Impact Analysis
Estimated Property Tax Revenue (2024$)

Item	Assumption	Formula	Trader's Lane
Property Tax			
Trader's Lane Assessed Value	*Assessed Value per Sq. Ft.*		
Restaurant	$350	*a = $280 * 6,500 sq.ft.*	$2,275,000
Retail	$350	*b = $280 * 5,800 sq.ft.*	$2,030,000
Hotel	$600	*c = $660 * 41,800 sq.ft.*	$25,080,000
Total Assessed Value [1]		***d = a + b + c***	**$29,385,000**
Property Tax Revenue	1.00%	*e = d * 1.00%*	$293,850
Estimated Property Tax Allocation [2]			
City General Fund	21.10%	*f = e * 21.10%*	$61,988
Other Agencies/ERAF	78.90%	*g = e * 78.90%*	$231,862
Property Tax In-Lieu of Motor Vehicle In-Lieu Fee Revenue (VLF)			
Total Citywide Assessed Value [3]		*h*	$4,672,984,809
Total Assessed Value of Project		*i*	$29,385,000
Total Assessed Value		*j = h + i*	**$4,702,369,809**
Percentage Change in Assessed Value		*k = i / h*	0.63%
Property Tax In Lieu of VLF [4]	$95,000	***l = k * $95,000***	$597

Source: City of Folsom; EPS.

[1] Includes secured and unsecured assessed values. The proposed Trader's Lane project includes a 166-space parking structure, which may be subject to property tax, but is excluded in this analysis.
[2] For assumptions and calculations related to tax allocation factors, refer to Table A-7.
[3] Reflects Assessed Valuation for FY 2023-24. Assessed value provided by the Sacramento County Auditor-Controller's office.
[4] Property tax in-lieu of VLF amount derived from the City of Folsom FY 2023-24 Adopted Budget.

Table A-3
Folsom River District: Trader's Lane
Fiscal Impact Analysis
Estimated Sales and Use Tax Revenue (2024$)

Item		Formula	Trader's Lane
Estimated Annual Taxable Sales			
Annual Taxable Sales from Market Support [1]	**Table B-5**	*a*	$151,104
Annual Taxable Sales from Onsite Retail	**Table A-5**	*b*	$6,143,945
Annual Taxable Sales from New Development		*e = a + b + c + d*	**$6,295,049**
Annual Sales Tax Revenue [2]			
Bradley Burns Local Sales Tax Rate	1.0000%		
Total Bradley Burns Sales Tax Revenue	**1.0000%**	*f = e * 1.00%*	**$62,950**
Gross Prop 172 Public Safety Sales Tax Revenue [2]	48.5669%	*g = e * 48.57%*	$30,573
City of Folsom Allocation [3]	**0.4500%**	*h = g * 0.45%*	**$138**

Source: City of Folsom; Sacramento County; California State Board of Equalization; EPS.

[1] Refer to Table A-5 for taxable sales from market support for the total project and from market support.
[2] State Board of Equalization collects approximately one-half percent sales tax revenue for Measure A, which is distributed back to cities based a formula, but is specific to transportation funding and has been excluded from this analysis.
[3] Estimated per the City of Folsom.

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Table A-4
Folsom River District: Trader's Lane
Fiscal Impact Analysis
Estimated Annual Taxable Sales from Market Support (2024$)

Item	Assumptions	Trader's Lane
Annual Taxable Sales from New Employees		
Taxable Sales from New Employment		
New Employees		52
Average Daily Taxable Sales per New Employee [1]	$15	
Work Days per Year	240	
Total Taxable Sales from New Employees		**$188,880**
	Capture Rate	
Estimated Capture in City of Folsom from New Employees	**80%**	**$151,104**
Estimated Taxable Sales inside Project	5%	$7,555
Estimated Taxable Sales outside Project	95%	$143,549

Source: International Council of Shopping Centers; EPS.

[1] Based on the average weekly spending per office worker from the International Council of Shopping Centers, "Office-Worker Retail Spending in a Digital Age," 2012; EPS. Adjusted to reflect taxable spending on retail goods and services only.

Table A-5
Folsom River District: Trader's Lane
Fiscal Impact Analysis
Estimated Annual Taxable Sales from Commercial Space (2024$)

Item	Assumption	Trader's Lane Sq. Ft. [1]	Trader's Lane Taxable Sales [2]
Annual Taxable Sales from Commercial Land Uses	*Taxable Sales per Sq. Ft.*		
Restaurant	$650	6,500	$4,225,000
Retail	$450	5,800	$2,610,000
Subtotal Retail		**12,300**	**$6,835,000**
Less Total Annual Taxable Sales From Onsite Market Support (within the Project)			*$7,555*
Annual Sales Less Market Support			**$6,827,445**
Less Potential Shift from Existing Retail [4]	*10.00%*		*$683,500*
Total Annual Taxable Sales from Commercial Dev.			**$6,143,945**

Source: U.S. Dept. of Labor Bureau of Labor Statistics; California Board of Equalization; BizMiner 2020; ULI Dollars & Cents 2008; Bureau of Labor Statistics, "CPI-All Urban Consumers (Current Series) - West Urban"; RetailSails http://retailsails.files.wordpress.com/2011/09/rs_spsf.pdf; eMarketer pulled February 2019; respective annual SEC 10-K reports; EPS.

[1] See Table A-1 for occupied square feet.
[2] Reflects estimated annual taxable sales per square foot for neighborhood retail centers.
[3] Sales per square foot are estimated based on data from BizMiner, RetailSails, eMarketer, and annual SEC 10-K reports. Some reported figures are from previous calendar or fiscal years and have been escalated to 2024$.
[4] As a conservative assumption, this analysis assumes it is possible new retail in the Project could shift a small percentage of retail spending in existing stores to the Project.

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Table A-6
Folsom River District: Trader's Lane
Fiscal Impact Analysis
Estimated Annual Transient Occupancy Tax (TOT) Revenue (2024$)

Item	Formula	Assumption	Annual TOT Revenue
Annual Hotel Rooms in Project			
Estimated Hotel Rooms in Project	*a*		31
Annual Rooms Nights Available	*b*	365	
Total Annual Room Nights Available	*c = a * b*		**11,315**
Occupancy Rate [1]	*d*	75.0%	
Average Daily Room Rate (ADR) [1]	*e*	$300	
City of Folsom TOT Rate	*f*	8.0%	
Total Annual TOT to City of Folsom	*g = c * d * e * f*		**$203,670**

Source: City of Folsom; CoStar; EPS.

[1] Assumptions based on hotel trends for midscale, upper midscale, and upscale classes in the City of Folsom as derived from CoStar in August 2024.

Table A-7
Folsom River District: Trader's Lane
Fiscal Impact Analysis
Property Tax Allocation

Fund	TRA 004-018		
	Pre-Educational Revenue Augmentation Fund (ERAF) Property Tax Allocation	ERAF Shift %	Post-ERAF Property Tax Allocation
Taxing Entities Used in Analysis			
Los Rios Comm. College	3.57%	-	3.6%
Folsom-Cordova Unif	24.88%	-	24.9%
County Wide Equalization	0.13%	-	0.1%
County General	42.95%	52.6%	20.4%
Juvenille Hall	0.05%	-	0.1%
Regonal Occup Center	0.09%	-	0.1%
Infant Dev-Phys Handicapp	0.06%	-	0.1%
Infant Dev Mentally Hand	0.06%	-	0.1%
Children Institution	0.44%	-	0.4%
County Superintendent Adm	0.25%	-	0.3%
Sacto-Yolo Mosquito	0.85%	-	0.8%
City of Folsom	26.63%	20.8%	21.1%
Folsom Redevelopment	0.00%	-	0.0%
Dev Center Handicapped	0.14%	-	0.1%
Total Property Tax Pre-ERAF	**100.0%**	**-**	**72.0%**
ERAF			**28.0%**
Total Gross Property Tax			**100.0%**

Source: Sacramento County Auditor-Controller's Office; EPS.

ATTACHEMENT 5

Comment Letter from CA State Parks
Dated October 7, 2024

State of California • Natural Resources Agency
Gavin Newsom, *Governor*
DEPARTMENT OF PARKS AND RECREATION
Armando Quintero, *Director*
Gold Fields District
7806 Folsom Auburn Road
Folsom, CA 95630

October 7, 2024

Mike Kozlowski, Mayor
City of Folsom
50 Natoma Street
Folsom, CA 95630

Dear Mayor Kozlowski,

The City of Folsom appointed and convened a Citizen Advisory Committee (CAC) to help guide the development of the River District Vision Plan, which was identified in the City of Folsom 2035 General Plan. City Project Manager Robert Goss, the consultant team and the CAC have been working on development of the plan over the past year. A draft of the Vision Plan is complete and is being reviewed by the City Park and Recreation Commission, the Historic District Commission and the Planning Commission before being presented to the City Council with recommendations from all three Commissions.

As the Vision Plan nears completion and approval by the City Council, the Gold Fields District wishes to make clear our perspective on the Vision Plan. As you may be aware, roughly 75% of the River District planning area is State or Federal land that is managed by State Parks as part of Folsom Lake State Recreation Area (FLSRA) and Folsom Powerhouse State Historic Park (FPSHP). The FLSRA/FPSHP General Plan/Resource Management Plan and the Road and Trail Management Plan (RTMP) are the guiding documents for the management of the two park units. The portions of Lake Natoma within the River District, particularly Black Miners Bar and Upper Lake Natoma, are currently heavily used by paddle boarders, cyclists and other park users.

The Gold Fields District of California State Parks appreciates having our representative, Devin Swartwood, appointed to the CAC and being able to participate in the process. We also recognize the additional periodic coordination Robert Goss has sought with State Parks over the past year of River District planning, including the opportunity to present the State Parks and U.S. Bureau of Reclamation (Reclamation) FLSRA/FPSHP General Plan/Resource Management Plan and the RTMP directly to the CAC early in the process.

The River District Vision Plan is a City of Folsom planning document for which State Parks has no approval authority and which State Parks is not obligated to follow. We appreciate that the Vision Plan recognizes the State/Federal jurisdiction and identifies the need to coordinate with State Parks and Reclamation. Portions of the River District planning area overlap with key Native American sites and the Plan also highlights the need to coordinate and consult with Native American tribes. The Vision Plan also recognizes that any projects or proposals within FLSRA/FPSHP need to be consistent

with our General Plan. While we appreciate the ability to participate and the coordination afforded State Parks, our participation in the River District planning process does not imply any approval of the Vision Plan nor a commitment to any project or proposal within the Plan.

The CAC members brought a great deal of relevant experience and diverse perspectives to the River District planning and there are interesting ideas in the plan on which State Parks could potentially collaborate with the City. For any projects within FLSRA and FPSHP, State Parks and Reclamation would be the lead agencies including for project planning and design, determination of consistency with our existing General Plan/Resource Management Plan and environmental review and approval. State Parks of course does have its own projects and priorities for the FLSRA/FPSHP lands within the River District.

Within the River District Vision Plan, there are mutually beneficial project ideas that are a priority for the Gold Fields District and could be priorities for implementation. These include:

- Vehicle access improvements to Black Miners Bar and Willow Creek including acceleration and deceleration lanes, improved line of sight and other improvements;
- Developing and improving a shoreline trail at Black Miners Bar;
- Improving and better separating trail uses and road traffic from along Riley/Greenback from Scott Street to the Historic Truss Bridge (the River Promenade);
- Improving and formalizing trail access from the intersection of Greenback Lane and American River Canyon Drive down to the paved bike path within Black Miners Bar;
- A Welcome Center/Cultural and Interpretation Center at Black Miners Bar;
- Conducting further technical and feasibility studies for the Powerhouse Canal Loop Trail and Bridge.

Additionally, we have a few specific comments about the Vision Plan:

- The maps in pages 12-13 and 15 depict land ownership and identify State Lands. These "State Lands" are actually a combination of Federal and State land ownership. It might have been helpful to include the FLSRA/FPSHP boundary.
- Consider additional active park/open space acreage within the Corporation Yard key site plan, including additional buffer area between the commercial/visitor serving and artisan/marketspace areas and the adjacent FLSRA. Access to FLSRA from the Corporation Yard should be limited to specific developed access points and not open access across the entire property boundary.

- Regarding the River Promenade key site, the concept renderings include proposed facilities within FLSRA and FPSHP. If and when further planning is initiated for this area, State Parks and Reclamation would have the lead in planning what facilities are appropriate for the FLSRA/FPSHP lands in collaboration with the Native American tribes, the City and other partners, and the public. This area is very popular with people accessing the views afforded by the Historic Truss Bridge. In planning any additional facilities, it will be important to protect the viewshed, consider the cultural and historic context of the site and assess how best to accommodate the high number and turnover of people using the site. Facilities that accommodate only a few people for an extended period of time, such as picnic sites, may not be appropriate in this relatively small area.

- The Vision Plan proposes many developments, projects and improvements to draw people to the River District and Historic District. We are unsure if the Vision Plan provides for adequate additional parking to accommodate the increased use.

Again, we appreciate the opportunity to participate in the River District Vision Plan process and look forward to working with the City on areas of mutual benefit in the future. Thank you.

Sincerely,

Steven M. Hilton
Gold Fields District Superintendent

CC

City Council Members Aquino, Chalamcherla, Rodriguez, Rohrbough
Robert Goss, Project Manager, River District Vision Plan
Kelly Gonzalez, Director, Parks and Recreation
City of Folsom Planning Commission (c/o Stephanie Hannum)

ATTACHMENT 6

CEQA Exemption Memorandum by Ascent Environmental

Memo

455 Capitol Mall, Suite 300
Sacramento, CA 95814
916.444.7301

Date: September 24, 2024

To: Robert Goss, Contract Project Manager for the City of Folsom

From: Adam Lewandowski, Pat Angell, and Lily Bostrom; Ascent Environmental

Subject: **Folsom River District Vision Plan, Feasibility and Planning Studies Statutory Exemption (14 CCR Section 15262) applicability.**

Pursuant to 14 CCR Section 15262, the California Environmental Quality Act (CEQA) does not apply to a project involving only feasibility or planning studies for possible future actions which the agency, board, or commission has not approved, adopted, or funded. The action does require consideration of environmental factors. This exemption does not apply to the adoption of a plan that will have a legally binding effect on later activities.

The City of Folsom is proposing to adopt the River District Vision Plan (Plan). As described on page 9 of the Public Draft Vision Plan, "[t]he purpose of this Vision Plan is to establish an achievable vision, shape future growth, and implement an achievable action plan for the City of Folsom. The Vision Plan provides a framework for implementation with key site design concepts to inspire future private redevelopment and incentivize public improvements that reflect the community's values and vision for the River District. Additionally, it documents many other areas of interest for future analysis and consideration for improvements, both programmatic and physical, to the River District area."

The Plan evaluates the feasibility of public and private investment and redevelopment throughout the plan area. It provides an overall vision for the district based on extensive community and stakeholder engagement. While the Plan includes design concepts for key sites, these design concepts are intended to inspire future public and private investment that reflects the vision for the Plan Area. The Plan does not approve construction of improvements associated with the design concepts or commit any entity to making physical changes to the environment. Any future activities within the Plan Area would require additional planning, design, and environmental analysis prior to approval. As a feasibility and visioning document, the Plan does not alter existing zoning, development standards, or other regulations that would have a legally binding effect on later activities within the Plan Area.

During the preparation of the Plan, the City of Folsom considered environmental factors. Environmental factors including environmental hazards, sensitive natural resources, sensitive receptors, and cultural resources were evaluated in the opportunities and constraints analysis in Chapter 2 of the Plan, and are summarized in Chapter 3, "Design Concepts for Key Sites" of the Plan. The environmental factors considered in the plan identified opportunities for public and private investment that minimize environmental effects, however the environmental considerations in the Plan does not replace the need for site-specific environmental analysis of future projects within the Plan Area. The environmental factors considered in preparation of the Plan provided no evidence to suggest that adoption of the Plan would result in a significant impact on the environment.

For these reasons, the Folsom River District Vision Plan is statutorily exempt from CEQA consistent with 14 CCR Section 15262.

Folsom City Council
Staff Report

MEETING DATE:	11/12/2024
AGENDA SECTION:	New Business
SUBJECT:	Resolution No. 11294 - A Resolution Approving the Central Business District Vision Plan and Determination that the Proposed Vision Plan is Statutorily Exempt from CEQA
FROM:	Community Development Department

RECOMMENDATION / CITY COUNCIL ACTION

Staff recommends approval of Resolution No. 11294 – A Resolution Approving the Central Business District Vision Plan and Determination that the Proposed Vision Plan is Statutorily Exempt from CEQA. Staff further recommends to City Council approval of the Central Business District Vision Plan Public Review Draft dated November 5, 2024 (Attachment 4), unanimously recommended by the Central Business District Citizens Advisory Committee.

BACKGROUND / ISSUE

On April 12, 2022, the City Council approved the use of American Rescue Plan Act (ARPA) funds to prepare a plan for the Central Business District. Following a request for proposal (RFP) process and interviews, the Council approved two resolutions on August 22, 2023, to allow the project to move forward: 1) authorizing consulting services contract with Jacobs Group for an amount not to exceed $260,000 to prepare the Plan; and 2) a resolution forming the Central Business District Citizens Advisory Committee (CAC).

The Project covers the Central Business District, an area located between East Bidwell and Riley Streets and Sutter Middle School to Blue Ravine as shown on the next page and provided in Attachment 2 (Vicinity Map).

The CAC identified the following key objectives that the Vision Plan should support:

1. Commercial Corridor Revitalization/Economic Development (develop funding incentives and sources)
2. Mixed-Use Residential Development creates a buffer with existing single family residential
3. Placemaking and Design (to create a thriving destination)
4. Improve Circulation/Mobility (improve streets for all to maintain or improve capacity and movement of traffic flow)
5. Safety
6. Lighting and landscaping improvements
7. Infrastructure improvements

The purpose of the Central Business District Vision Plan is to establish a vision and identify priorities for future district improvements; identify guiding principles for future public and private project proposals; illustrate conceptual solutions to transform the district over time; and, to identify implementation steps to achieve the future vision. The Central Business District Vision Plan does not propose specific projects, nor does it rezone any land within Folsom. No specific project proposals are part of the Vision Plan. Transformative ideas have been identified and illustrated to improve the Central Business District and to set it apart from other areas of the city. Any and all future project implementation steps and proposals will be subject to compliance with the City's General Plan, Zoning Code, and environmental review in accordance with the California Environmental Quality Act (CEQA).

POLICY / RULE

Numerous General Plan Policies support the development of mixed-use districts in appropriate areas, particularly along East Bidwell Street. Mixed-use districts consist of three or more different uses, including office, retail, entertainment, civic, and housing. They are nodes of activity that support walkable, urban lifestyles. Mixed-use districts provide a diversity of housing types, the kind that often attracts young, educated workers, a demographic critical to the continued economic vitality of Folsom. Empty nesters, who want to stay in their community but no longer want the maintenance or costs associated with a detached home, are attracted to mixed-use districts. Mixed-use designations give property owners additional flexibility. If they choose to redevelop their property, they can choose a range of uses to meet existing or growing market needs. Or they can maintain the existing site uses until the market demands more diverse and intense land use. The following are specific goals and policies that help provide guidance to the Central Business District:

Land Use Goals and Policies:

LU 3.1.1 Mixed-Use Nodes Encourage mixed-use development in nodes located at major intersections that include housing, open space, and offices. This development pattern should reflect best practices in mixed-use development, in contrast to strip retail developments along corridors.

LU 3.1.2 Districts and Corridors Encourage development of diverse mixed-use districts and corridors that address different community needs and market sectors, provide a variety of housing opportunities, and create distinct and unique areas of the city.

LU 3.1.3 Mixed-Use Design Encourage mixed-use developments to limit the number of access driveways, minimize building setbacks, and require active edges on ground floor spaces adjacent to sidewalks.

LU 3.1.4 Compatibility with Adjoining Uses Encourage development and redevelopment of higher-density mixed-use development within districts and along corridors to be compatible with adjacent land uses, particularly residential uses.

LU 3.1.5 East Bidwell Street Encourage new development along East Bidwell Street by creating a stronger mixed-use development pattern, both horizontal and vertical, with an emphasis on medium- and higher-density housing, while also addressing local and citywide demand for retail and services. RDR Central Commercial District.

LU 3.1.6 Central Commercial District Encourage development of mixed-use projects that create a walkable, vibrant district along East Bidwell Street between Coloma Street and Blue Ravine Road.

LU 3.1.5 East Bidwell Street Encourage new development along East Bidwell Street by creating a stronger mixed-use development pattern, both horizontal and vertical, with an emphasis on medium- and higher-density housing, while also addressing local and citywide demand for retail and services.

LU 4.1.6 Parking Management Develop long-term parking management approaches that decrease the amount of land dedicated to surface parking while maintaining parking capacity. Solutions may include parking structures or shuttles to nearby parking.

Goal LU 6.1 Allow for a variety of housing types and mix of uses that provide choices for Folsom residents, create complete and livable neighborhoods, and encourage walking and biking.

LU 6.1.1 Complete Neighborhoods Encourage the establishment of "complete neighborhoods" that integrate schools, childcare centers, parks, shopping and employment centers, and other amenities.

LU 6.1.3 Efficiency Through Density Support an overall increase in average residential densities in identified urban centers and mixed-use districts. Encourage new housing types to shift from lower-density, large-lot developments to higher-density, small-lot and multifamily developments, as a means to increase energy efficiency, conserve water, reduce waste, as well as increase access to services and amenities (e.g., open space) through an emphasis of mixed uses in these higher-density developments.

LU 6.1.10 Enhanced Walking and Biking Where volume-to-capacity analysis demonstrates that bike lanes and pedestrian improvements can be included in the public right-of-way, encourage opportunities to promote walking and biking in existing suburban neighborhoods through improvements such as:

- introducing new pedestrian and bicycle connections;
- adding bike lanes and designating and signing bike routes;
- narrowing streets where they are overly wide;
- introducing planting strips and street trees between the curb and sidewalk; or
- introducing appropriate traffic-calming improvements.

LU 7.1.1 Standards for Commercial Uses Require new commercial uses to be subject to design and parking standards for:

1. The number and location of allowed curb cuts;
2. Landscaping or parking areas;
3. The location, size, number, and construction of signs; and
4. The configuration and design of commercial buildings.
5. Provision of designated, defined bicycle routes from public right-of-way to bicycle parking/pedestrian corridors.

LU 7.1.2 Enhance Vitality of Commercial Areas Encourage development of underutilized and vacant parcels in commercial zones to improve the aesthetic appearance and enhance the vitality of commercial areas.

LU 7.1.7 Hotels Encourage the development of hotels and related convention facilities within commercial and mixed-use districts, with an emphasis on high-quality development.

Goal LU 9.1 Encourage community design that results in a distinctive, high-quality built environment with a character that creates memorable places and enriches the quality of life of Folsom's residents.

LU 9.1.1 Combine Driveways Encourage property owners in retail corridors to reduce the number of driveways along arterial roads. When possible, property owners should cooperate through reciprocal access and parking or similar agreements linking parking lots to minimize traffic congestion on the arterial road.

LU 9.1.2 Retail Development Design Standards Develop, maintain, and implement design standards for retail development to ensure retail districts have well-developed landscape buffers, decorative treatments to building facades, and a variety of building heights and roof lines.

LU 9.1.3 Eliminate Large Blocks Encourage the insertion of new streets or pedestrian ways in large "super blocks" that do not have public streets bisecting them. These large blocks are common in retail corridors and can reduce pedestrian and bicycle connections to these areas.

LU 9.1.4 Gateways Continue to establish key gateways to Folsom through landscape design, appropriately scaled signage, building form, and historic themes to create a unique sense of place.

LU 9.1.5 Pedestrian-Friendly Entrances Encourage automobile-oriented business districts to provide clear and legible entry features, connected by pedestrian friendly walkways.

LU 9.1.6 Community Beautification Encourage the landscaping of public rights-of-way and planting of street trees to beautify Folsom consistent with water-wise policies.

LU 9.1.7 District Identity Encourage efforts to establish and promote district identities (e.g., urban centers, East Bidwell Street) through the use of signage, wayfinding signage, streetscape and building design standards, advertising, and site-specific historic themes.

Mobility/Transportation Goals and Policies:

Goal M1.1 Provide a comprehensive, integrated, and connected network of transportation facilities and services for all modes of travel that also incorporates emerging transportation technologies and services to increase transportation system efficiency.

M 1.1.1 Compete Streets Develop its streets to serve the needs of all users, including bicyclists, public transit users, children, seniors, persons with disabilities, pedestrians, motorists, and movers of commercial goods.

M 1.1.2 Adequate Rights of Way Ensure that all new roadway projects and major reconstruction projects provide appropriate and adequate rights-of-way for all users including bicyclists, pedestrians, transit riders, and motorists, except where pedestrians and bicyclists are prohibited by law from using a given facility. Dedication and improvements of full rights-of-way shall follow City design standards by roadway classification except in existing developed areas where the City determines that such improvements are either infeasible or undesirable. Other deviations from these standards shall be permitted upon a determination that safe and adequate access and circulation are preserved by such deviations.

M 1.1.3 Accessibility Strive to ensure that all streets are safe and accessible to people with limited mobility and other disabilities. New and reconstructed facilities shall meet the requirements of the Americans with Disabilities Act.

M 1.1.4 Existing Streets Retrofits Actively pursue funding to update existing streets and intersections with new bikeways, sidewalks, and exclusive transit lanes, where these facilities are designated in the Bikeway Master Plan, Pedestrian Master Plan, or Transit Master Plan.

M-9 Safe Routes to School Coordinate with the Folsom Cordova Unified School District to pursue Safe Routes to School grants to fund programs and projects that ensure Folsom children can walk or bike to school safely.

M 1.1.5 Connected Neighborhoods Require the continuation of the street network between adjacent development projects to promote walkability and allow easier access for emergency vehicles.

M 2.1.4 Sidewalk Network Strive to fill gaps in the city's existing sidewalk network.

M 2.1.15 Funding Identify regional, State, and Federal funding programs and attempt to secure as much funding as possible for pedestrian and bicycle facilities and programs.

M 2.1.16 Safe Routes to School Encourage the construction of facilities and provision of programs that ensure Folsom children can walk or bike to school safely through coordination with school administration and parent organizations and participation in State and Federal grant programs.

M 4.2.3 Shared Parking Consider the use of shared parking programs as conditions of approval in mixed use and transit-oriented neighborhoods and districts as a part of the overall parking management strategy. Shared parking may reduce the amount of parking spaces needed in new developments.

Economic Prosperity Goals and Policies:

EP 3.2.2 Infill Sites Coordinate with interested developers and relevant public agencies to develop infill sites identified in the land supply inventory.

EP 5.1.3 Existing Commercial Centers Support the viability of commercial corridors (e.g., East Bidwell Corridor) and community retail centers by promoting a business mix that responds to changing economic conditions and provides well-targeted services to surrounding neighborhoods and businesses.

EP 5.1.6 Retail Appearance Encourage property owners and businesses to improve the appearance of aging retail shopping centers and buildings, where needed.

EP 6.1.2 Outdoor Recreation Promote new outdoor recreation facilities and maintain existing facilities (e.g., trails and water-sport facilities) and promote existing outdoor recreation facilities at a high level to solidify Folsom's position as a leader in outdoor recreation.

Sustainability Goals and Policies:

SN 7.1.2 Comprehensive Cool City Strategy Develop and implement a Cool City Strategy, in coordination with the Sacramento Metropolitan Air Quality Management District, to reduce the impacts of the Urban Heat Island effect through various measures including increasing the urban tree canopy and use of cool roofs and cool pavements as well as increasing green space in the city.

Public Facilities and Services Goals and Policies:

PFS 5.1.4 Green Stormwater Infrastructure Encourage "green infrastructure" design and Low Impact Development (LID) techniques for stormwater facilities (i.e., using vegetation and soil to manage stormwater) to preserve and create open space and improve runoff water quality.

Implementation Programs:

LU-4 Property Owner Outreach on Overlay Designations Reach out to property owners within the East Bidwell Mixed Use Overlay and Transit Oriented Development Overlay areas to explain the options available to property owners and developers in this area, and provide technical assistance, as appropriate, to facilitate development within these areas.

ANALYSIS

The Central Business District was originally called a Master Plan, but at its October 21, 2024, Central Business District Advisory Committee (CAC) meeting, the Committee unanimously voted to change the name to a Vision Plan. This is similar to the River District, which also renamed their document to a Vision Plan. The CAC felt the change better identified what the document is intending to do and acknowledged that additional work will be needed to implement the plan in the future.

The Vision Plan chapters are organized into existing conditions, transformative ideas with examples from other jurisdictions or design features, and implementation strategies (recommended actions). No specific development is proposed at this time. As development is proposed in the future, it is envisioned that staff will use the document for guidance to ensure that development supports the community's vision for the District.

Public Outreach

Public engagement in the planning process began with the 17-member City Council-appointed Citizens Advisory Committee (CAC). The CAC was made up of stakeholders representing businesses, property owners, housing developers and advocates, residents, recreation and tourism, transportation and accessibility advocates, students, economic development and schools. The CAC met 8 times from October 2023 through October 2024.

AIM Consulting coordinated outreach efforts which included provided pop-up events, an online survey, newsletters and handouts and other opportunities for public engagement included:

- Business interviews
- Posting information to the City's website:
- Questionnaire responses: 800+
- Constant Contact List: 100+ (notification of meetings and correspondence)

Information from the public mirrored what the CAC would like to see in the district, including additional personal services and economic development opportunities for shopping, dining, and recreation. They would like to see enhanced landscaping and more entertainment opportunities. As far as housing they'd like to see more townhouses, condominiums and senior housing. Desired mobility improvements included continuous sidewalks, enhanced traffic calming and reduced cut-through traffic and better street and pathway lighting.

Economic Analysis
As part of the Vision Plan, Bay Area Economics (BAE) provided an economic analysis that showed that the continued growth in the city and the high spending power of residences provides an opportunity to capture additional spending in the District. However, E-commerce is disrupting the retail sector resulting in a need for less physical space and more efficient use of existing space. Therefore, the study identifies that the City's zoning code and development standards should be revised to better support the flexible demands of today's retailers, and the District should consider how to differentiate the District from other areas of the City.

The document identifies market opportunities and discussion of positive influences on tourism, providing better connections to Lembi Park, and potentially establishing hotel use that can support sports tourism and the existing business climate are included. Similarly, various implementation strategies and measures are suggested to initiate community enhancement projects and public/private development opportunities. Ultimately, these are policy decisions that must be directed by future City Council actions.

Land Use Concepts and Design
One transformative idea that the CAC identified in order to establish a unique identity in the district to set itself apart from the Historic District or the Palladio is to consider a mid-century retro theme. Examples include the South Congress District in Austin Texas and the Funk Zone in Santa Barbara. As part of this, a retro sign park could be established that showcases retro neon signs. This could assist with branding and identity by:

- Supporting tourism
- Support local business
- Act as an event venue
- Increase community engagement
- Provide creative and artistic expression.

Mobility and Access
The CAC expressed concern that any future mobility improvements prioritize maintaining through traffic, and were concerned with proposals that might reduce travel lanes. The Vision Plan includes the following ideas and recommended actions:

- Utilization of roundabouts consistent with Council direction, the City's new Roundabout Prioritization policy, and the Roundabout Feasibility Study.
- Conduct a District-wide traffic operations analysis to allow for on-street bike lanes, on-street parking, and/or gateway features/pedestrian refuge areas.
- Restripe Wales Drive and Glenn Drive to add on street bicycle lanes.
- Enhance District walkability by closing sidewalk gaps, reduce curb cuts, and enhance landscaping.
- Evaluate middle school pedestrian safety and access.

Placemaking
The City polled both the public in an online survey and the CAC to determine a better name that would resonate for the District. Many people continued to support the Central Business District name and no single alternative District name suggestion received strong support. Therefore, a recommendation of the Vision Plan is that the City hire a design/branding consultant in the future, to better explore and articulate branding and place making for the District, and to identify signage and wayfinding in support of that branding/district identity with a retro theme.

Infrastructure
Constraints were identified to both the sewer capacity and infrastructure in the area and storm drain facilities. More detailed studies are under way or planned for the near future. As funding becomes available the City should upgrade sewer capacity and storm drain facilities to facilitate future densification opportunities.

PUBLIC COMMENTS

Staff provided email notices to more than 80 people requesting notice of Central Business District public meetings and hearings and posted a notice in the Folsom Telegraph. At the time of this staff report, City staff received no additional comments. All material developed throughout the planning process have been posted on the Central Business District Vision Plan webpage: Central Business District Revitalization Efforts | Folsom, CA

COMMUNITY ADVISORY COMMITTEE RECOMMENDATION

As described in this report, the City Council appointed the CAC which met throughout the course of the project and provided input, direction, and ultimately recommendations to create the Central District Vision Plan. On October 21st, the CAC considered the Draft Central Business District Vision Plan and recommended several modifications, which are listed in Attachment 3 (CAC Final Recommendations). These changes included several additional comments to better reflect the Committee's input, adding several implementation measures, and providing direction that action items include yearly staff review with measurable action items to make sure the Vision Plan is actually implemented. These changes have been made to the Vision Plan Public Review Draft dated November 5, 2024 (Attachment 4). With these changes the CAC unanimously recommended to the City Council approval of the Vision Plan.

COMMISSION CONSIDERATION

The Planning Commission considered the Central Business District Vision Plan at its October 30, 2024, meeting and unanimously recommended City Council approval.

In addition, the Vision Plan was brought forward to the Parks and Recreation Commission at its November 5, 2024, meeting and presented for informational purposes. Lembi Park is within the boundaries of the Central Business District, but no formal projects or specific changes to Lembi Park are proposed at this time. However, several transformative ideas/recommended actions could support Lembi Park including:

- New hospitality/hotel uses in the District could support sports tourism. This could include a beer garden on public park site with flexible outdoor space for temporary recreational amenities (corn hole, portable pickle ball, skate area etc.) and/or semi-permanent areas for event space in large parking areas.
- Capitalize on Lembi park- a design consultant should look for ways to improve connectivity and marketing to take advantage of this important resource and draw visitors into the Central Business District
- Riley Street needs to be improved between the Middle School past Lembi Park for safety purposes.
- Consider phasing roundabout improvements on the Riley Street corridor first before the East Bidwell Street corridor.
- The City should consider additional opportunities to improve access and connectivity between Lembi Park and the rest of the District. As part of District traffic analysis, capital improvement projects qualification, or grant opportunities, evaluate the frontages along Lembi Park to on Riley and Glenn to establish additional controlled crossings for bicycles and pedestrians
- The City should commission a landscape and open space plan or guiding document for the district to guide and enhance the aesthetic beauty and branded experience of being in the District. The plan should establish standards for public realm areas including streets, sidewalks, plazas, pathways, trails, pocket parks and rights of way.
- Partner with Visit Folsom to work with local sports organizers and sponsors to explore potential for partnerships with District businesses for post-game events.
- Consider expansion of sports amenities, temporary or permanent improvements to Lembi Park-such as street soccer, or sand volleyball or other measures particularly in off-season times of the year to further bring folks into the District.

As part of the Central Business District Vision Plan dated November 5, 2024, staff has updated the Implementation/Action Plan in the appendix to include all of the modifications to implementation actions recommended by the CAC. That action table in the Appendix (Chapter 8, Section 8.4) identifies responsible parties/leads, potential funding sources, and establishes opportunities for City Council to identify priorities/timelines and summarize actions as part of an annual review process.

ENVIRONMENTAL REVIEW

Staff has determined that the project qualifies for a Statutory Exemption in accordance with Section 15262 – Feasibility and Planning Studies of the California Environmental Quality Act (CEQA) Guidelines. As a visioning document, the Vision Plan does not alter existing zoning, development standards, or other regulations that would have a legally binding effect on subsequent activities within the Plan Area. No specific project is proposed at this time. As future development/redevelopment is proposed in the District, future projects would be subject to compliance with CEQA as applicable.

FISCAL IMPACT

Approval of the Central Business District Vision Plan does not in itself create any fiscal impact; however, several future actions and implementation steps are recommended which will individually and cumulatively have future fiscal impacts. These impacts will include both costs

and expenditures for project and program implementation, as well as revenue to the City from increased tourism, retail spending, and property taxes. All future programs and projects will be evaluated for short and long-term fiscal impacts as part of the public evaluation and approval process.

The City will review its Capital Improvement Program on an ongoing basis to determine mobility and infrastructure improvements. The Appendix to the Vision Plan includes a table of a list of potential grant funding opportunities that could support some of the implementation measures. In addition, potential future funding could include private/public partnerships, or private funding such as formation of a Business Improvement District, or Business Association that could fund marketing/special events etc.

ATTACHMENTS

1. Resolution No. 11294 – A Resolution Approving the Central Business District Vision Plan and Determination that the Proposed Vision Plan is Statutorily Exempt from CEQA
2. Vicinity Map
3. Final Citizen's Advisory Committee Recommendations for the Central Business District Vision Plan
4. Central Business District Vision Plan, Public Hearing Draft dated November 5, 2024

Submitted,

PAM JOHNS
Community Development Director

ATTACHMENT 1

Resolution No. 11294

RESOLUTION NO. 11294

A RESOLUTION APPROVING THE CENTRAL BUSINESS DISTRICT VISION PLAN AND DETERMINATION THAT THE PROPOSED VISION PLAN IS STATUTORILY EXEMPT FROM CEQA

WHEREAS, the 2035 Folsom General Plan contains numerous General Plan Policies that support the development of mixed-use districts in appropriate areas, particularly along East Bidwell Street within the Central Business District which are supported by preparation of a Central Business District Vision Plan; and,

WHEREAS, the Central Business District Vision Plan process included robust community engagement to understand community interests for the District and outreach including popup events, fliers, business outreach, print and digital information and notifications, an online public survey; information posted to the City's website on an ongoing basis, and public meetings; and,

WHEREAS, the Central Business District Citizens Advisory Committee met several times over the course of a year to provide input into the process, and recommended renaming the project from a Master Plan to the Central Business District Vision Plan because a Vision Plan better identified what the document is intending to do and acknowledged that additional work will be needed to implement the plan in the future; and,

WHEREAS, the project is consistent with the numerous goals and policies of the General Plan, particularly land use Goal LU 3.1.2 which encourages the development of diverse mixed-use districts and corridors that address different community needs and market sectors, provide a variety of housing opportunities, and create distinct and unique areas of the City; and,

WHEREAS, the Central Business District Citizens Advisory Committee considered the Central Business District Vision Plan on October 21, 2024 and unanimously recommended to the City Council approval of the Vision Plan with specific revisions that have been incorporated into the Central Business District Vision Plan dated November 5, 2024; and,

WHEREAS, the Planning Commission considered the Central Business District Vision Plan and recommended to the City Council approval of the Central Business District Vision Plan dated November 5, 2024; and,

WHEREAS, the Central Business District Vision Plan is statutorily exempt from further environmental review in accordance with Section 15262 - Feasibility and Planning Studies of the CEQA Guidelines.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Folsom hereby approves the Central Business District Vision Plan dated November 5, 2024.

PASSED AND ADOPTED this 12th day of November 2024, by the following roll-call vote:

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

Michael D. Kozlowski, MAYOR

ATTEST:

Christa Freemantle, CITY CLERK

ATTACHMENT 2

Vicinity Map

About the Folsom Central Business District:
The study area is intended to be densified by promoting mixed use development and creating a walkable, bikeable and resilient community, using the concept of the 15-minute city.
Sutter Middle School
Folsom DMV
Bidwell Pointe Apartments
Kohl's
USPS
24 hr Fitness
Lowe's
Trader Joe's
Home Goods
Target
Walmart
Glenn Drive
Riley Street
Wales Drive
Orchard Drive
East Bidwell Street
Folsom Central Shopping Center
Blue Ravine Road
Lembi Park

ATTACHMENT 3

Final Committee Recommendations for the Central Business District Vision Plan (October 21, 2024)

The Community Advisory Committee for the Central Business District Plan held their final meeting on Monday, October 21st, 2024 and unanimously recommended approval of the **Central Business District Vision Plan** to the Planning Commission and City Council with the following revisions, which have been incorporated into the hearing draft plan. **Once approved by City Council, the consolidated Implementation: Recommended Strategies/Action Plan attached to the Central Business District Vision Plan will be updated to reflect final changes in the document for implementation purposes.**

Specific Recommended Changes to Draft Central Business District Vision Plan	
Document Section	**Specific Recommendations for CAC Consideration**
Chapter 1 Introduction	
Page 5 (Key Recommendations from the CAC)	Incorporate the following edits into the existing list of Committee recommendations: • Support **conversion of** large parking areas for housing and to accommodate people for events. Consider farmers market in large parking areas. • **Allow** Retro Pylon signs, **and consider developing a** sign ~~graveyard~~ park **as a tourist attraction.** ~~Vision Plan can direct change to~~ **Consider changing** the zoning code to allow neon/retro signs **in the District** which may not be currently allowed ~~in the City~~. • ~~Without a landscape plan, lighting isn't as impactful/meaningful.~~ **For distinct District lighting to be impactful, it must be part of a comprehensive landscape plan.** • ~~East Bidwell~~ **Riley Street needs to be improved between the Middle School past Lembi Park for safety purposes.** ~~needs to be improved. can't get out of subdivision when school gets out~~. • ~~Roundabouts should be two lanes, and East Bidwell needs to maintain throughput.~~ • Under the Land Use header, add a new bullet to read: **"Provide a transition between future multifamily and existing residential uses."** • Under the Mobility header, add a new bullet to read: **"During construction of roadway and intersection improvements, small business accessibility should be taken into consideration."**

Specific Recommended Changes to Draft Central Business District Vision Plan	
Document Section	**Specific Recommendations for CAC Consideration**
Chapter 2 District Vision and Guiding Principles	
Page 12 (Vision)	Revise the Vision Box language to read: **A unique and vibrant destination District that is economically sustainable with events, entertainment, art, and mix of uses including mobility enhancements to support safety, traffic flow, ~~safety,~~ and all modes of travel.**
Chapter 3 District Revitalization and Economic Conditions	
Page 24 (Transformative Ideas/Opportunities for Improvement)	Revise the language in the discussion of transformative ideas to clear up confusion about goals vs transformative ideas and refer to the fact that the related actions are also found in the land use and placemaking chapters.
Page 25 and Action Sections Throughout	Add descriptive headers/short sentences to each action item throughout Chapters 3 through 7 consistent with Chapter 5 (Mobility and Access).
Page 25 (Implementation Strategies/Recommended Actions)	Add a new Action 3.3.3 to read: **Encourage/Incentivize Strategic Transformation. Encourage acquisitions, land assembly, partnerships, incentives, and/or investments in improvements to public and private property in the District to enhance key assets/opportunities.**
	Add a new Action 3.3.4 to read: **Develop an Action Plan to ensure implementation of the Vision Plan. The Action Plan should identify measurable goals and milestones, establish annual review/monitoring and reporting by dedicated staff, and engage City Council in setting funding priorities as appropriate.**
Chapter 4 Land Use Concepts and Design	
Page 54 (Implementation Strategies/Recommended Actions)	Revise Action 4.4.2 to focus on zoning related changes for outdoor dining and land uses as shown below. Remove parking area references as covered elsewhere. Consider establishing a District-wide overlay zone or special zoning standards applicable in the District for outdoor dining, events, and music with a streamlined permitting process for applicants with proposed activities in conformance with these standards. Once the overall standards are approved by the Planning Commission, then individual projects can be approved administratively. **Additionally,** consider ~~one or more strategies for~~ **zoning amendments to**

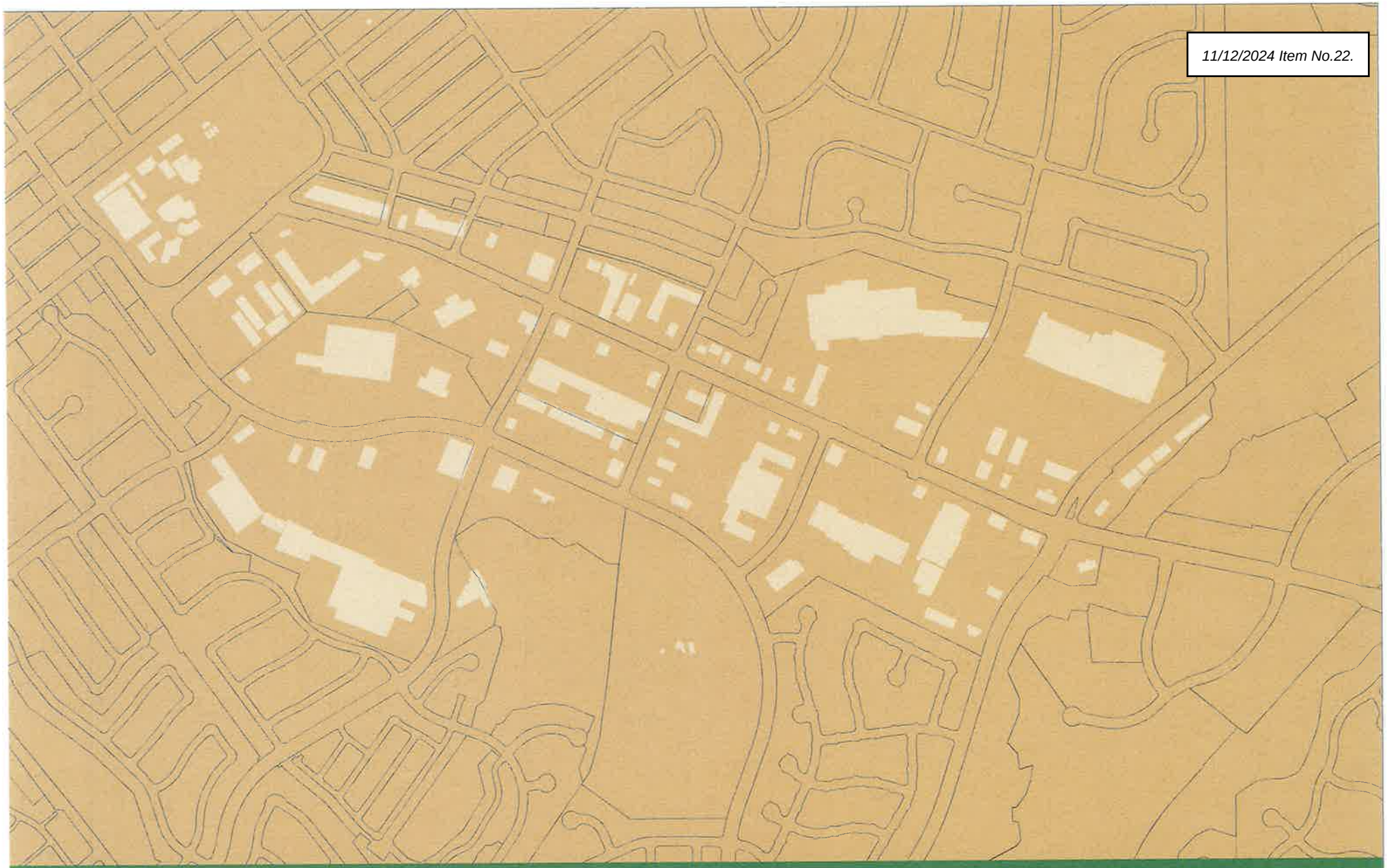
Specific Recommended Changes to Draft Central Business District Vision Plan	
Document Section	**Specific Recommendations for CAC Consideration**
	allow ~~hospitality/hotel, encourage~~ food hall, incubator restaurants, rooftop bars, beer gardens, ~~or~~ distilleries, **and hospitality/hotel uses in support of sports tourism**. **This could include a** beer garden on public park site with flexible outdoor space for temporary recreational amenities (corn hole, portable pickle ball, skate area etc.)~~. Support large parking areas for housing and to accommodate people for events. Consider~~ **and/or semi-permanent areas for event space** in large parking areas.
Page 55 (Implementation Strategies/Recommended Actions)	Revise Action 4.4.5 first sentence as follows: Partner with ~~the Visit Sacramento Sports Commission and contact~~ **Visit Folsom to work with** sports event organizers and sponsors to explore potential for partnerships with District businesses for post-game events.
	Revise Action 4.4.6 to focus on the landscape plan/guide and create a new separate item 4.4.9 regarding relocation of the Post Office to read **"The City should consider opportunities to redevelop the Post Office site and other prime opportunity sites centrally located in the District."**
Chapter 5 Mobility and Access	
Pages 58 and 59 (Existing Conditions)	In Section 5.5.1, modify cross sections for East Bidwell, Glenn, and Wales cross section to show dimensions consistent with other roadways in that section.
Page 61 (Existing Conditions)	Revise Section 5.1.2 (Bicycle/Pedestrian Facilities) to add a new sentence to paragraph two to read; **"In addition to sidewalk gaps, the District includes additional barriers to pedestrian safety and comfort including long blocks, stretches of narrow sidewalks adjacent to heavy vehicle traffic with no barriers, and lack of shade and lighting."**
Page 62 (Existing Conditions)	Revise Section 5.1.2 (Existing Bikeways) to add a new sentence to the first paragraph that reads: **"Existing conditions for bike facilities in the District (e.g., discontinuous segments, speed and volume of traffic on Riley and East Bidwell Street, sight distance, driveway curb cuts) are not conducive to a bicycle-friendly environment in the District."**

Specific Recommended Changes to Draft Central Business District Vision Plan	
Document Section	**Specific Recommendations for CAC Consideration**
Page 65 (Transformative Ideas/Key Opportunities)	Amend Figure 39 to show both Roundabout Feasibility Study intersections under current study (5 total) and the other logical CBD intersection locations that should be considered moving forward. Add the 5 additional "dots" for the intersections of Wales/East Bidwell, Wales/Riley, Orchard/East Bidwell, Orchard/Riley, and East Bidwell/Blue Ravine in a different color and add a legend that the existing green dots show **"Roundabout Feasibility Study Intersection"** and the other color dot represents **"Other Potential Roundabout Intersection"** Revised the bottom paragraph on page 65 to read **"The above-noted (Figure 39) intersections within the District are logical areas for considering roundabout applications. Five of these locations are overlap intersections with the Feasibility Study, and the other five locations are logical to accomplish corridor-wide treatments and a more even distribution of this traffic control strategy throughout the District."**
	Move Figures 40-43 right after Page 65. Change the last sentence on Page 65 to read **"Figures 40-43 on the following pages feature graphics showing preliminary feasibility analysis findings at the Riley Street intersection with Glenn Drive."**
Page 66 (Transformative Ideas/Key Opportunities)	In Section 5.2 regarding Opportunities within Existing Rights-of-Way, modify the language about decision making authority in two paragraphs (second paragraph of Roadway Segments and first paragraph of "Through Route" Designation) to modify road segments and through route designation to read, "if supported by detailed traffic analysis, ~~and supported by the desires of the adjacent uses and owners' desires,~~ **community outreach/engagement, and ultimately City Council direction**, consider....."
Page 74 (Examples/ Successful Case Studies)	Replace the roundabout case study image on page 74 with the attached image from Kings Beach (State Route 28) with AADT about 14,000 (similar to Riley).
Page 76 (Transformative Ideas/Key Opportunities)	Modify Action 5.4.1 (Were feasible, utilize roundabouts in lieu of traffic signals for intersection traffic control) to add a new last sentence that reads: **" Consider phasing roundabout improvements on the Riley Street corridor first before the East Bidwell Street corridor."**

Specific Recommended Changes to Draft Central Business District Vision Plan	
Document Section	**Specific Recommendations for CAC Consideration**
Page 77 (Transformative Ideas/Key Opportunities)	Modify Action 5.4.4 to read **"The City should also pursue opportunities to close the gaps with capital projects and/or grant funding."**
Page 78 (Transformative Ideas/Key Opportunities)	Remove Action 5.4.12 as repetitive.
Page 78 (Transformative Ideas/Key Opportunities)	Add new/replacement Action 5.4.12 to read: **"Improve access to Lembi Park/connectivity to the District. The City should consider additional opportunities to improve access and connectivity between Lembi Park and the rest of the District. As part of District traffic analysis, capital improvement projects qualification, or grant opportunities, evaluate the frontages along Lembi Park to on Riley and Glenn to establish additional controlled crossings for bicycles and pedestrians."**

ATTACHMENT 4

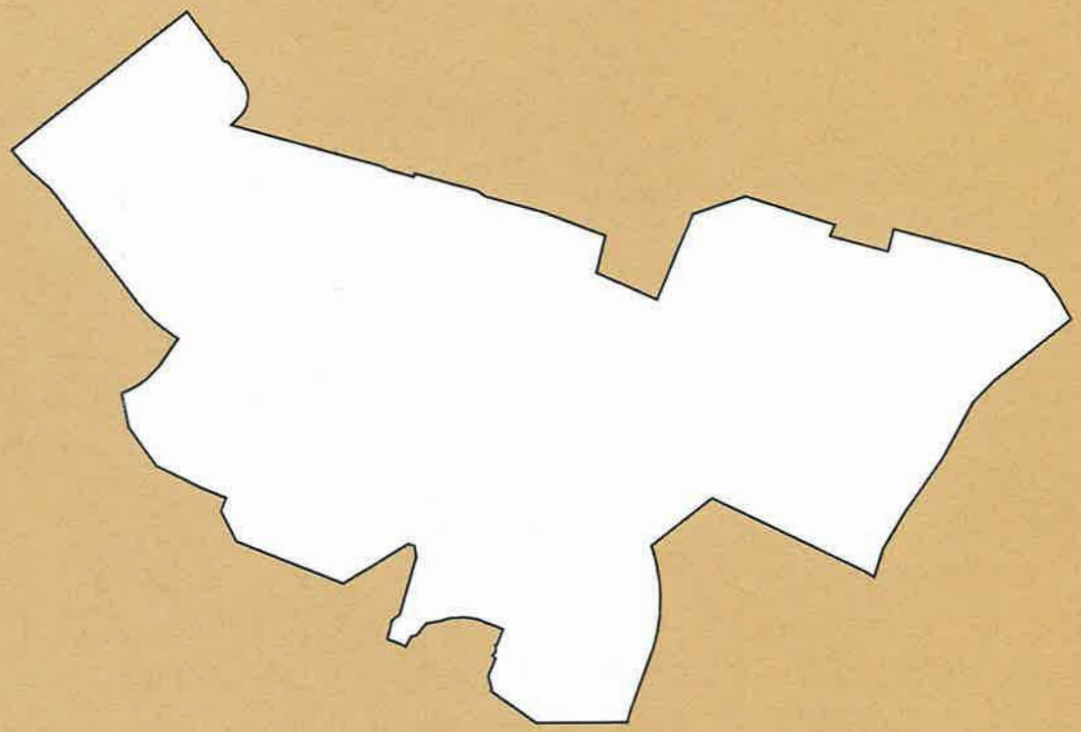
Central Business District Vision Plan
(Dated November 5, 2024)



Folsom Central Business District Vision Plan

CITY OF FOLSOM

FINAL CITY COUNCIL DRAFT DATED NOVEMBER 5, 2024



FOLSOM CENTRAL BUSINESS DISTRICT

Disclaimer

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Acknowledgments

Folsom Central Business District Vision Plan was created for the City of Folsom and sponsored by the Community Development Department, Planning Services.

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- Sarah Aquino, Vice-Mayor
- YK Chalamcherla, Councilmember
- Rosario Rodriguez, Councilmember
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Introduction

1.1 Project Overview and Context

The Central Business District is in the western part of the City of Folsom, centered on East Bidwell Street between Coloma Street and Blue Ravine Road. Figure 2 below shows a map of the District. It is comprised of several shopping centers—including a Walmart Supercenter, Trader Joe's, and Target—and parking lots. It also includes the Sutter Middle School and Lembi Park, a large community park and aquatic center. It serves as a hub for Folsom sports and recreation activities, providing athletic courts and fields that accommodate soccer, softball, baseball, tennis, basketball, and volleyball games. Outside of the District, much of the surrounding development consists of single and multi-family residential, light Industrial development, schools, other parks, and a hospital.

The District is generally located along East Bidwell and Riley streets between Sutter Middle School and Blue Ravine Road (see Figure 3). Revitalization of the District has been a priority of the City for some time and is memorialized in the 2018 Folsom General Plan. The Central Business District was an original commercial service area of the City, which continues to provide vital services to the community. The District is an underutilized development area. Current constraints to future development include transportation/circulation systems, safety issues, inconsistent lighting and landscaping, and limitations with utilities (storm-water, water, sewer capacity). The area provides vital commercial services, but walkability is constrained by narrow or missing sidewalks, lack of shade in some areas, and absence of multi modal connectivity systems. Headway waiting times at bus nodes within the District are lengthy and not conducive to encouraging ridership during inclement weather and excessive heat periods.

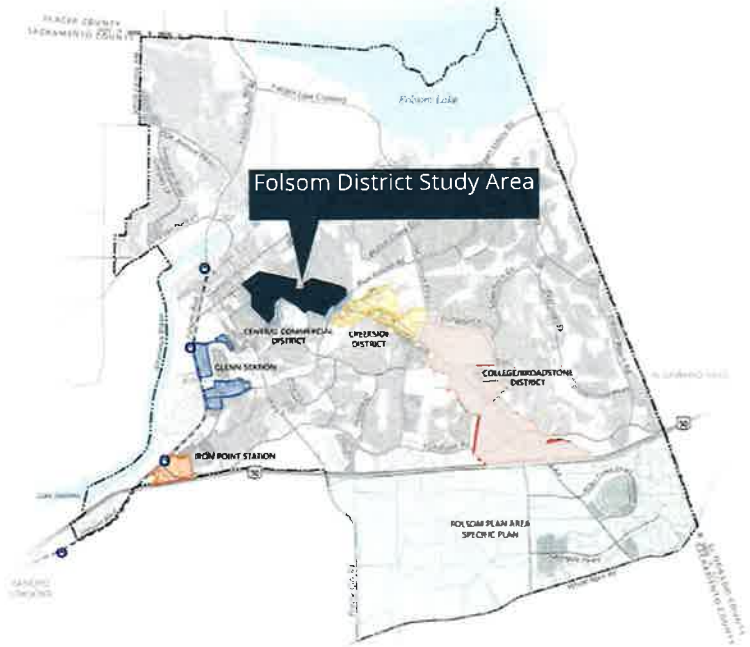


Figure 1 | City of Folsom - District area focus zones

East Bidwell Mixed-Use Overlay Zone

- Central Commercial/Business District
- Creekside District
- College/Broadstone District TOD
- Glenn Station District
- Iron Point District
- Folsom Plan Area Specific Plan
- Parcels
- Folsom City Limits
- Light Rail Station
- Light Rail Line
- County Line

Regional Context

The City of Folsom, located in Sacramento County within the Sacramento metropolitan area, is strategically positioned along the American River (Figure 1). The city's significance is underscored by the pivotal role played by the Folsom Central Business District, serving as a vital economic and commercial hub. This District contributes substantially to Folsom's economic vitality and community development within the broader Sacramento region.

Community Context

The Folsom Central Business District stands as the economic heart of the city of Folsom, playing a crucial role in fostering local commerce and community development. As a commercial hub, it serves as a focal point for businesses, cultural activities, and social interactions, contributing significantly to the vibrancy and identity of both Folsom and its immediate surroundings.

Figure 2 | Aerial photograph with study area designated

1.2 Project Purpose

The primary goal of the Central Business District Vision Plan is intended to activate the business district with new economic development strategies, encourage infill housing, and identify community based needs, design ideas and solutions. The Central Business District Vision Plan is intended to create a vision and key principles with actionable steps to better guide and inform future actions and priorities within the District.

The goal of the planning process is to conclude with a vision for the District that will stimulate and guide future land use decisions, create for increased commercial and housing opportunities, increase transportation and alternate mobility (pedestrian and bicycle) access, and create a cohesive identity for the study area.

The Vision Plan should be used as a guide for City Staff, elected and appointed officials, property owners, tenants, developers and community members, when considering future capital improvements, public and private investment in the development and redevelopment of property within the District, and programming of events and activities.

The City has been open to exploring the most effective process and products that will result in a plan that implements both near and far-term projects to achieve the General Plan's goals for the area. Key policies to achieve that result are as follows:

- **Policy LU 3.1.5-** Encourage new development along East Bidwell Street by creating a stronger mixed-use development pattern, both horizontal and vertical, with an emphasis on medium- and higher-density housing, while also addressing local and citywide demand for retail and services.
- **Policy LU 3.1.6-** Encourage development of mixed-use projects that create a walkable, vibrant District along East Bidwell Street between Coloma Street and Blue Ravine Road.
- **Policy LU 7.1.2-** Encourage development of underutilized and vacant parcels in commercial zones to improve the aesthetic appearance and enhance the vitality of commercial areas.
- **Policy LU 9.1.7-** Encourage efforts to establish and promote District identities (e.g., urban centers, East Bidwell Street) through the use of signage, wayfinding signage, streetscape and building design standards, advertising, and site-specific historic themes.

1.2.1 General Plan's Guiding Principles

The City's General Plan Guiding Principles should also be considered important building blocks of future development in the District:

1. Promote mixed-use, walkable districts that serve as social gathering places for the community.
2. Encourage pedestrian-oriented infill and redevelopment of Folsom's aging commercial corridors.
3. Promote healthy lifestyles by enhancing opportunities for physical activity, healthy eating, and sustainable living.
4. Support transportation improvements that allow and encourage more residents, workers, and visitors to walk, bike, or use transit.
5. Build a thriving innovation-based economy that creates new jobs and welcomes businesses and entrepreneurship.
6. Provide a range of housing choices to ensure Folsom is a community for all generations, where children can grow, raise families, and age in place.
7. Signify arrival into Folsom by enhancing the major entryways into the community with context-appropriate solutions including landscaping, public art, and design that strengthens Folsom's unique identity.
8. Commit to high-quality design.
9. Preserve and enhance Folsom's small-town charm by ensuring Folsom remains a safe, attractive, family-friendly community with social gathering places where neighbors can meet and interact.

1.2.2 Community Advisory Committee

The City Council appointed and sanctioned a Citizen's Advisory Committee (CAC) on August 22, 2023. It was comprised of 19 stakeholders representing economic development, local business, property owners, residents, recreation, transportation, mobility, tourism, and education/ student advisors to review, comment, and make recommendations to city staff, the consultant team and the City Council regarding the Vision Plan priorities, concepts, designs, etc. The CAC was an integral part of the vision planning effort and played an important advisory role to the planning team through the vision planning process; this included working with the CAC at key milestones i.e. CAC Meetings for which they met seven times from October 2023 with final recommendations in October 2024.

Key recommendations from the CAC are summarized below:

Land Use

- Consider one or more strategies for hospitality/hotel.
- Encourage food hall, incubator restaurants, rooftop bars, beer gardens or distilleries. Zoning Code may need to be amended.
- Post office should be relocated and DMV center is ripe for redevelopment.
- Expansion of sports amenities, temporary or permanent improvements to Lembi such as street soccer and/or sand volleyball.
- Consider district-wide mid century theme, "retro" like South Congress Austin or Santa Barbara's Funk Zone.
- Support conversion of large parking areas for housing and to accommodate people for events. Consider farmers market in large parking areas.
- Allow retro pylon signs and consider deveoping a sign park as a tourist attraction. Vision Plan can direct change to the zoning code to allow neon/retro signs which may not currently be allowed in the city.
- Provide a transition between future multifamily and existing residential uses.

Placemaking

- Consider ways to reduce scale and improve circulation within large blocks.
- In considering public gathering spaces think of teens to college students who need a place to gather with free wifi.
- For roundabout median features, consider a community art project or competitions to create interest and lower costs. Landscaping should be drought tolerant and low maintenance.
- For landscaping in the district green and shade are important with continuity throughout the district and not disconnected.Improve landscape in both right of way and frontages of private property.
- Include both grants and incentives for property owners.
- Lighting standards should be unique in the district to improve aesthetics, allow for banners, improve safety, but also pay attention to light pollution so that light is not directed up.
- For distinct district lighting to be impactful, it must be part of a comprehensive landscape plan.
- Gateways should be at three major locations (East Bidwell/Riley, overcrossing at Blue Ravine, south entry at Glenn Drive).
- Public art - like placing a heart of Folsom.

Mobility

- Riley Street needs to be improved between the Middle School past Lembi Park for safety purposes.
- Safety of kids crossing busy intersections is critical. Provide enhanced cross walks.
- Incentives for streetscape, bike racks.
- Improve pedestrian and bicycle environment.
- Like idea of breaking up large block between Sutter Middle and Glenn Drive with pedestrian and/or future vehicle connection.
- For roundabouts make sure accessibility improvements are considered for safe pedestrian and bicycle crossing.
- Potential pedestrian paseo to provide connection between E. Bidwell Street and Riley Street.
- Reciprocal access agreements should happen sooner rather than later, consolidation of driveways, improve flow. Help with circulation between businesses.
- Beautification is critical for sidewalks, landscaping and pedestrians
- East Bidwell needs better traffic flow, connected sidewalks, landscaping and lighting for pedestrian safety and access.
- Consider reduction of width of lanes to allow bike lanes.
- Remove obstructions in sidewalks (utility boxes/poles in the middle of the sidewalk).
- Install pedestrian safety measures flashing lights, signage.
- During construction of roadway and intersection improvements, small business accessibility should be taken into consideration.

Wayfinding

- Consider themed banners, themed light poles, cohesive colors/ logos so folks know when they are entering the District.

1.3 List of Previous Plans / Studies / Documents

A number of studies have been conducted in the past decade to aid the overall planning and development of the City of Folsom. These include:

	Study	Date Published
1	Folsom Strategic Plan	March 28, 2023
2	Folsom General Plan 2035	Adopted August 28; Amended August, 2021
3	East Bidwell Street Complete Street Corridor Plan by Kimley Horn	February 13, 2015
4	Active Transportation Plan	Spring, 2022, by the City of Folsom
5	Framework for Objective Standards, by Opticos Design Inc.	September 2023
7	ULI Advisory Services Panel Report - Folsom and Sacramento County, California	November, 2022
8	2035 General Plan Amendments for Increased Residential Capacity Draft Supplemental EIR	April, 2024

Table 1 | List of previous studies

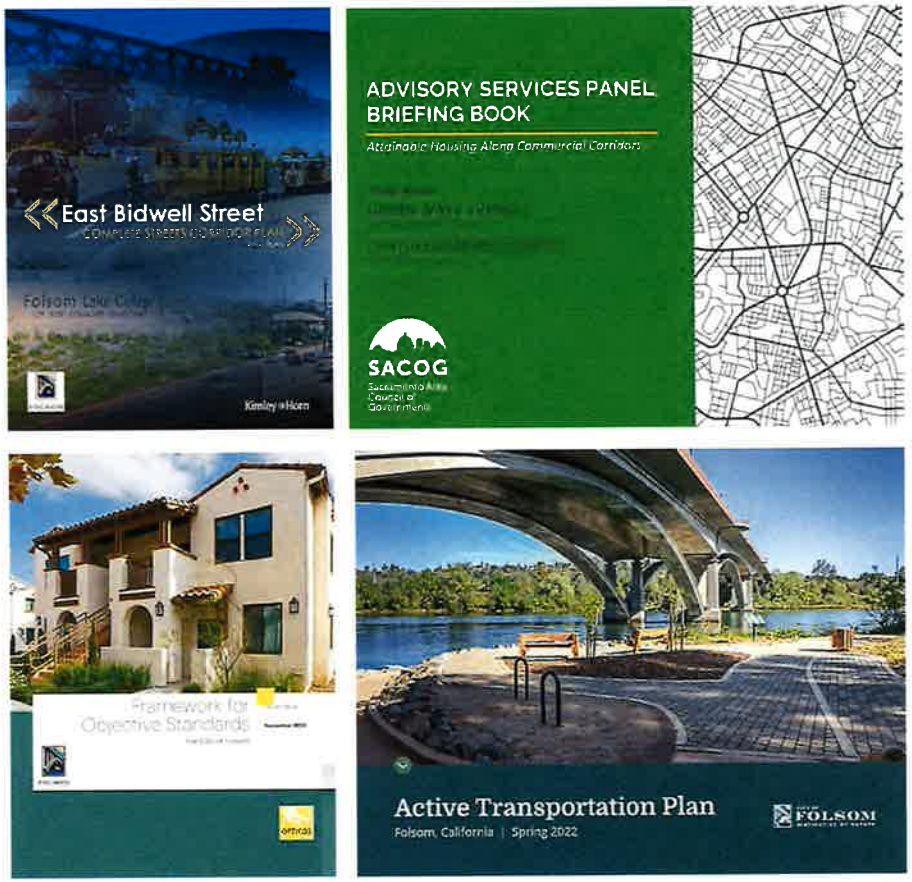


Figure 3 | Previous studies - collage

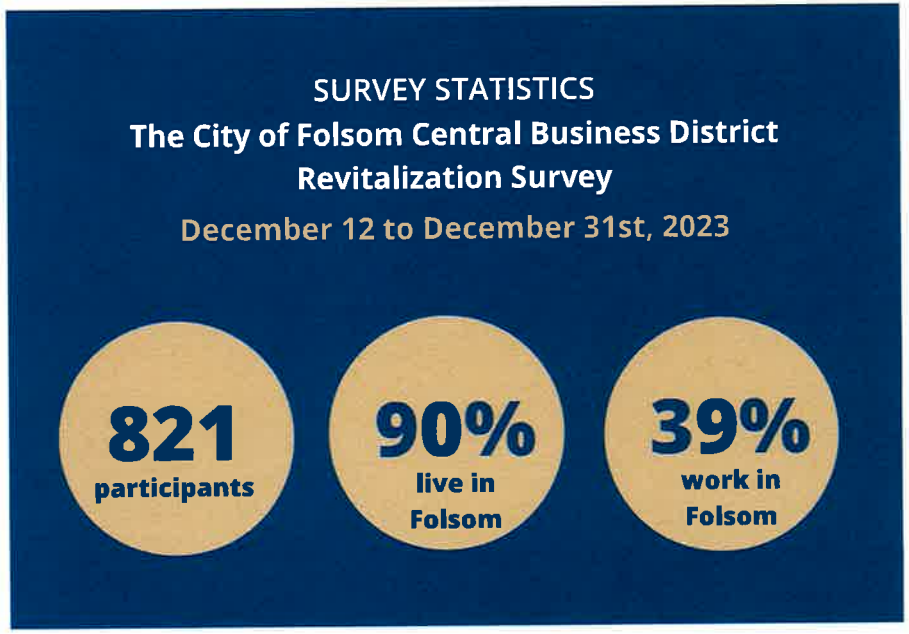
1.4 Community Outreach

1.4.1 Community Outreach Overview

The consultant team hosted various public engagement events and activities online and in person. These outreach efforts informed the community about the plan and gathered community input on a variety of topics focused on the existing conditions and revitalization efforts of the Folsom Business District. The community engagement methods consisted of an online questionnaire, social media posts, Constant Contact email blasts, flyers with QR codes, City weekly newsletter articles, project website updates, and pop-up activities/ tabling events at various businesses in the area.

Figure 4 | Advertisement Questionnaire

Figure 5 | Building Community Awareness: Interactions with the community



Pop-Up Events

The consultant team organized numerous tabling events at prominent locations throughout the project area. On the morning of December 16, 2023, the team hosted two pop up events. One was located outside Karen's Bakery and another at the Historic Folsom Farmers Market. The purpose of these was to raise awareness about the Folsom Business District vision planning effort, to encourage participation with the online community questionnaire, receive feedback on the uses/amenities desired for the area and gather ideas on creating a unique identity or sense of place for the District. At the events, the team members talked with community members about the study and encouraged them to take the online survey and interact with project sticker boards. There were two interactive boards with questions from the survey. Participants answered questions by placing sticker dots on their preferred amenities. The consultant team members interacted with approximately 125 members of the community and 113 stickers were placed on the boards.

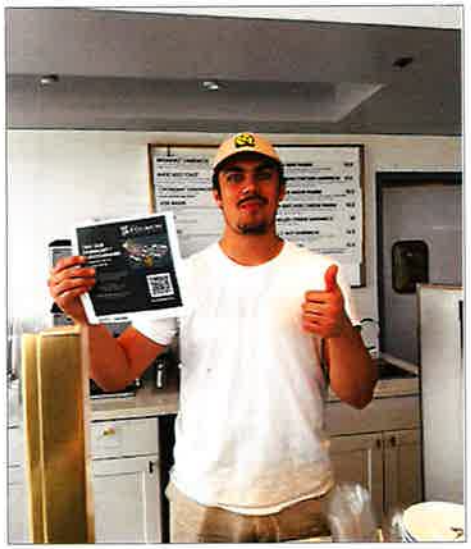


Figure 6 | Building Community Awareness: Interactions with the community

What uses/ amenities would you like to see expanded or created in the project area?

Preferred Amenities	No. of input stickers
Entertainment	4
Restaurants	13
Public gathering spaces	14
Public art	11
Play areas for children	3
Housing options	4
Landscaping and green spaces	10
Mixed-use buildings	5
Special events	2

Table 2 | Community Survey Table 1

Targeted Social Posts

A social media post was distributed through several platforms, targeting people living in the City of Folsom. It provided information on the project and link to the survey. The post ran for a week during the survey activation, reaching 5,228 Facebook users and engaging 712 people with the post.

What ideas could support the area as a 'destination' with a unique identity and 'sense of place'?

Preferred Destinations	No. of input stickers
Create Civic Center or "heart" of the area	2
Enhance public art	5
Themed urban landscape	13
Community events	10
Local artisan/craft establishments	7
Classic car shows	1
Flea Markets	6
Pop-up food courts	3
Tournaments	0

Table 3 | Community Survey Table 2

Flyer Delivery

As part of the effort to educate and inform business owners and employees about the project goals, the consultant visited 50 businesses within the Central Business District project area. At each location, the team members gave an overview of the project to business representatives, leaving behind survey flyers and comment cards. The site visit aimed to get constituents who directly work in or own a business in the Central Business District to participate in the questionnaire and provide input.

Online Questionnaire

One of the first community outreach activities consisted of an online community questionnaire, hosted on the City's project website in December of 2023. The questionnaire was made available to the community from December 12th to December 31st, and had a total of 821 participants. 90% of participants were residents of Folsom, and every age demographic was represented in the input collected and consisted of 14 questions exploring desired improvements within the Central Business District, as well as specific concepts related to housing, mobility, and other amenities.

1.4.2 What does the Community want?

The community weighed in on various topics including what they liked most about the project area, the uses and amenities they would like to see and what they would like to see changed or removed. Some of the findings included mobility improvements, creating a sense of identity in the area, and adding more landscaped green spaces. Participants were also asked the main reasons they visit the Central Business District. The top three reasons, were for dining and shopping, personal services (bank, salon, etc,) and recreation. Similarly, the top three things they most liked about the area were retail shopping, indoor entertainment and outdoor recreation/ entertainment. There are some gaps in the amenities that the community wanted to improve. These included enhanced landscaping, additional restaurants,and more opportunities and variety of entertainment. The community also voted on what housing options appealed most to them. Townhouses, single-family housing, condominiums and senior housing were among the top types of housing most wanted in the area. Mobility improvements were also a popular topic among the participants and included continuous sidewalks, enhanced traffic calming reduced cut-through traffic, and better street and pathway lighting. Last of all, the community gave their input on what ideas could support the area as a destination with a unique identity. The top choices were to create a themed urban landscape that celebrates Folsom's identity, create a civic center or 'heart' of the area, and create more community events for all ages.

2

District Vision and Guiding Principles

2.1 Vision Statement for the District

Consistent with the General Plan, the vision for the District is:

A unique and vibrant destination District that is economically sustainable with events, entertainment, art, and mix of uses including mobility enhancements to support safety, traffic flow, and all modes of travel.

Key areas of focus include:

- Retain existing businesses and provide space for new enterprises within the District;
- Provide safe, accessible and efficient traffic flow through the area by integrating proven and innovative traffic management strategies;
- Consider planning strategies to provide equity/ equality/ accessibility to a wide range of visitors, guests, and residents;
- Make the area safe and inclusive for public activities throughout the day (and night) by providing best-in-class public space design through landscape, lighting and wayfinding and signage.

2.2 Guiding Principles for the District

Sustainable Revitalization:

Support the redevelopment, revitalization, and economic activation of the District.

- Promote development and redevelopment of vacant and underutilized space, including a vibrant mix of residential, retail, entertainment, office, civic, and mixed uses.
- Support business retention, entrepreneurship, and attract new innovative business opportunities to create jobs, support the local economy and increase the tax base.
- Enhance and create partnerships and collaboration between residents, property and business owners, City officials, policy makers and developers to ensure a collective vision for the growth of the District is carried out.

Destination Oriented:

Develop the District into a thriving destination for living, working, shopping, and recreation.

- Promote the creation of a variety of unique, attractive, and vibrant memorable social destinations for all (civic events, plazas, sports fields, amphitheater, parks) while enhancing the existing attractions.
- Promote a variety of well-designed public and private open spaces that will encourage the local community and visitors to stay and explore the District.
- Broaden and enhance the mix of services, shopping, dining, and entertainment opportunities and experiences.

Multimodal Connectivity:

Expand and advance accessible transportation for all residents and visitors.

- Establish a family-friendly, pedestrian and bicycle-oriented district that provides a convenient and safe mobility network for all ages and abilities.
- Encourage a transportation network with more connections throughout the District with dedicated and integrated facilities for pedestrians, bicycles, vehicles, micro-mobility, and transit (such as a trolley).
- Design a transportation network that incorporates traffic calming techniques prioritizing pedestrian and bicycle safety.

Identity/Placemaking:

Create public spaces that support a vibrant social life and foster a sense of community.

- Design a district that reflects the heritage/ culture of Folsom embracing its diverse population and creates the 'heart of the community'.
- Incorporate placemaking done in collaboration with residents that includes gateway monuments, public art, and wayfinding to create a sense of arrival in the District.
- Create an attractive and appealing aesthetic environment with landscaping and well-designed architecture that offers residents and visitors an enjoyable experience.

Housing:

Encourage high quality housing that supports a variety of incomes, market preferences, households, and ages.

- Meet the residential needs with an attractive mix or residential types and attract new residents that can support sustainable economic and social benefits.
- Support a wide variety of affordable housing products for young professionals, young families, aging seniors, empty nesters, and members of the local workforce.
- Encourage development of new infill housing to include amenities such as well shaded shared use paths and private open space.

3

District Revitalization and Economic Conditions

3.1 Existing Conditions

3.1.1 Study Purpose

BAE (Bay Area Economics) prepared a market analysis in July 2024. The analysis indicates that E-commerce has disrupted the retail sector, resulting in the need for less physical space and more efficient use of existing space. The Central Business District retains large parking fields and reliance on the automobile; a retail model of the past. The BAE report indicates that only the most compelling sites will be attractive to retail developers and tenants. Therefore, it will be initially important to define how and where to build new retail space in the District.

This study includes an evaluation of potential demand for new residential, retail, office, and hotel uses. Key findings from the market study and the resulting implications for the Vision Plan are as follows.

3.1.2 Key Findings and Implications

Demographic and Economic Findings and Implications

- The City of Folsom added approximately 16,000 residents between 2010 and 2023, growing to a total of 88,139 people. This growth outpaced the rate of growth in Sacramento County and the Sacramento MSA overall, which both grew moderately over the same time period.
- Household size across Folsom, Sacramento County, and the MSA remained mostly steady between 2010 and 2023. As of 2023, the average household size in Folsom was 2.64 persons per household, slightly smaller than the Sacramento County and MSA household sizes of 2.74 and 2.70 persons per household, respectively.
- Demographic experts expect the City and region to continue to grow in population. The City's estimation of its housing capacity in its Housing Element suggests that its population could grow by approximately 22,000 by 2029. Many forecasts for the City and county are problematic or unreliable due to reliance on top-down models or outdated base year data. The Folsom Plan Area will significantly contribute to this growth by establishing a new community on 3,520 acres south of U.S. Highway 50.

			Change, 2010-2023	
Population	**2010**	**2023**	**Number**	**Percent**
City of Folsom	72,163	88,139	15,976	22.1%
City of Folsom *excluding group quarters* (a)	65,203	82,117	16,914	25.9%
Sacramento County	1,418,788	1,614,771	195,983	13.8%
Sacramento MSA (b)	2,149,127	2,448,813	299,686	13.9%
			Change, 2010-2023	
Households	**2010**	**2023**	**Number**	**Percent**
City of Folsom	24,925	31,115	6,190	24.8%
Sacramento County	513,945	576,145	62,200	12.1%
Sacramento MSA (b)	787,667	890,070	102,403	11.5%
Average Household Size	**2010**	**2023**		
City of Folsom	2.62	2.64		
Sacramento County	2.71	2.74		
Sacramento MSA (b)	2.68	2.70		

Table 4 | Population and households (2010-2023)

- The City has a large population of parent-aged adults (35-64) and children (under age 18), comprising an estimated 65 percent of the total population of Folsom. Many families are raising children in Folsom, which can shape consumer preferences towards family-oriented retail and experiences.
- The City is predominantly Non-Hispanic White but has grown increasingly diverse over the last decade. Folsom's household population is 56 percent Non-Hispanic White, but since 2010 the Non-Hispanic Asian household population has more than doubled and the Hispanic/Latino population grew by over 60 percent.
- Overall, the City is home to an extremely well-educated labor force. In Folsom, 97 percent of the population over the age of 25 years graduated from high school, while 62 percent have at least a bachelor's degree and 27 percent have a graduate degree.
- The City's households have a higher median income compared to Sacramento County and the Sacramento MSA. Folsom's median household income was estimated to be just under $138,000, compared to $83,000 in Sacramento County and $88,000 in the Sacramento MSA.
- The City has a high rate of homeownership that supports community stability and spending on home goods and services. Overall, the City has an estimated 71% of householders that own their home, higher than that in both Sacramento County and the Sacramento MSA.

- The Manufacturing, Retail Trade, and Professional, Scientific and Technical Services industry sectors play a large role in Folsom's economy and together account for 45 percent of the total jobs in the City. The largest employers in the City are Intel, Mercy Hospital, Kaiser, the California State Prison, PowerSchool, Verizon Wireless, and the City of Folsom.
- The majority of those who work in the City of Folsom commute from outside the City. Folsom residents make up 38 percent of the City's workers, while 62 percent commute from outside of Folsom, suggesting that any new residential development could be attractive to people seeking to live closer to work.
- Households in Folsom spend an average of $50,000 a year in select retail categories, approximately 50 percent more than the average US household. There is a strong consumer base in the City, but the District retailers are competing with e-commerce and other commercial Districts for spending.
- According to Esri's Tapestry system, 80 percent of households in Folsom are part of The "Affluent Estates," "Upscale Avenues," and "Family Landscape" LifeMode groups. These are generally higher-income and well-educated families with school-aged children that spend money on technology, cars, home goods, and family-oriented purchases.

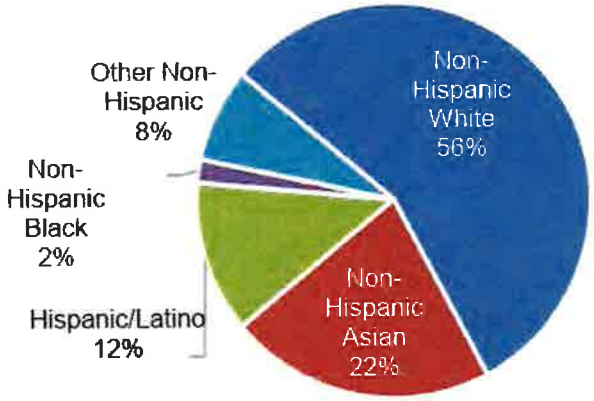


Figure 7 | Population by ethnicity in the City of Folsom, 2023

Spending Patterns in Folsom

*Folsom households spend nearly $50,000 annually on retail goods and services**

- *Top 5 spending categories:*
- *#1: Food at Home = $332M*
- *#2: Entertainment & Recreation = $192M*
- *#3:Food Away from Home = $190M*
- *#4: Household Furnishings & Equipment = $92M*
- *#5: Housekeeping Supplies = $46M*

**Excludes spending on housing, health care, insurance, transportation & travel, financial services.*

3.1.3 Retail Market Findings and Implications

- Population growth in general will generate new retail spending power that can potentially be captured in the District. Each new affluent household will generate approximately $50,000 in retail spending power. Attracting additional residents to the District may be critical for attracting new retailers to the site, and therefore early phases of implementation of the Vision Plan should actively consider residential development.
- E-commerce is disrupting the retail sector, resulting in the need for less physical space and more efficient use of existing space. Given this environment, only the most compelling sites will be attractive to retail developers or retail tenants. As such, it is critically important to refine how and where to build new retail space within the District. Future initiatives should also explore how the City's zoning code and development standards can be revised to better support the flexible demands of today's retailers.
- The proposed new retail in the Folsom Plan Area includes "town center"-style retail development and a "Community Commercial" zoning designation intended to serve nearby residents. This new development could compete with the District redevelopment to attract shoppers and visitors. The District Vision Plan should take this into account and consider how to differentiate the District in a positive manner from the Folsom Plan Area.

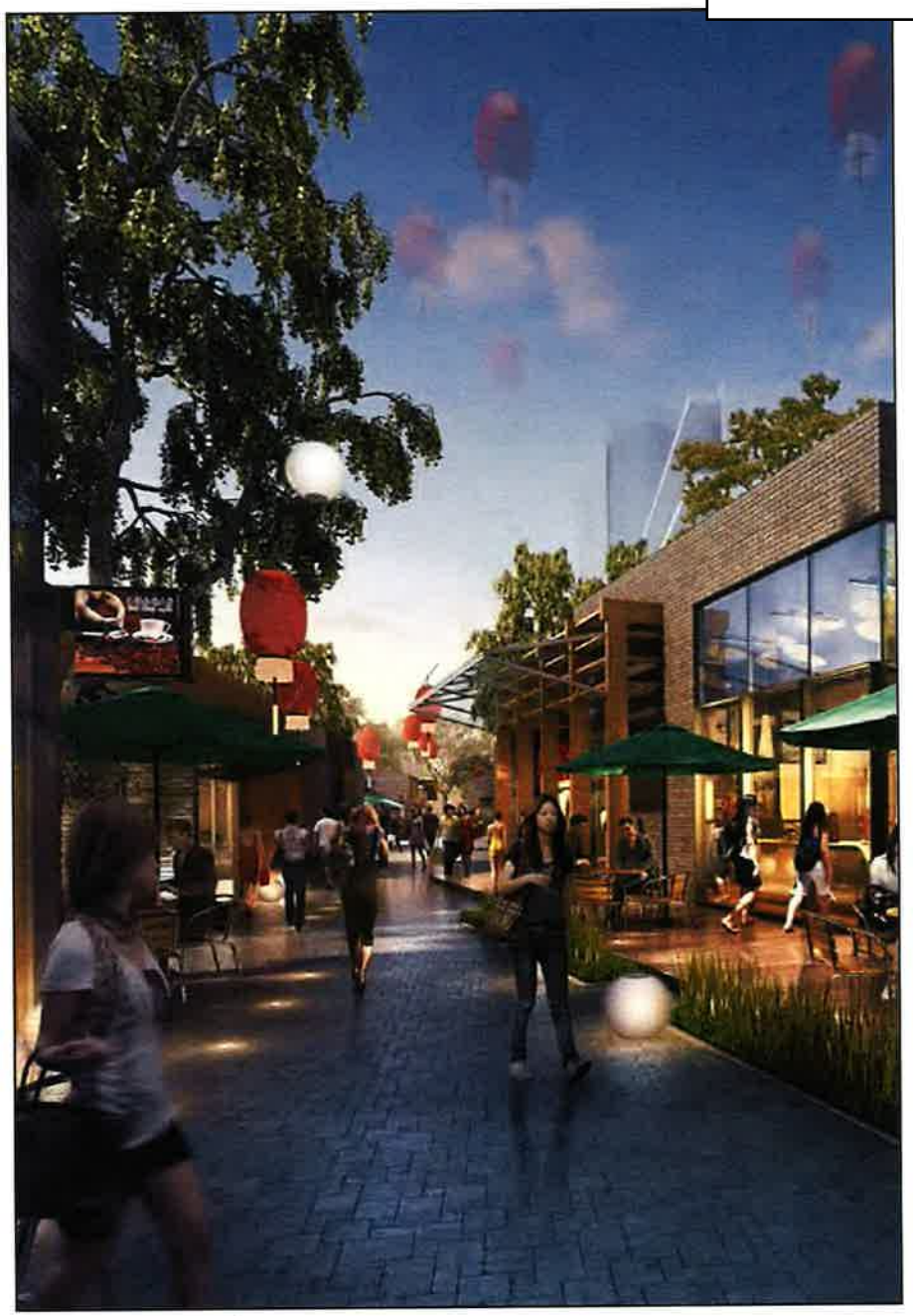


Figure 8 | Urban Retail

3.1.4 Office Market Findings and Implications

- Office tenants prefer physical settings that offer an 'urban' feel, even if situated in a suburban location. The completion of a walkable and amenity-rich mixed-use development project in the District will greatly improve the area's attractiveness as a potential office location.
- Currently, much of the existing large office space in Folsom is directly adjacent to or near Highway 50, while the District is further from the highway and doesn't offer the same level of regional visibility. Instead, the District could be home to local-serving businesses and co-working spaces for self-employed and remote workers.
- The office vacancy rate in the District is lower than that of the City as a whole, indicating that there could be demand for additional office space in the redeveloped District.
- The proposed large-scale development in the Folsom Plan Area includes retail, industrial park and office, adding almost 8,000 jobs to the area. This new development could compete with the District redevelopment to attract new employers. The District Vision Plan should take this into account and consider how to differentiate the District from the Folsom Plan Area.

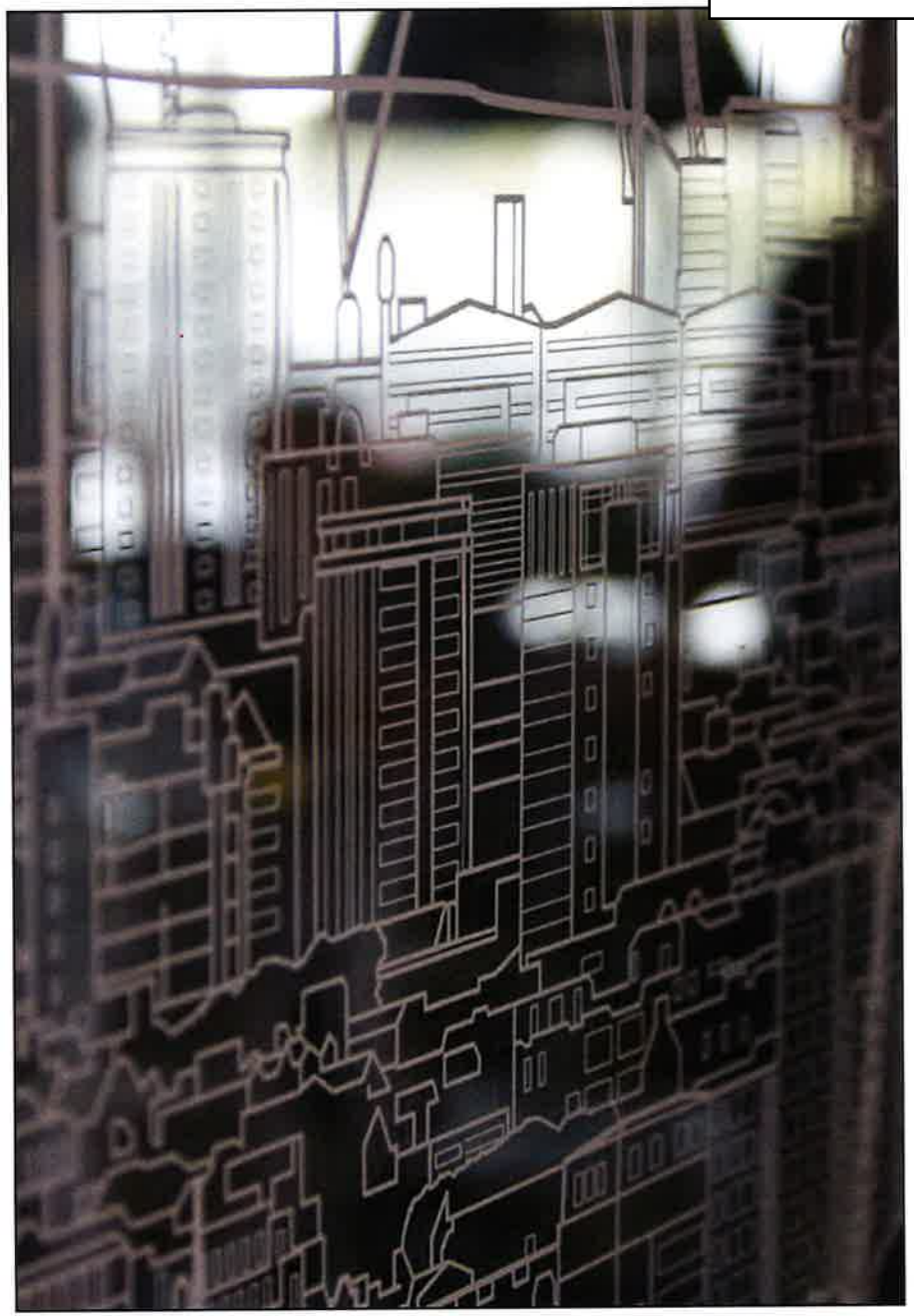


Figure 9 | Office Market findings and implications

3.1.5 Residential Market Findings and Implications

- Although the majority of all housing units in Folsom are single-family homes, the City also has a sizeable inventory of multifamily housing units. Of the 32,083 housing units in Folsom approximately 74 percent are single-family units while 26 percent are multifamily units.
- Median home sales prices in Folsom are significantly higher than in Sacramento County, indicating demand for living in the City as well as a strong consumer base.
- Providing a range of housing types in the District at a mix of price points, including multifamily rental housing, condominiums, and townhomes, could address demand from various segments of the community, including seniors seeking to downsize but desiring to stay in Folsom.
- Attracting market-rate residential development to the District is likely to require implementing placemaking strategies to complement residential uses, creating a sense of community, and provide dining and entertainment for new residents. Much of the planned development in Folsom is concentrated along Highway 50 and in the Folsom Plan Area, so the District Vision Plan should consider ways to create a distinct identity for the District.
- The District offers a large site with the potential for a mix of uses that can create a sense of place with a mix of complementary uses that will support demand for new residential development.

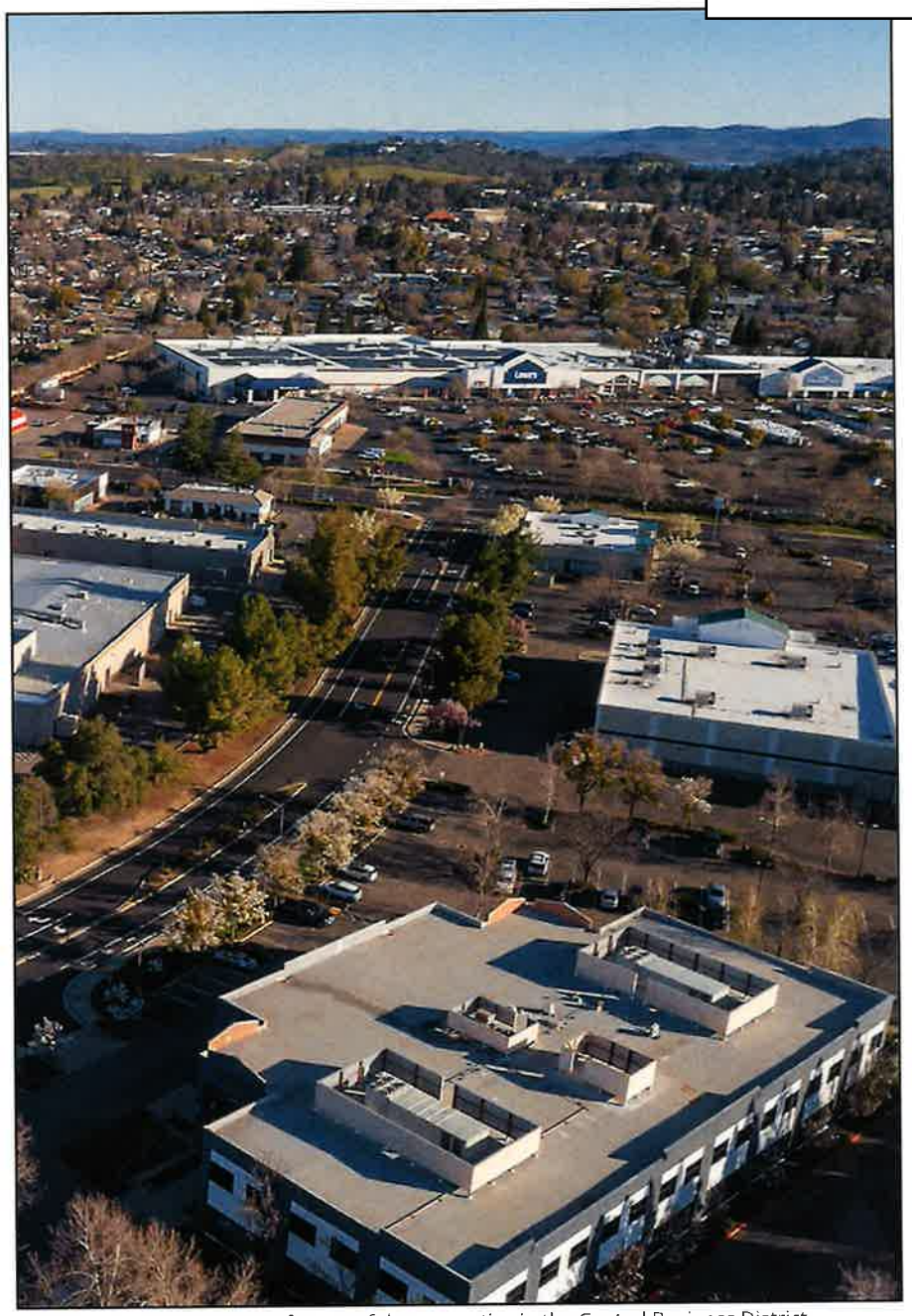


Figure 10 | Bird's eye view of some of the properties in the Central Business District

3.1.6 Hotel Market Findings and Implications

- Folsom currently serves primarily as an upscale hotel market with some business travel. Ensuring that the Central Business District includes a mix of uses and amenities could be critical to attracting new operators in the District.
- The redeveloped Central Business District could include leisure-focused hotel uses for travelers visiting residents.
- Hotels in Folsom may seek to increase leisure travel stays in part by enhancing connections with local and regional attractions and experience-focused stays.
- One market with potential would be families and teams participating in regional sports events in Lembi Park. A hotel would support sports toursim for both current activities and potential expanded activities in the park.

Figure 11 | Boutique Hotel with architectural character

3.2 Transformative Ideas/Key Opportunities for Improvement

Folsom's Central Business District ("District") is a business community, offering a broad and diverse range of restaurants, small businesses, and regional and national retailers. Its central location makes it convenient for Folsom residents. With a highly educated and affluent trade area, the District has enjoyed low vacancy rates and strong demand for retail space.

However, along with its many successes, the District faces challenges. The City's overall inflation-adjusted taxable retail sales have been flat over the past few years, and the retail sector has experienced disruption due to the rise of e-commerce and the recent COVID-19 pandemic.

The District lacks a cohesive sense of place and many of its retail centers, while occupied and active, do not offer a unique experience or reason to linger. The Folsom Historic District and Palladio compete for consumers. Potential new retail competition is likely with the development of new community and regional commercial uses in the Folsom Plan Area (south of Highway 50).

Inspired by Folsom's 5-Year Strategic Plan, this section of the Vision Plan presents a set of ideas and a roadmap to realize five primary revitalization and economic development goals for the District, as shown in Figure 12. First, it identifies strategies and actions designed to support existing businesses. Second, it sets forth strategic actions to help promote the District as an attractive place to shop and do business. The third goal is to engage in place-making and enhance quality of life –what it takes to retain and attract new business and talented employees in today's competitive economy which in turn creates new business opportunities. The fourth goal is creating new business opportunities in the District, and the fifth is enhancing fiscal sustainability.

These transformative ideas are discussed in subsequent chapters of the vision plan with corresponding strategies and actions.

Figure 12 | District Revitalization and Economic Development Goals

3.3 Implementation Strategies/Recommended Actions

This section of the Vision Plan presents initiatives and direct actions the City can take to transform the District's image and economic performance to benefit businesses, property owners, and the City's residents, workers, and visitors. Several additional actions related to the economic development goals are listed in the land use, mobility and access, and placemaking chapters of this plan.

3.3.1 Partners with Economic Development Organizations

Continue partnerships with regional and local economic development organizations to keep them informed of potential new business opportunities.

3.3.2 Partner to Market and Promote the District

Collaborate with commercial real estate brokers to prepare marketing materials focused on the District's brand, amenities, trade area, and City incentives to promote the District to new retail, entertainment and hospitality businesses.

3.3.3 Encourage Encourage/Incentivize Strategic Transformation

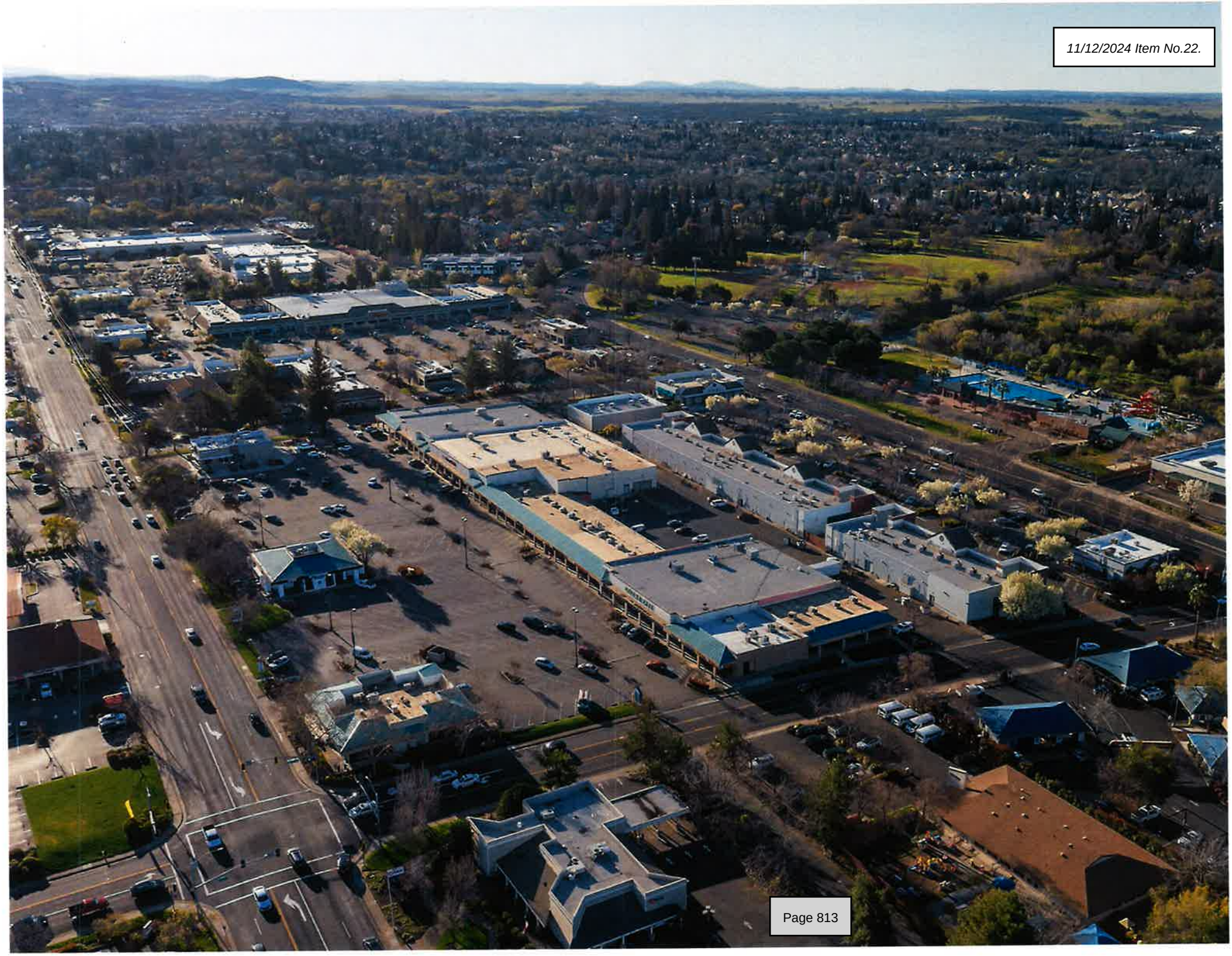
Encourage acquisitions, land assembly, partnerships, incentives, and/or investments in improvements to public and private property in the District to enhance key assets/opportunities.

3.3.4 Encourage Develop an Action Plan to Ensure Implementation of the Vision Plan

The Action Plan should identify measurable goals and milestones, establish annual review/monitoring and reporting by dedicated staff, and engage City Council in setting funding priorities as appropriate.

4

Land Use Concepts and Design



4.1 Existing Conditions

Landuse

Existing land use designations provide the framework for development that regulates the types, location, and level of development. Land uses are established by the General Plan and Zoning Code. Nothing in this Vision Plan changes the land use designations and no specific development is proposed at this time. The purpose of the Vision Plan is to ensure future development and public investment support the vitality and vision of the District. As development is proposed in the future, this document will be a tool to help guide the development community, businesses and city. Concepts introduced may require flexibility and refinement moving forward as part of land use entitlements and environmental review.

This Vision Plan will be implemented through a combination of public and private investment, with many components potentially eligible for grant funding. Funding will be required for both capital improvements and ongoing operation and maintenance. Roadway and utility improvements will be funded by the City's Capital Improvement Program (CIP). District improvements could be funded by private development, or funding mechanisms such as a lighting and landscape district or Business Improvement District (B.I.D), etc.

City of Folsom's 2035 General Plan and Folsom Plan Area Specific Plan (FPASP) Amendments

In response to state housing requirements and consistent with City Council direction, the city recently made amendments to the City of Folsom 2035 General Plan and Zoning Code. To increase housing capacity for mixed-use, multi-family, and affordable development in three targeted areas of the city. These areas include the East Bidwell Street corridor (includes Central Business District), the transit priority areas around the Glenn and Iron Point light rail stations, and the Folsom Town Center area.

The amendments create capacity for up to 6,046 additional residential units in the city to meet the goals for the state's housing element requirements. By increasing capacity in targeted areas, the city will maintain an adequate supply of land for multi-family housing without rezoning land in established residential neighborhoods. The types of housing that are identified as multi-family housing are any housing with more than two units including apartments, condominiums, and townhomes. Residential mixed-use development is office space or retail with housing located above, adjacent to, or attached to it.

The initial impetus for these General Plan amendments came from the Targeted Mixed-use and Multi-family Housing Study prepared by Opticos Design, Inc., which focused on a market feasibility analysis of and appropriate designs for higher density residential and residential mixed-use development in the identified targeted areas. Based on these recommendations, community input, and City Council direction, results from the study formed the basis in identifying the development assumptions and determining the appropriate development standards associated with the amendments to the City's 2035 General Plan, FPASP, and Zoning Code.

4.2 Transformative Ideas/Key Opportunities for Improvement

District Development Strategies

The transformation of Folsom's Central Business District from a car-centric series of large strip malls to a pedestrian and bike-friendly live-work-play destination will be a process of incremental change that will take place over many years. The first signs of transformation will likely occur in the public realm on City-owned property and public rights of way.

Private development will follow and could vary widely in both its form and location within the District. The City will need to be strategic in how it incentivizes private investment such that all new development contributes to a comprehensive, long-term vision for the District. The following sections provide a more detailed description of this sequenced approach.

Figure 13 | The District, as it exists today

4.2.1 Capitalize on Lembi Park

Lembi Park is the single largest city-owned asset within the Central Business District. It is approximately 36-acres of public open space at the heart of the Riley Street/East Bidwell Street corridor. If leveraged properly, the park's scale and location could dramatically impact the character of the District.

Lembi park is also the City's most heavily used park and is used by a large number of people with informal and formal programmed activities including soccer, baseball, softball and pickleball, as well as aquatics. These uses host local/regional and national tournaments and swim meets at this location. In addition, community events occur at the park. While these uses bring folks to Folsom in the thousands each year, the Central Business District is not necessarily maximizing capture of tourist dollars. The City in conjunction with appropriate consultant experts should look for ways to improve connectivity and marketing to take advantage of this important resource and draw visitors into the Central Business District.

Some of the most iconic public parks in cities across the country have become successful urban spaces due to their effective management (often by a local non-profit or third party), diverse programming, and community engagement.

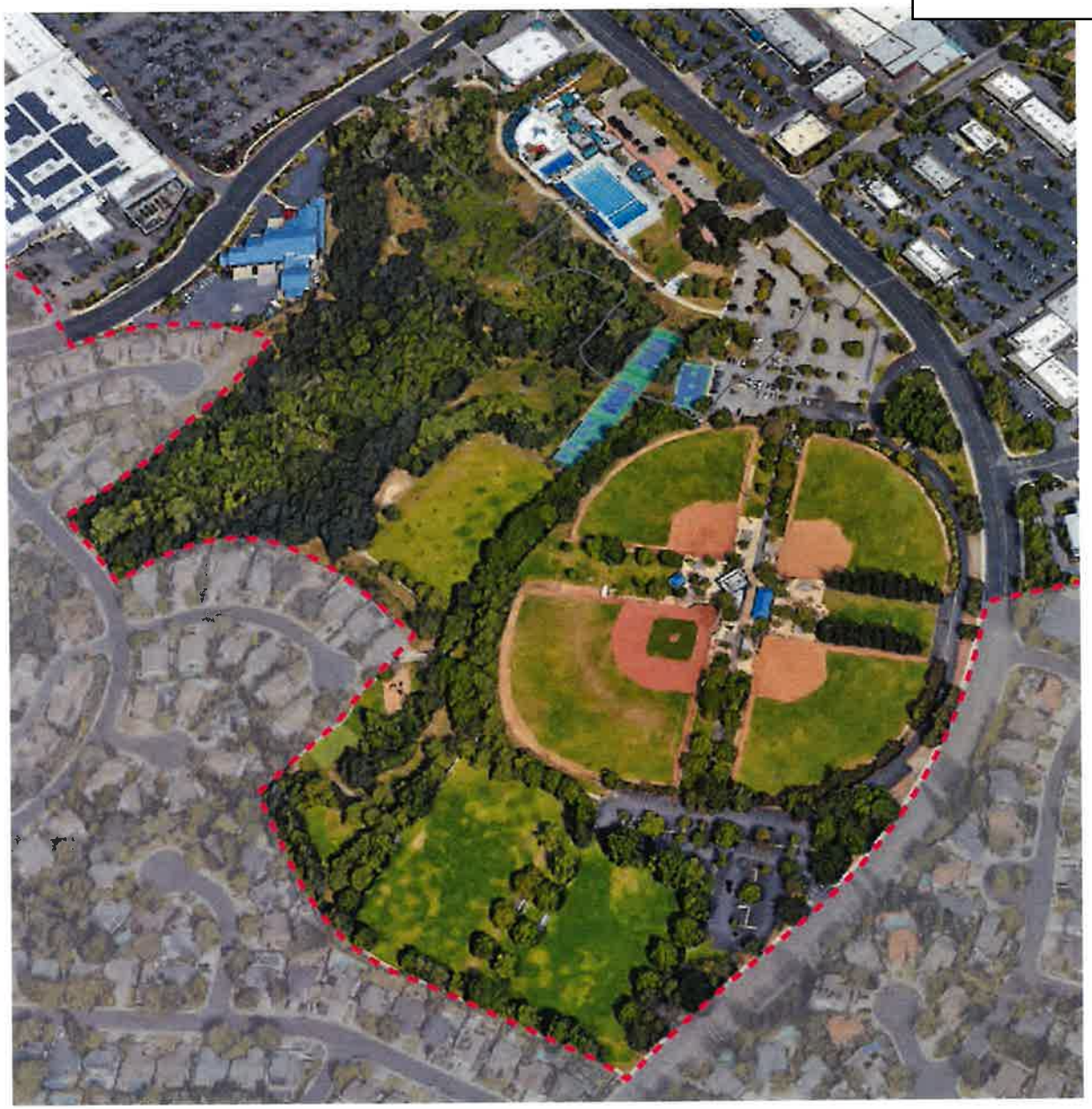


Figure 14 | Lembi Park as it is today

4.2.2 Improve Connectivity between Lembi Park and the District

The next most important city-owned asset(s) within the District are the public streets and intersections. The intersections along Riley Street at Glenn Drive, Wales Drive, and Orchard Drive should be considered vital links between a more vibrant Lembi Park and the future destination retail experiences within the Central Business District. The connection between the park and the District should be so seamless and effortless that one could not imagine visiting one and not the other. Placemaking solutions such as district-specific gateways, unique crosswalk markings, and branded lighting/wayfinding would all reinforce the identity of the District as well as enhance pedestrian connectivity to the park.

Similarly, the public streets Glenn Drive, Wales Drive, and Orchard Drive are important links between Lembi Park and the surrounding neighborhoods on either side of the Riley Street/ East Bidwell Street corridor. These streets should be so bicycle and family-friendly that residents prefer to walk and bike than drive to the District. A modest reduction in vehicular travel lane widths has been proven to significantly reduce automobile accidents. By simply re-allocating space within existing right of ways at Glenn Drive, Wales Drive, and Orchard Drive from wide vehicular lanes to dedicated bike lanes and/ or more generous parkways/sidewalks, the City could dramatically change the character and quality of life within the District.

Figure 15 | Strategy to improve connection between Lembi Park and the District

4.2.3 Incentivize Strategic Private Re/Development

The traditional strip malls that comprise the current Central Business District present a uniform and uninspired retail experience. The linear layouts, extensive parking lots, lack of pedestrian-friendly features or public gathering spaces fail to create the memorable destination experience necessary to compete with the nearby lifestyle centers and the convenience of online shopping.

However, by enhancing design aesthetics, improving walkability, incorporating mixed-use elements, upgrading amenities, and fostering community engagement, these strip malls can evolve into vibrant environments that benefit both businesses and visitors. To incentivize property owners to invest in placemaking and mixed-use redevelopment, a city can employ a variety of strategies:

1. Financial Incentives such as tax credits/deductions, grants/subsidies, low-interest loans, and reduced fees.
2. Regulatory Incentives such as expedited permitting and design/planning assistance.
3. Partnership and Support Programs such as public-private partnerships and marketing/branding support.
4. Community and Design Incentives such as placemaking grants and recognition programs.
5. Long-term Benefits Support such as economic development incentives and long-term lease and revenue sharing.

Streamlining Permitting

Overly restrictive permitted uses in the zoning code, inflexible development standards, and uncertain building permitting process can often discourage investment by existing and new businesses. Folsom has a streamlined permitting process for outdoor dining on City-owned property, but retail uses on such as bars, taverns, breweries, wineries, live entertainment incidental to a bar or restaurant, ballrooms, and alcohol sales are subject to minor conditional use permits or conditional use permits, processing fees, depending on specific use, location, and the commercial/mixed use zoning designation.

Much of the District is within 500 feet of residential zones or 1,000 feet from the Sutter Middle School which means that new businesses in these categories would be subject to a conditional use permit that goes before the Planning Commission. The purpose of these regulations is well justified; they protect children and limit noise and traffic impacts to the adjacent neighborhoods. However, they can work against revitalizing the District by effectively limiting the range of retailers and discouraging outdoor uses that are critical for sustaining and revitalizing the District's retail centers.

4.2.4 Near-term Private Re/Development Strategy

All new private development within the District will require careful consideration of the City's long-term vision and goals. As previously mentioned, transforming the very large, single-purpose, car-centric developments into smaller, more dynamic, pedestrian and bike-friendly environments that integrate residential, commercial, and public open space will be an incremental process.

The addition of modest amounts of new outdoor seating and small public gathering spaces will enhance existing retail frontages tremendously.

Further re/development of retail frontages from single-sided strip malls to double-sided open-air pedestrian malls or potentially new internal streets would significantly improve the walkability of these extremely large parcels. The challenge and the goal will be to concentrate retail storefronts along dense, amenity-rich shopping streets rather than parking lots at the core of the parcels while consolidating parking in shared lots and introducing housing at the edges of parcels.

Figure 16 | Strategy for near-term private re/development for the District

4.2.5 Long-term Private Re/Development Strategy

Concentrating retail and proposed public realm along dense pedestrian malls and/or new internal streets and strategically locating shared parking lots at parcel edges will also achieve two other important outcomes.

First, disadvantaged retail spaces further from the retail core and underutilized surface parking lots become prime opportunity zones for new residential developments.

Second, over time, as a thriving horizontal mixed-use development emerges, property values should increase to the point where structured parking becomes feasible. If carefully planned, this would set the stage for long-term vertical mixed-use development to occur precisely where it makes the most sense – along East Bidwell Street.

The higher traffic volumes supported by East Bidwell Street and Riley Street make adjacent parcels the ideal choice for the densest mixed-use developments within the District.

Figure 17 | Strategy for long-term private Re/Development for the District

4.2.6 Big Box Retail Redevelopment

While incremental infill and selective redevelopment may be the most feasible approach to transformation of smaller parcels within the District, the larger big-box parcels present a very different opportunity.

For the past decade, big box retailers have suffered dwindling sales, bankruptcies, and store closures. Demolished square footage of vacant big box stores and malls continues to climb at an unprecedented rate. These large parcels, covered mostly in surface parking lots and relatively inexpensive buildings, lend themselves to larger, more comprehensive live-work-play neighborhood developments.

Each of the big box retail parcels within the Central Business District holds this potential. Any one of them could be completely re-imagined as a thoughtfully branded mixed-use development arranged around a central public open space with low-rise residential at parcel edges adjacent to existing single-family residential and denser mid-rise residential over retail/structured parking at parcel edges adjacent to high-volume arterial streets.

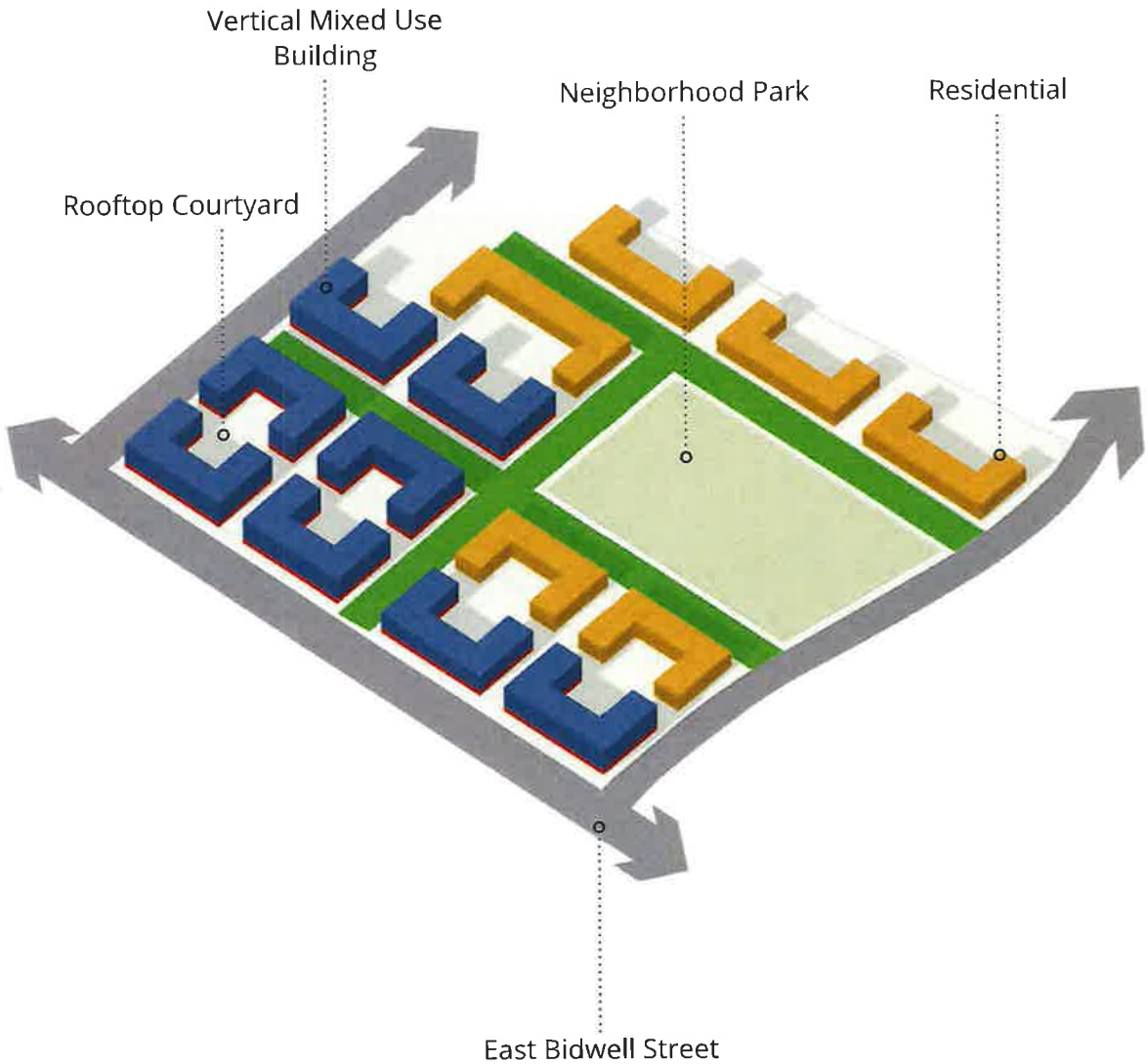


Figure 18 | Strategy for Big-box Retail Redevelopment

4.3 Examples/Successful Case Studies/Transformative Ideas

Several project case studies and scale comparisons from the following three development typologies were discussed in CAC meeting #2.

- Open-Air Pedestrian Mall
- Horizontal Mixed-Use
- Vertical Mixed-Use

Below is a recap of the material presented.

4.3.1 Open Air Pedestrian Environment

An open-air pedestrian mall is a designated area within a commercial district where the streets are closed to vehicular traffic and designed for pedestrian use only. These malls are lined with shops, restaurants, and other commercial establishments, and they include amenities such as benches, landscaping, public art, and entertainment spaces to create a welcoming environment for visitors. They offer a much more vibrant, attractive, and community-oriented alternative to traditional single-sided strip malls, benefiting both businesses and visitors through increased foot traffic, aesthetic appeal, environmental benefits, economic gains, and enhanced cultural engagement.

- Modest renovations at retail frontage can transform a traditional strip mall into a vibrant destination
- Amenities and small gathering spaces build community and create a sense of place

Figure 19 | Open-air pedestrian environments with abundant green space and retail opportunities

4.3.1.1 Vineyards at Porter Ranch

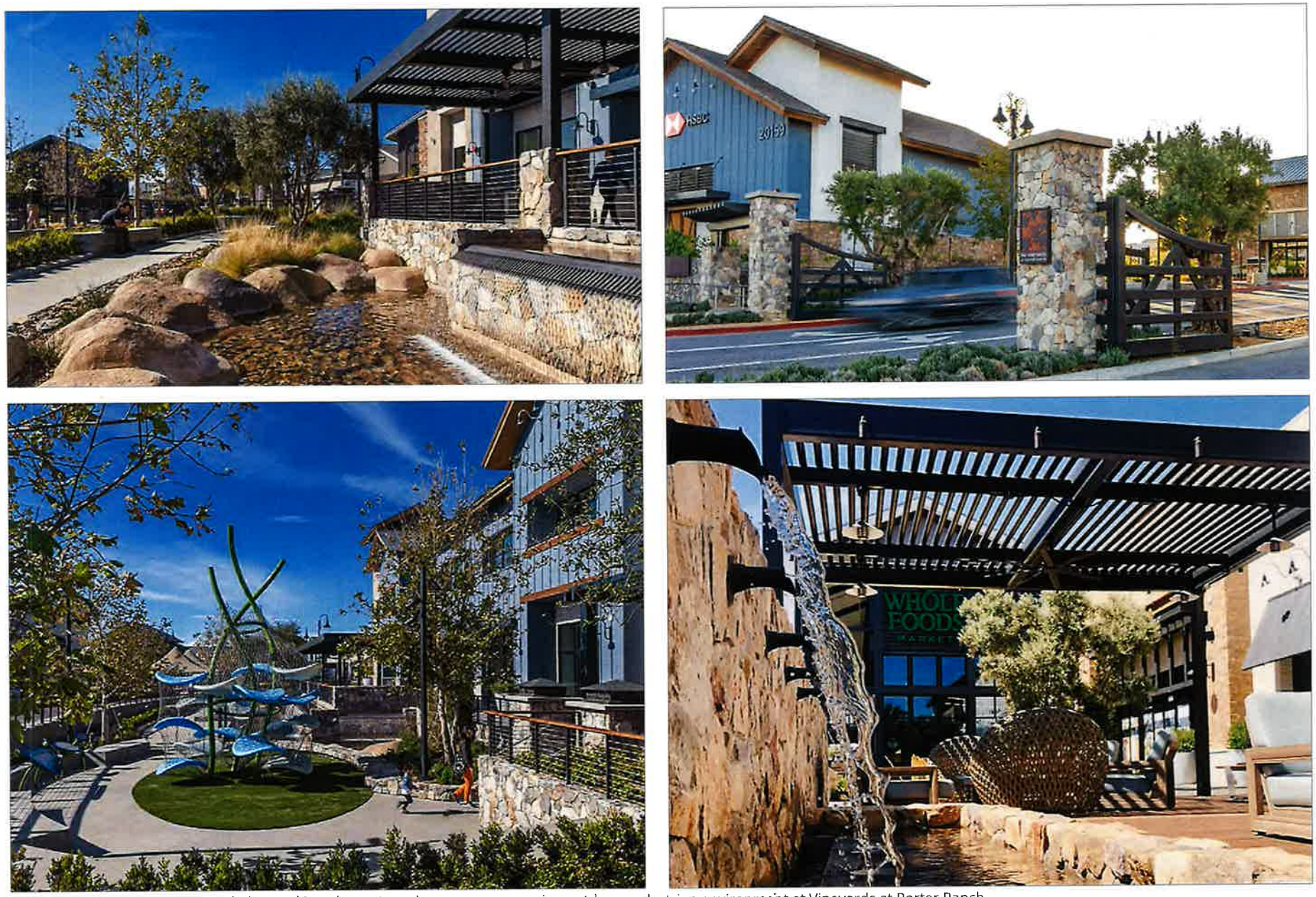


Figure 20 | Variety of spaces and placemaking elements make up a very engaging outdoor pedestrian environment at Vineyards at Porter Ranch

Plan - Vineyards at Porter Ranch

Figure 21 | Illustrative Plan

Scale Comparison - Vineyards at Porter Ranch

Case Study

Folsom Project Site

Figure 22 | Scale Comparison

4.3.2 Horizontal Mixed Use

Horizontal mixed-use development refers to a type of urban planning where different types of land uses – in this case commercial and residential, are arranged adjacent to each other rather than stacked vertically within a single building. Many of the parcels that make up the Folsom Central Business District are currently very large and inefficient. A pattern of horizontal mixed use will take shape by concentrating retail and public realm along dense pedestrian malls and/or new internal streets at the core and replacing disadvantaged retail spaces and underutilized surface parking lots with residential development at the edges. This development pattern will provide economic diversity, increased foot traffic, enhanced quality of life, environmental benefits.

- New residential development addresses the need for additional housing and increases foot traffic
- Dense retail cores and shared parking lots improve land use and enhance the pedestrian experience

Figure 23 | Horizontal mixed use

4.3.2.1 Fourth Street in Berkeley, CA

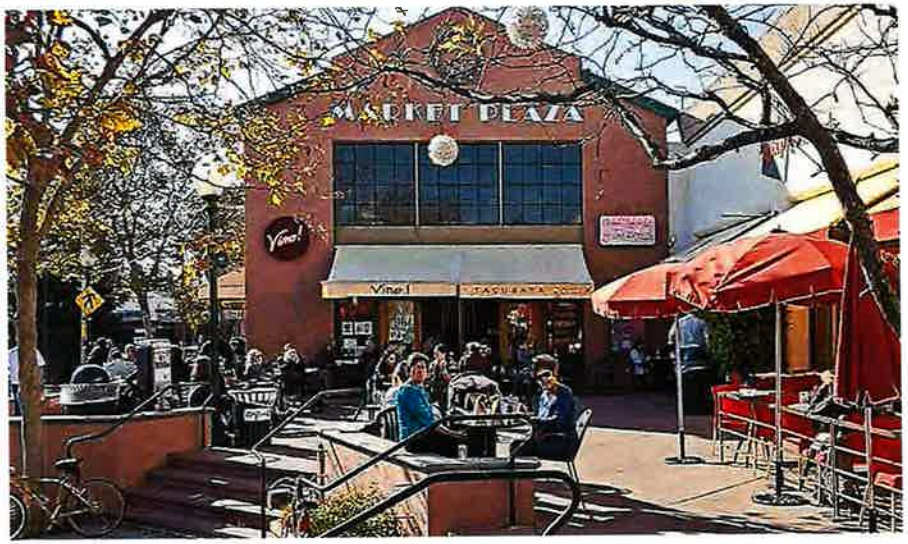


Figure 24 | Outdoor seating for eateries, plaza, rich sidewalk life at Fourth Street, Berkeley, CA

Figure 25 | Integration of landscape and urban life on sidewalks and outdoor spaces

Plan: Fourth Street, Berkeley, CA

Figure 26 | Site Plan

Scale Comparison: Fourth Street in Berkeley, CA

Case Study

Folsom Project Site

Figure 27 | Scale Comparison

4.3.2.2 Main Street Cupertino in Cupertino, CA

Figure 28 | Variety of outdoor spaces, with different textures and landscape treatements at Main Street, Cupertino, CA

194

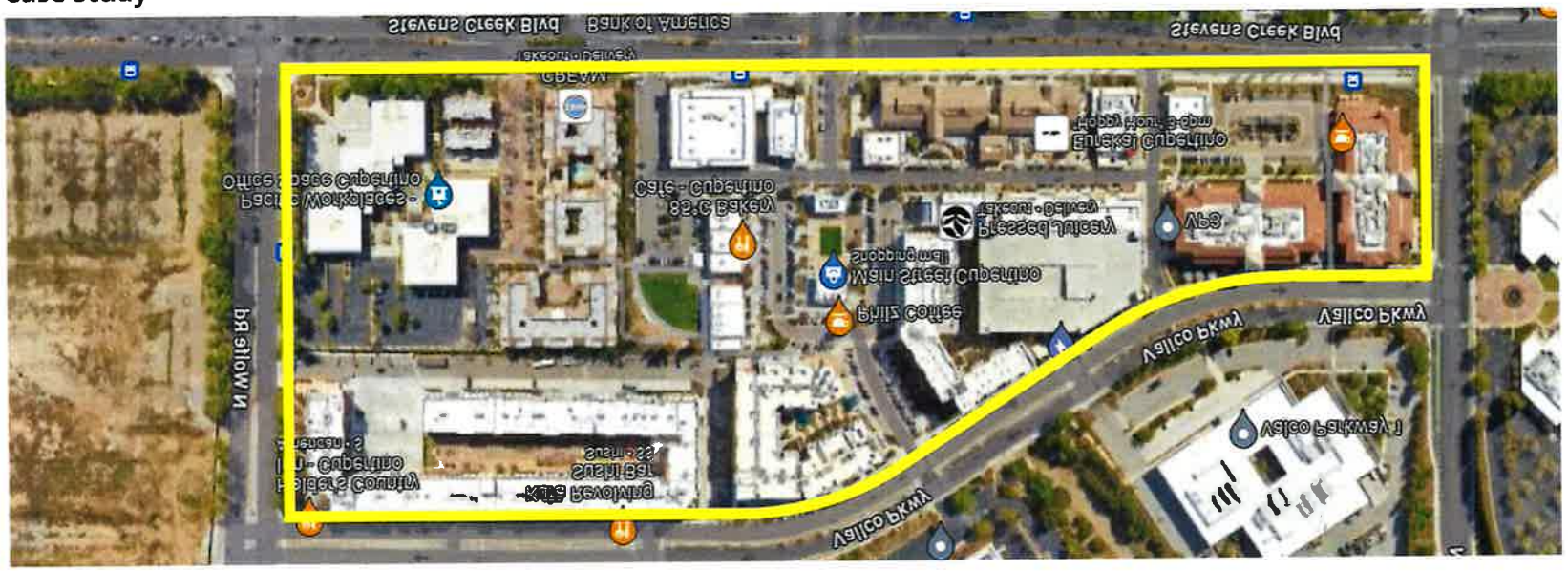
PINEAPPLE THAI
MAIN ST
CUPERTINO

Plan: Main Street, Cupertino, CA

Figure 29 | Illustrative Plan

Scale Comparison: Main Street, Cupertino, CA

Case Study



Folsom Project Site

Figure 30 | Scale Comparison

4.3.3 Vertical Mixed Use

Vertical mixed-use development refers to a type of urban planning where different land uses – in this case commercial, office, and residential - are integrated within a single building, typically stacked on different floors. For example, a building might have retail stores on the ground floor, offices on the middle floors, and residential apartments or condominiums on the upper floors. Vertical mixed-use developments also often rely on structured parking. Over time, as a thriving horizontal mixed-use development raises property values to the point where structured parking becomes feasible, vertical mixed-use development becomes possible. Benefits of this development pattern include efficient use of land, increased convenience, economic vitality, aesthetic appeal, sustainability, and social benefits.

- Structured parking wrapped housing over retail maximizes land use and builds economic resilience
- Vertical mixed-use supports larger public open spaces

Figure 31 | Examples of Vertical Mixed-Use development

4.3.3.1 Woodin Creek Village in Woodinville, WA

Figure 32 | Residential building with ground floor retail/commercial and outdoor public art, landscape elements at Woodin Creek Village, Woodinville, WA

Plan: Woodin Creek Village, Woodville, CA

Figure 33 | Illustrative Plan

Scale Comparison: Woodin Creek Village, Woodville, CA

Case Study

Folsom Project Site

Figure 34 | Scale Comparison

4.4 Implementation Strategies/Recommended Actions

Implementation Strategies

To ensure the continued growth and vitality of the Central Business District, it is essential to implement strategic land use and concept design initiatives. These strategies will focus on enhancing the retail environment, supporting co-working spaces, and integrating new residential developments.

Folsom should build upon its existing retail diversity by retaining, expanding, and attracting new enterprises. A well-branded, physically refreshed, and improved District will serve as a magnet for additional businesses.

To create a more dynamic and appealing environment, the City can take proactive steps to facilitate permitting for tenant improvements, including outdoor seating and event venues, streamlined permitting processes to reduce bureaucratic hurdles to make it easier for businesses to make necessary improvements.

With the rise of remote work, many employees seek flexible co-working spaces that provide professional meeting areas and opportunities for interaction. Strategies to support co-working spaces include, integrating multifamily residential developments. Adding new multifamily residential units in the District will bolster market support for co-working spaces and contribute to the area's overall vibrancy.

By implementing these strategic land use and concept design initiatives, Folsom can ensure the Central Business District remains a thriving, dynamic area. Enhancing retail offerings, facilitating tenant improvements, supporting co-working spaces, and integrating new residential developments will create a vibrant, sustainable community that attracts businesses and residents alike.

Recommendations

4.4.1 Monitor vision plan progress/implementation.

Implement the Vision Plan and monitor investment and revitalization progress annually.

4.4.2 Amend zoning standards and progress.

Consider establishing a District-wide overlay zone or special zoning standards applicable in the District for outdoor dining, events, and music with a streamlined permitting process for applicants with proposed activities in conformance with these standards. Once the overall standards are approved by the Planning Commission, then individual projects can be approved administratively. Additionally consider zoning amendments to allow food hall, incubator restaurants, rooftop bars, beer gardens, or distilleries and hospitality/hotel uses in support of sports tourism. This could include a beer garden on public park site with flexible outdoor space for temporary recreational amenities (corn hole, portable pickle ball, skate area etc.) and/or semi-permanent areas for event space in large parking areas.

4.4.3 Pursue funding opportunities.

Work with District stakeholders and property owners to identify potential funding sources and incentives for revitalization and redevelopment.

4.4.4 Consider Business Improvement District.

If there is sufficient stakeholder interest in a BID (Business Improvement District), commission a BID feasibility study to fully engage District businesses and property owners and determine an initial scope of services. A BID is a defined area within which businesses would pay an additional tax or fee in order to fund projects within the District's boundaries. It would allow local stakeholders to oversee and fund the maintenance, improvement and promotion of the commercial District in order to provide enhancements outside normal city maintenance activities. This could include things such as lighting, landscaping, banners, uniform light poles and seasonal banners, wayfinding, etc.

4.4.5 Pursue additional sporting events.

Partner with the Visit Folsom to work with sports event organizers and sponsors to explore potential for partnerships with District businesses for post-game events. Expansion of sports amenities, temporary or permanent improvements to Lembi Park - such as street soccer, or sand volleyball or other measures particularly in off-season times of year to further bring folks into the District.

4.4.6 Create a District landscape plan/guide.

The City should commission a landscape and open space plan or guiding document for the District to guide and enhance the aesthetic beauty and branded experience of being in the District. The plan should establish standards for public realm areas including streets, sidewalks, plazas, pathways, trails, pocket parks and rights of way. The plan can offer by example how private property owners can follow the city and apply brand supporting landscaping within their properties.

4.4.7 Create new art installations in the District.

The City should work with the Arts Commission to explore art opportunities within the District. The art should play up a "Retro" theme and branding themes developed that are further defined by a Design/Branding firm or study. Possible funding of art could include a requirement for financial contributions from development led projects. The City should support initiatives to integrate public art within public open spaces.

4.4.8 Celebrate District history.

The City should leverage its existing historic resources and organizations to create a District History Telling initiative to feature education-oriented installations. Use these elements to support placemaking, branding and 'tell the story' of the District. Depictions may be in the form of murals for iconic city/District elements, history walls with milestone events, city founder commemorations, expressions of traditional annual/ seasonal events, etc.

4.4.9 Pursue relocation of the Post Office.

The City should consider opportunities to redevelop the Post Office site and other prime opportunity sites centrally located in the District.

5

Mobility and Access

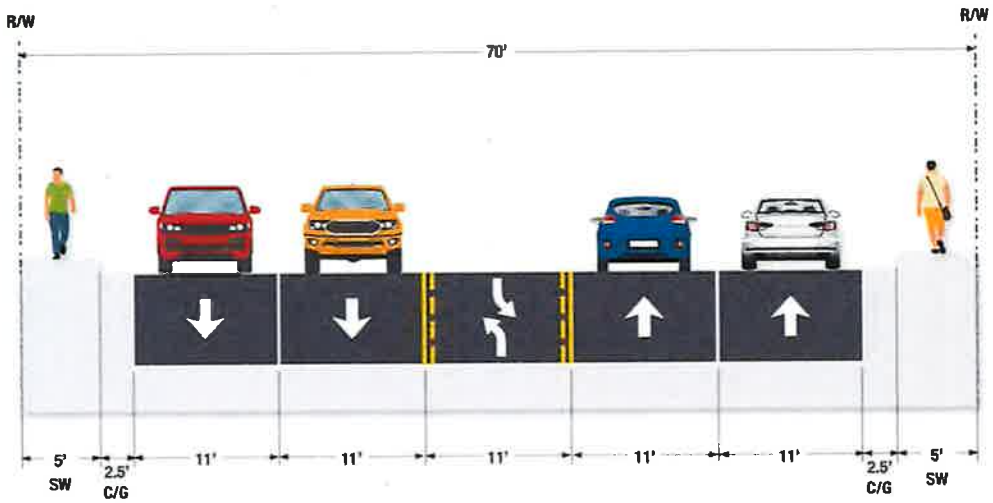
5.1 Existing Conditions

The circulation system of the Central Business District (the District) is defined by two primary north-south transportation corridors (East Bidwell Street and Riley Street) and three secondary, east-west corridors (Glenn Drive, Wales Drive and Orchard Drive). Each of these corridors represent opportunities to enhance walkability, access to transit and a safe environment for all transportation modes (vehicles, bicycles, pedestrians). Most transformational opportunities could occur within the public right-of-way but some frontage improvements and intersection traffic controls could require modifications to, or acquisition of, some limited amounts of private property, either along property frontages or at the corners of controlled intersections.

Transportation Corridors. Mobility in the District is provided by five transportation corridors. These corridors are depicted and described in detail below.

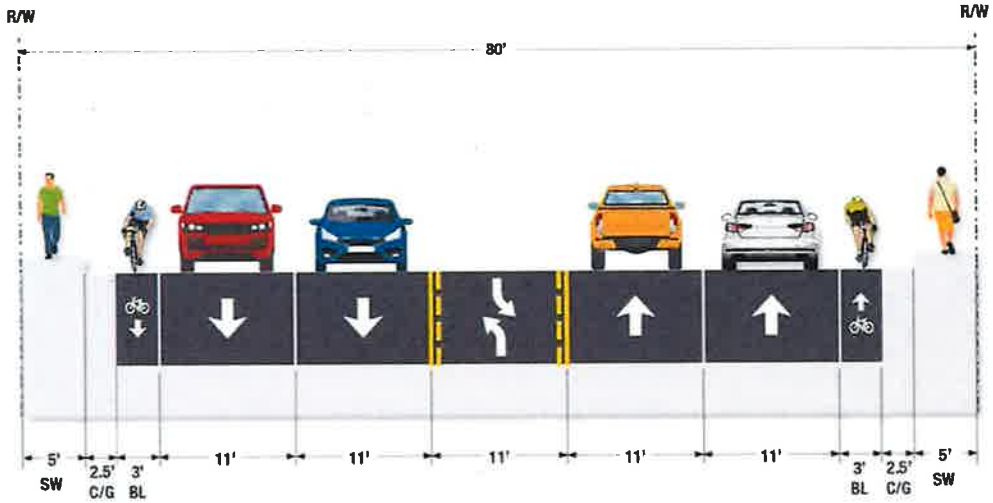
5.1.1 Typical Street Sections

East Bidwell Street



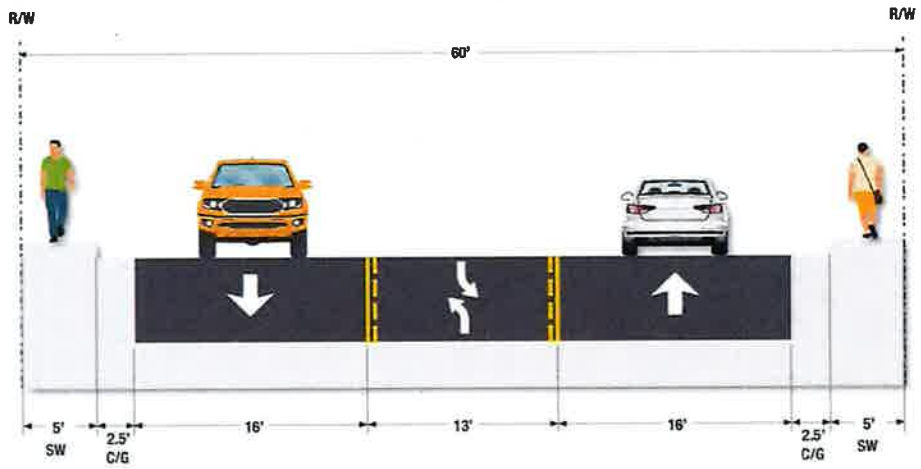
East Bidwell Street is a major arterial street that extends generally southward from Riley Street and links the District to residential and commercial centers further to the south, and ultimately intersects with US Highway 50 and terminates at the Capital Southeast Connector expressway. Within the District, East Bidwell Street typically has four travel lanes and a center turn lane, along with curb/gutter/sidewalk improvements within its 70 foot-wide right-of-way. It carries approximately 18,500 vehicles daily with a posted speed limit of 35 miles per hour (MPH) and 85th percentile speeds of 38 mph.

Riley Street



Riley Street is a major arterial street that extends southward from the Rainbow Bridge in Folsom's Historic District and continues southward until it terminates at Oak Avenue Parkway. Within the District, Riley Street has four travel lanes, a center turn lane, on-street bicycle lanes and curb/gutter/sidewalk improvements within its 80-foot-wide right-of-way. It carries approximately 13,000 vehicles daily with a posted speed limit of 35 MPH and 85th percentile speeds of 39 MPH.

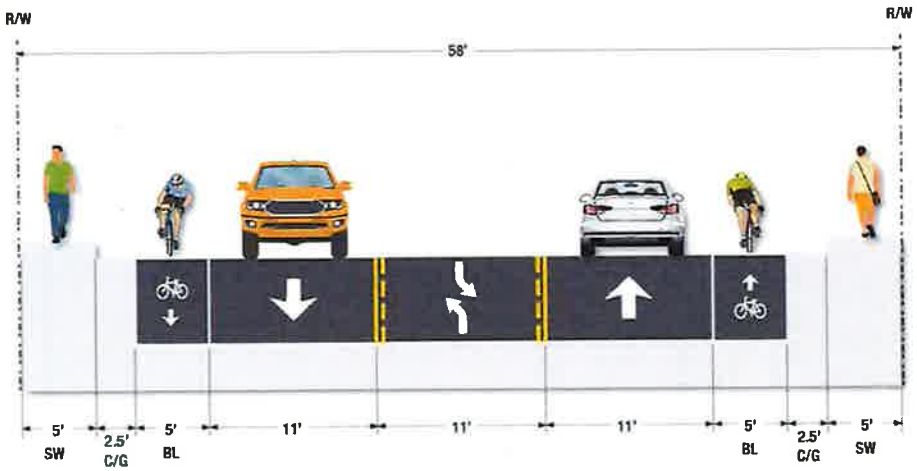
Glenn Drive and Wales Drive



Glenn Drive extends eastward from Folsom Boulevard as a four-lane major arterial, but within the District it becomes a collector street comprised of one travel lane per direction, a center turn lane and curb/gutter/sidewalk improvements within a 60-foot-wide right-of-way. It carries approximately 10,000 vehicles daily with a posted speed limit of 35 MPH and 85th percentile speeds of 34 MPH.

Wales Drive is a minor collector street that extends eastward from Riley Street to Natoma Street. Within the District it is comprised of two travel lanes, a center turn lane and curb/gutter/sidewalk improvements within a 60-foot-wide right-of-way. It carries approximately 5,500 vehicles daily with a posted speed of 25 MPH and 85th percentile speeds of 30 MPH.

Orchard Drive



Orchard Drive is a minor collector street that extends from Riley Street to East Bidwell Street. It is comprised of two travel lanes, a center turn lane, on-street bike lanes, and curb/gutter/sidewalk improvements within a 58-foot-wide right-of-way. It carries approximately 4,000 vehicles daily with a posted speed of 30 MPH and 85th percentile speeds of 32 MPH.

Existing vehicle lane widths on all five corridors range from 11 feet to 16 feet. Vehicle lane widths on arterial and collector streets should ideally be no less than 11 feet due to higher vehicle speeds and the presence of larger vehicles such as commercial delivery trucks.

5.1.2 Bicycle/Pedestrian Facilities

Existing Sidewalks and Pedestrian Barriers

The City of Folsom's Active Transportation Plan (ATP) includes an assessment of all existing bicycle and pedestrian facilities citywide, as well as recommended improvements to add new facilities or close gaps in existing facilities. Figure 36 depicts existing sidewalk and bicycle facilities.

All five of the District's transportation corridors include sidewalks that range in width from four to six feet, which is the City standard for a commercial development. There are two gaps in the sidewalk system, both located on the east side of East Bidwell Street, between Market Street and Price Way, and between Coloma Street and Price Way. In addition to sidewalk gaps, the District includes additional barriers to pedestrian safety and comfort including long blocks, stretches of narrow sidewalks adjacent to heavy vehicle traffic with no barriers, and lack of shade and lighting.

Pedestrian Barriers

FOLSOM ATP

Existing Pedestrian Barriers

- Sidewalk Missing (Both sides)
- Sidewalk Missing (One side)
- Arterial Roadway

Existing Pedestrian Network

- Trail (paved)
- Full Sidewalk

Destinations + Boundaries

- City Hall
- Community Center
- School
- Light Rail Station
- City Boundary
- Park

Figure 35 | Existing Pedestrian Barriers and Existing Sidewalks

Existing Bikeways

Two of the five transportation corridors (Riley Street and Orchard Drive) include on-street, Class II bicycle lanes; the other three corridors currently do not have any bicycle facilities. Existing conditions for bike facilities in the District (e.g., discontinuous segments, speed and volume of traffic on Riley and East Bidwell Street, sight distance, driveway curb cuts) are not conducive to a bicycle-friendly environment in the District.

Existing Bikeways

- Class I Paved Shared Use Path
- Class II Bicycle Lane
- Class IIB Buffered Bicycle Lane
- Class III Bicycle Route
- Class IV Separated Bikeway

Destinations + Boundaries

- City Hall
- Community Center
- School
- Light Rail Station
- City Boundary
- Park

Data provided by the City of Folsom, SACOG

Figure 36 | Existing Bikeways

Traffic Safety

The City of Folsom's Local Road Safety Plan (LRSP) is a State-mandated assessment of recent severe collisions to determine if corrective safety measures are available to reduce future severity, or to prevent future collisions. The LRSP is updated regularly to analyze the most recent collision history and is critical to obtaining Highway Safety Improvement Program grant funding to implement corrective safety measures. The current LRSP identified the intersection of East Bidwell Street at Wales Drive as experiencing a higher than average rate of severe collisions, and this intersection is being evaluated to determine if corrective safety measures exist to reduce that severity.

Transit

Access to public transportation is provided to the District by Sacramento Regional Transit. Bus Route 10 provides weekday service with one-hour headways. The Gold Line light rail corridor is located west of the District along the Folsom Boulevard corridor, providing 15 to 30-minute headway service, with stations located at Historic Folsom Station (0.5 miles to the north) and Glenn Station (approximately 1.5 miles to the west). Demand responsive transit, such as SacRT GO and SmaRT Ride, are also available.

Intersection Traffic Control

The City of Folsom currently relies on a network of interconnected traffic signals to provide intersection traffic control and corridor traffic progression. Within the District, the following intersections are traffic signal controlled:

- Riley Street at East Bidwell;
- Riley Street at Glenn Drive;
- Riley Street at Wales Drive;
- East Bidwell Street at Coloma Street;
- East Bidwell Street at Glenn Drive;
- East Bidwell Street at Wales Drive;
- East Bidwell Street at Montrose Drive.

All other public street intersections along the District's five transportation corridors are controlled by minor street stop sign control.

In 2021, the City undertook a study of roundabouts as an alternative to traffic signals for intersection traffic control. In general terms, roundabouts have been found to be safer, better at managing traffic flow, and have little to no ongoing maintenance costs. However, roundabouts also cost significantly more to construct than a signal, and create challenges for large vehicles, bicyclists and visually impaired pedestrians that must be accounted for in their design. The City has established a General Plan policy that requires that roundabouts be evaluated first when intersection traffic control is under consideration, and that roundabouts must be ruled out as infeasible before traffic signalization can be considered.

The City is currently evaluating thirteen, signal-controlled intersections citywide to determine if roundabouts are feasible from a cost and construction impact standpoint. Five of the thirteen intersections are located within the District:

- Riley Street at East Bidwell Street;
- East Bidwell Street at Coloma Street;
- East Bidwell Street at Glenn Drive;
- Riley Street at Glenn Drive;
- Riley Street at Kohl's/Walmart driveways.

The feasibility study is currently underway and the findings should be presented to City Council later this year at which time the Council will determine which roundabouts should be prioritized for further evaluation, funding, and eventual construction.

5.1.3 Crash Data

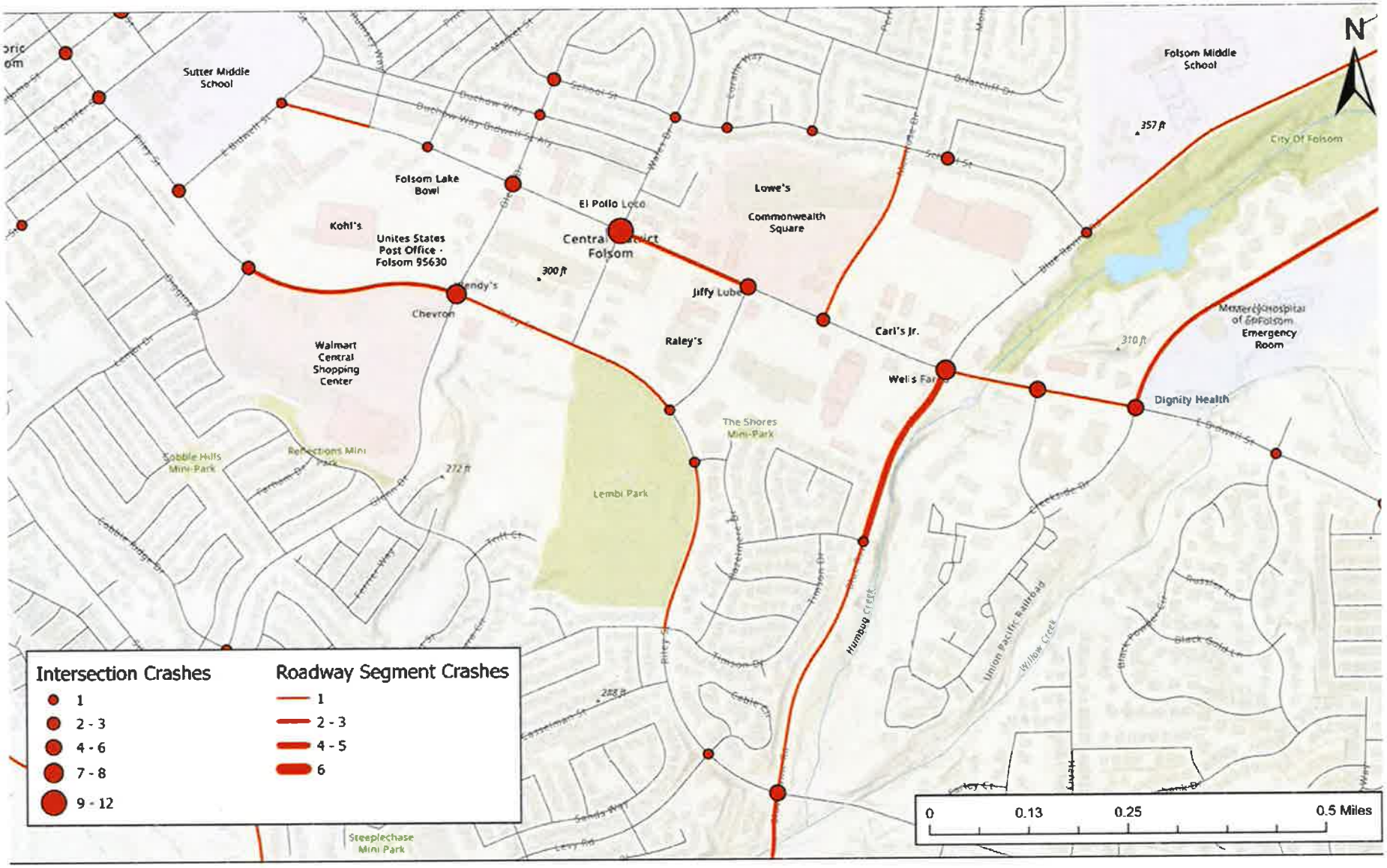


Figure 37 | Crash Data and Trends in Folsom

5.2 Transformative Ideas/Key Opportunities for Improvement

Modern Roundabouts

The application of roundabout intersection traffic control is rapidly gaining popularity across the country, including California and the greater Sacramento region. In fact, neighboring local agencies (e.g., Lincoln, Rocklin, Roseville, Rancho Cordova, and Elk Grove) all either have recently constructed or are broadly considering roundabout policies that will ensure this traffic control strategy is considered as part of the expansion of their transportation networks and as part of development mitigation strategies. To this end, the City of Folsom is concurrently completing a Roundabout Feasibility Study in which General Plan policy language and design standards are being developed, along with engineering concepts for thirteen locations throughout the City.

Roundabout Feasibility Study Intersections *Other Potential Roundabout Locations*

Figure 38 | Potential locations for introducing roundabouts

The above-noted (Figure 39) five of the thirteen Feasibility Study intersections located within the District are logical areas for considering initial roundabout applications. Five of these locations are overlap intersections with the Feasibility Study, and the other five locations are logical to accomplish corridor-wide treatments and a more even distribution of this traffic control strategy throughout the District.

Roundabouts have broad appeal in varying settings as they enjoy a long history and documented performance metrics in which safety for all modes of travel is improved and sustained. By requiring vehicles to yield, at a predetermined lower speed, there is no longer the need for rapid vehicle deceleration or acceleration. This change to the vehicles' operating profile thereby enhances a pedestrian-focused environment by improving the balance of how the various modes occupy the public right of way.

An often overlooked benefit of roundabout applications is their dramatic affect on transportation noise. Unlike traditional traffic signals and stop control, roundabouts have a natural calming effect on the vehicles in that they are able to more smoothly and without extremes decelerate and accelerate. This operating profile often creates inviting spaces near intersections that were once polluted with excessive and sometimes extreme vehicle noise.

When used in series, roundabouts can truly transform corridors. By providing natural "U-turn" opportunities for vehicles to easily and safely return in the opposite direction, it is common for the roadway segments connecting roundabouts to be alleviated of their need to provide left-turn ingress or egress. Once this dynamic is achieved, these "roundabout corridors" have the ability to reclaim the public rights-of-way for truly meaningful multi-modal facilities and community enhancements by using this median space previously dominating by turn pockets for landscape, architectural, or pedestrian refuge areas.

The following four pages feature graphics showing preliminary feasibility analysis at the Glenn Drive and Riley Street intersection.

5.2.1 Intersection at Riley Street and Glenn Drive

Figure 39 | Existing intersection at Riley Street and Glenn Drive

Feasibility Analysis: Overlay

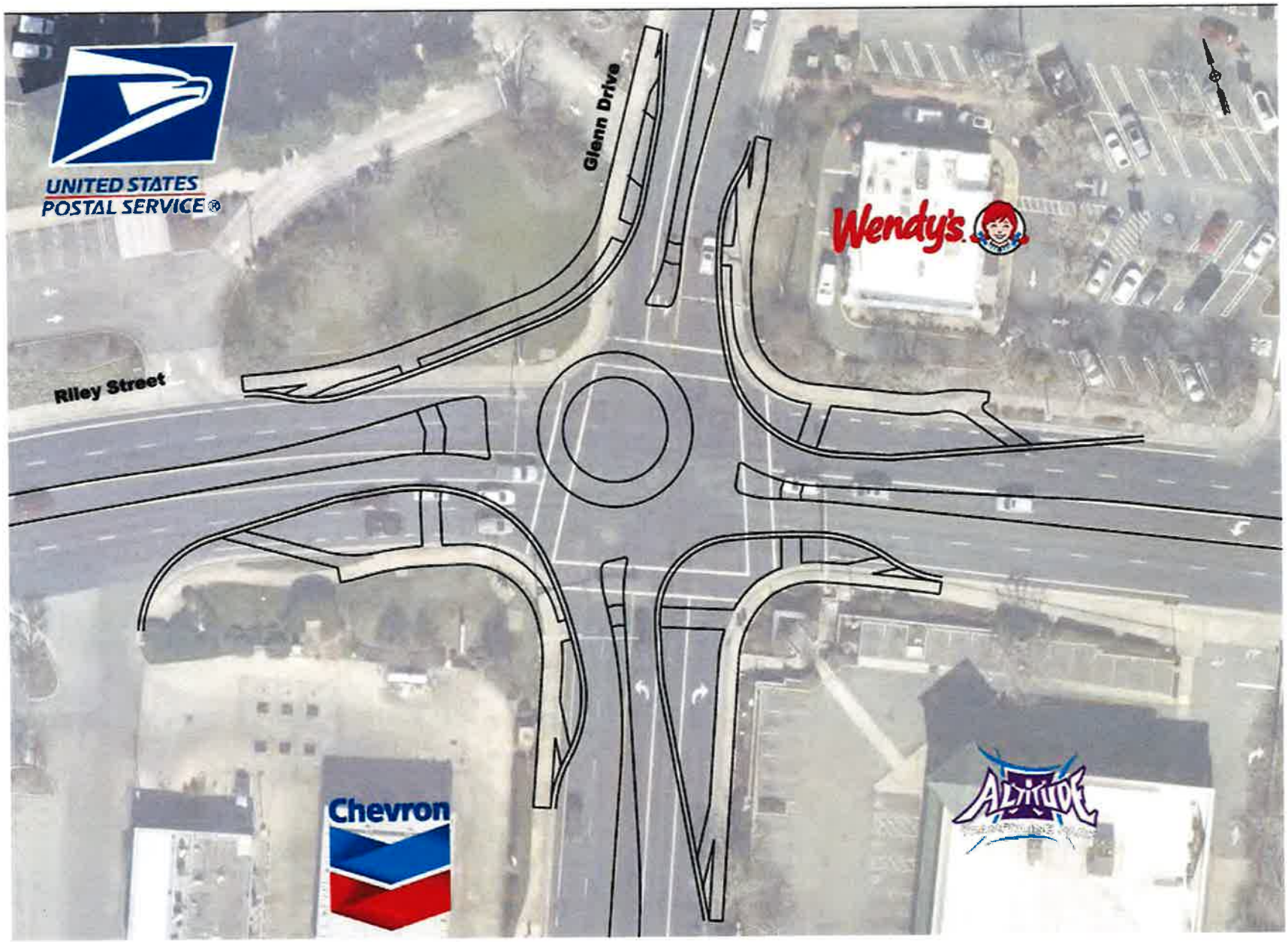


Figure 40 | Outline to incorporate a roundabout at Riley Street and Glenn Drive

Feasibility Analysis: Right of Way Expansion

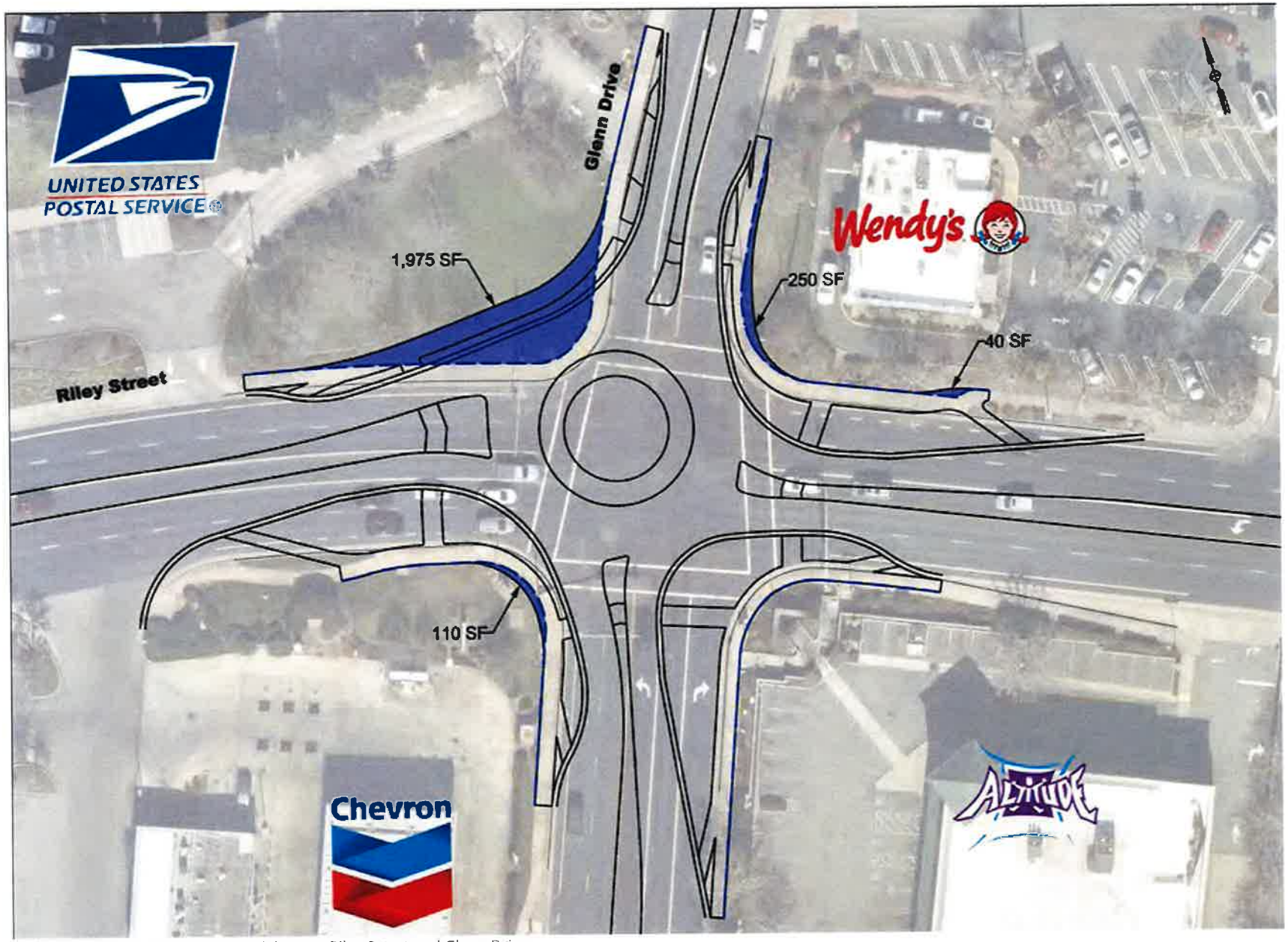


Figure 41 | Outline to incorporate a roundabout at Riley Street and Glenn Drive

Feasibility Analysis: Illustrative Plan

Figure 42 | Outline to incorporate a roundabout at Riley Street and Glenn Drive

Opportunities within Existing Rights-of-Way

The District's primary transportation corridors present a variety of opportunities for multi-modal transportation enhancements. Both intersection-focused and corridor-wide treatments should be considered individually and collectively to effectively plan for the District's transportation future.

- **Intersections**

  As discussed above, consider modern roundabout applications at strategic intersections to support the desire to create a more balanced transportation environment. Along with intersection treatments, mid-block crossings should be considered based on known and anticipated pedestrian flowlines. Considerations for mid-block crossings should be limited to roadway segments with one through lane in each direction, in a manner consistent with historic City application policy.

- **Roadway Segments**

  Based on the findings of a District-wide traffic analysis, consider repurposing a portion of the public right-of-way from through lanes to auxiliary lanes or landscape/refuge areas.

  East Bidwell Street, if supported by detailed traffic analyses, community outreach/engagement, and ultimately City Council direction, consider either restriping the roadway to include narrow lanes and on-street (Class II) bike lanes, or restriping to include one through lane in each direction. In the scenario where the through lanes are reduced, the remaining space could be used for median enhancements, auxiliary lanes, and/or installation of wide sidewalks and bicycle facilities.

  Riley Street, if supported by detailed traffic analyses, consider restriping the corridor to one through lane in each direction. Similar to East Bidwell Street, the remaining space could be used for median enhancements, auxiliary lanes, and/or installation of wide sidewalks and bicycle facilities.

  Glenn Drive and Wales Drive, consider restriping these facilities (between East Bidwell Street and Riley Street) to include three narrow lanes (one through lane in each direction and a continuous two-way left-turn lane) to allow for striped on-street bike lanes (Class II).

- **"Through Route" Designation**

  If supported by detailed traffic analyses, community outreach/engagement, and ultimately City Council direction, consider using the Orchard Drive connection to facilitate a meaningful connection between East Bidwell Street and Riley Street to serve as the "through" route for longer trips traveling between the Historic District (and beyond) and areas to the south (including US-50).

  The enhancement of this route would create the opportunity to repurpose the remainder of the East Bidwell Street Corridor north of Orchard Drive, and would reassign the background trips (those not destined for the District's uses) to the Riley Street corridor which is better structured (fewer driveways and conflicts) to accept additional volume.

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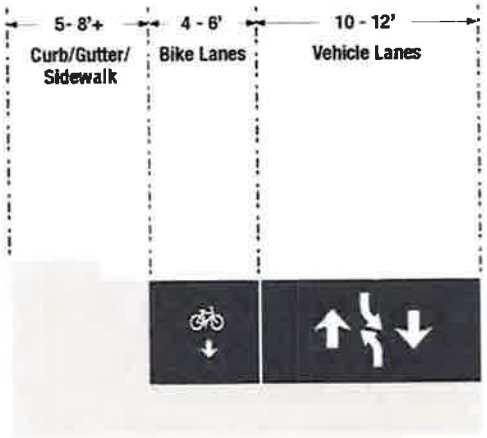
5.2.2 Proposed Street Cross-Sections/Segments

Element Ranges (Vehicle Lanes and Bike Lanes)



East Bidwell Street: Improvement Concept

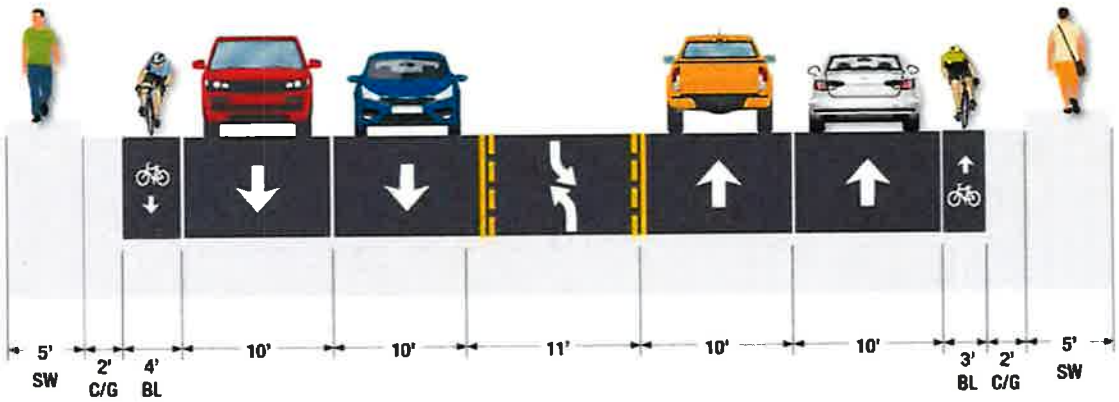
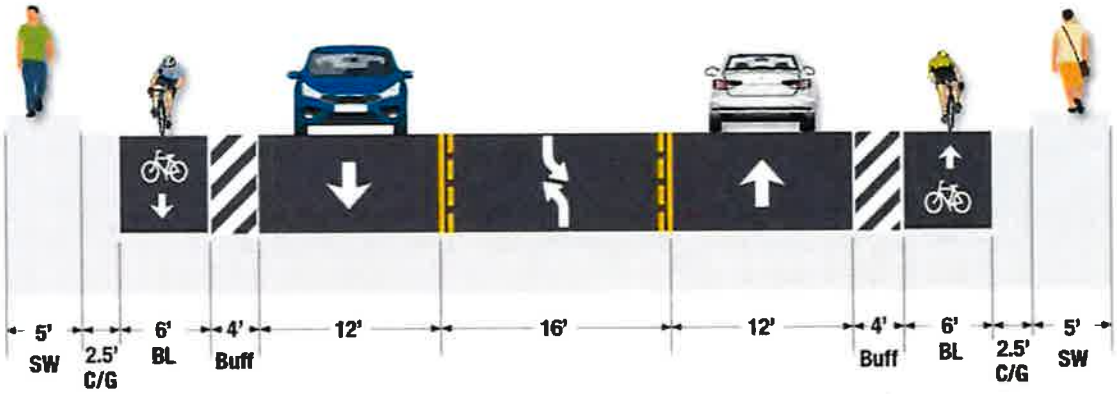
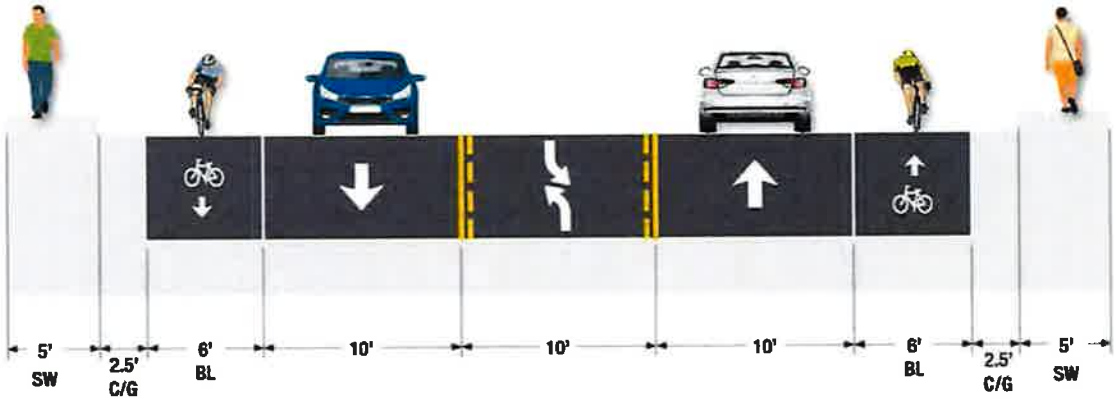


Figure 43 | Proposed street sections for East Bidwell Street, Riley Street, Glenn Street and Wales Drive.

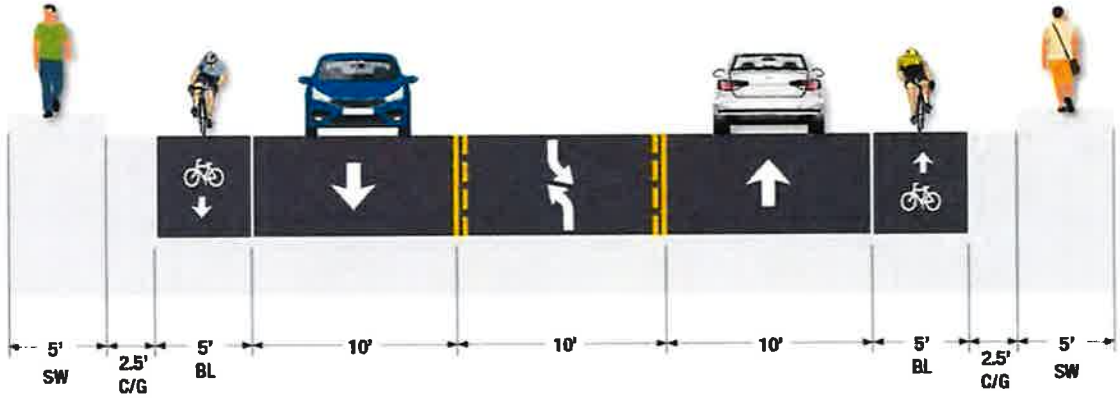
Riley Street: Improvement Concept



Glenn Drive: Improvement Concept



Wales Drive: Improvement Concept



5.3 Examples/Successful Case Studies

5.3.1 Kings Beach (State Route 28), California

Figure 44 | Successful Case Study - Roundabouts at Bird Rock, La Jolla Boulevard, San Diego, CA

5.3.2 Before: Rocklin Road at Pacific Street

Figure 45 | Before: Rocklin Road at Pacific Street, April 2024

5.4 Implementation Strategies

Implementation Strategies

The District is served with numerous streets and intersections that have been evaluated through the development of this vision plan study. The main high-volume vehicular access is provided via East Bidwell and Riley Streets and secondary access is provided with core area cross streets including Wales, Glenn and Orchard streets. The hierarchy and functionality of these streets is distinct and further study is warranted to bring them in alignment with the City's goals for safety, accessibility, and connectivity.

The community outreach questionnaire's 821 responses indicated a high preference to increase mobility for walking and using bicycles as compared to vehicular uses. It reinforced the need for traffic calming/ reduced speeds as well as to correct intersections with irregular alignments, complete missing sidewalks, eliminate 'cut through' traffic, reduce large parking lots and enhance overall safety for pedestrians in general and specifically for students in and around Sutter Middle School.

The District's roadways play a key role in not only the movement of patrons, visitors and residents, but also in the aesthetics and overall wayfinding needs of retailers, tourists, guests and residents. Cross streets such as Wales Drive, Glenn Drive and Orchard Drive can play a critical role in connecting existing neighborhoods and Lembi Park to the District. Enhancing these streets with branded signage and wayfinding, complete sidewalks and bicycle lanes, and proper lighting will transform the experience of the users and encourage them to be less dependent on the automobile in lieu of more healthy mobility options.

The City should take actions related to the responses in the questionnaire, but also to reinforce guiding principals expressed in prior sections of this document. The following Action Items are recommended.

Recommended Actions

5.4.1 Where feasible, utilize roundabouts in lieu of traffic signals for intersection traffic control.

Building on the findings of the concurrent Roundabout Feasibility Study, advance preliminary engineering efforts at City Council prioritized roundabout locations. This additional engineering should include more comprehensive corridor applications and traffic control and should resolve access considerations and multi-modal continuity and accessibility. As soon as feasible, the City should expand the roundabout feasibility assessment to include the intersections of East Bidwell/Wales, Riley/Wales, Riley/Orchard, and East Bidwell/Orchard. Consider phasing roundabout improvements on the Riley Street corridor first before the East Bidwell Street corridor."

5.4.2 Conduct a District-wide traffic operations analysis.

Conduct a focused analysis of all five District transportation corridors, inclusive of the concurrent Roundabout Feasibility Study's findings, to identify opportunities for potential travel lane repurposing to allow for delineation of meaningful on-street bike lanes, on-street parking and/or gateway features/pedestrian refuge areas.

5.4.3 Re-stripe Wales Drive and Glenn Drive to add on-street bicycle lanes.

Regardless of the implementation of Strategy 5.4.2, Wales Drive and Glenn Drive can be re-striped to accommodate on-street bicycle lanes. Currently Wales Drive and Glenn Drive are striped as two, 16-foot-wide travel lanes and 13-foot-wide center turn lane, between Riley Street and East Bidwell Street. Re-striping these roadways to 11-foot-wide travel lanes and an 11-foot-wide center turn lane would allow for the addition of 5-foot-wide Class II bicycle lanes, which would enhance bicycle mobility, potentially reduce vehicle speeds, and create a safer pedestrian environment. Orchard Drive is already striped in the configuration.

5.4.4 Enhance District Walkability by closing sidewalk gaps, reducing curb cuts and enhancing roadside landscaping.

All of the District streets include sidewalk facilities with the exception of East Bidwell Street between Market Street and Coloma Street, where there are two notable gaps on the east side of the street. As the properties along these frontages undergo future redevelopment, these sidewalk gaps should be closed to create a safe, continuous pedestrian path. The City should also pursue opportunities to close the gaps with capital projects and/or grant funding.

5.4.5 Enhance access to public transit.

Working with Sacramento Regional Transit, the City should strive for a District that is properly served by regularly scheduled fixed-route bus service and demand responsive (micro) transit, which also includes service between the District and nearby Gold Line light rail stations at Glenn Drive and Historic Folsom Station. Enhanced transit stops, located throughout the District, should be incorporated into future transportation and development projects.

5.4.6 Address documented traffic safety hazards through the City's Local Roads Safety Plan (LRSP).

Using the outcomes of the latest LRSP, continue to seek safety grant funding to address district locations with above average crash rates, and those with a propensity for bicycle/pedestrian-involved collisions.

5.4.7 Create a safe and inviting atmosphere

that promotes and encourages walking and cycling. Utilize decorative street light poles with street lighting intensity that is consistent with City safety standards but creates a comfortable atmosphere. Incorporate landscape strips between sidewalks and travel lanes where feasible, including street trees, benches, shade structures, planters and community art.

5.4.8 Re-evaluate parking supply and standards.

Conduct a comprehensive parking study to determine the amount and location of surplus parking. Consider amending the zoning code to establish lower parking standards and encourage shared parking between adjacent properties.

5.4.9 Evaluate middle school pedestrian safety and access.

Evaluate pedestrian crossing safety at controlled intersections, and the feasibility of mid-block pedestrian crossings. It should be noted that City staff does not advise the use of uncontrolled mid-block crossings on multi-lane, high-speed roads (30 MPH and above), but they can be considered on roadways with only one travel lane per direction, particularly if there is an opportunity for a center refuge area.

5.4.10 Design mid-block pedestrian crossings on roadways that cross a potential paseo between Riley Street and East Bidwell Street.

One land use strategy that has been identified is the creation of a paseo, or pedestrian promenade that would be located between East Bidwell Street and Riley Street, extending southward from Sutter Middle School to Orchard Drive. Three transportation corridors would cross the paseo: Glenn Drive, Wales Drive and Orchard Drive. Each of these paseo crossings should be designed to enhance pedestrian safety and should function primarily as an extension of the paseo by incorporating raised pedestrian features, decorative pavement treatments, and traffic control devices that assign right of way to non-motorized traffic.

5.4.11 Consider establishing a merchant-funded trolley system.

Similar to the successful weekend trolley that serves Folsom's Historic District, the District should evaluate the cost and feasibility of a trolley to provide short trips within the District. The shuttle could be funded through a property-business improvement district (PBID) as well as merchant advertising space on the trolley itself.

5.4.12 Improve access to Lembi Park/connectivity to the District.

The City should consider additional opportunities to improve access and connectivity between Lembi Park and the rest of the District. As part of District traffic analysis, capital improvement projects qualification, or grant opportunities evaluate the frontages along Lembi Park to on Riley and Glenn to establish additional controlled crossings for bicycles and pedestrians.

5.4.13 Building on the findings of the concurrent Roundabout Policy Grant project,

advance roundabout preliminary engineering efforts at the City Council prioritized locations. This additional engineering should include more comprehensive corridor applications and traffic control, and should resolve access considerations and multi-modal facilities' continuity and accessibility.

5.4.14 Coordinate focused traffic operations analyses for all five District transportation corridors,

inclusive of the concurrent Roundabout Policy Grant project's findings, to identify opportunities for potential travel lane repurposing to allow for delineation of meaningful on-street bike lanes, on-street parking, and/or gateway features/pedestrian refuge areas.

5.4.15 Continue to seek grant opportunities to address the District locations

with above average crash rates and those with a propensity for bicycle/pedestrian crashes.

5.4.16 Coordinate all street improvements with Action 4.4.6

Commission a landscape and open space plan or a guiding document for the District.

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6

Placemaking

6.1 Existing Conditions

The city of Folsom's Central Business District has plateaued. How did we get here? What has changed? And how might the placemaking of the District adapt to these changes?

After World War II, there was a significant movement of people from cities to suburbs, driven by affordable housing, the availability of cars, and the development of interstate highways. Strip malls were designed to cater to this new suburban lifestyle, where driving was the primary mode of transportation. As such, these developments feature large parking lots in front of the stores that make them easily accessible by car but not pedestrian-friendly. Strip malls were also often built quickly and inexpensively, with a focus on maximizing retail space. This led to the uniform, boxy architectural style that is common throughout the District, with little attention paid to aesthetics or community integration. And finally, urban planning policies at the time favored single-use zoning, where commercial, residential, and industrial areas were separated. Strip malls were purely commercial spaces, disconnected from residential areas and other amenities.

These car-centric strip malls may have been a staple of suburban development during the mid to late 20th century, but they are increasingly failing due to changes in consumer behavior, urban planning priorities, and societal trends. Today's consumers are looking for more than just a place to shop; they want experiences. Strip malls, with their focus on convenience rather than experience, are losing out to mixed-use developments and lifestyle centers.

The rise of online shopping has also significantly impacted brick-and-mortar retail. In addition to these trends, there has been a resurgence of interest in urban living, with people preferring to live in walkable, vibrant neighborhoods over car-dependent suburbs. This has led to the decline of the District's suburban strip malls as urban centers.

Through careful placemaking, we envision a transformation of the District from a series of car-centric strip malls into a thriving mixed-use destination.

What is placemaking? Placemaking is a collaborative process that involves designing and managing public spaces to enhance a community's cultural, social, and economic life. It emphasizes creating places that people find meaningful and where they feel a sense of belonging. The concept revolves around the idea that public spaces should be designed not just to be aesthetically pleasing but to serve the needs and desires of the community.

6.2 Transformative Ideas

6.2.1 Key Elements for successful Placemaking

There are several key elements to successful placemaking:

1. **Community Engagement and Participation:**
   a. Involvement of Local Stakeholders: Successful placemaking begins with involving the community in the planning and design process. This ensures that the space reflects the needs, desires, and cultural values of the people who will use it.
   b. Ongoing Feedback: Gathering and incorporating feedback from the community during the development and after the space is opened helps ensure the space remains relevant and well-used.

2. **Accessibility and Inclusivity:**
   a. Universal Design: Public spaces should be designed to be accessible to everyone, including people with disabilities, the elderly, children, teens, and those with different socio-economic backgrounds. This includes features like ramps, tactile paving, wide pathways, and clear signage.
   b. Multilingual and Multicultural Considerations: Signage, public art, and programming should reflect the diversity of the community, with multilingual options and culturally inclusive events.

3. **Safety and Comfort:**
   a. Lighting and Visibility: Adequate lighting and clear sightlines enhance safety and make the space feel welcoming at all times of the day.
   b. Comfortable Seating and Shelter: Providing a variety of seating options, shaded areas, and shelter from the elements encourages people to spend more time in the space.

Figure 46 | Placemaking involves end user input to identify their needs and desires

4. **Flexibility and Adaptability:**
   a. Multi-Use Design: Spaces should be adaptable to different activities and events, from farmers' markets to outdoor concerts, allowing for a range of uses that can engage diverse groups.
   b. Temporary Installations and Pop-Ups: Flexibility in design allows for temporary uses, such as pop-up shops or art installations, which can keep the space dynamic and responsive to community needs.

5. **Connectivity and Accessibility:**
   a. Integration with Public Transportation: Public spaces should be easily accessible by public transit, walking, and cycling to ensure that they are available to the widest possible audience.
   b. Physical and Visual Connectivity: The space should be well-connected to surrounding areas, with clear pathways and visual cues that invite people to explore and use the space.

6. **Social and Cultural Programming:**
   a. Regular Events and Activities: Organizing events, workshops, and performances that cater to various interests and age groups can draw people to the space and foster a sense of community.
   b. Celebration of Local Culture: Highlighting local culture through public art, festivals, and cultural programming can strengthen community identity and pride.

Figure 47 | Placemaking considers a variety of activities and end users and spaces designed with flexibility

7. **Sustainability and Green Space:**
   a. Incorporation of Nature: Green spaces, such as parks, gardens, and tree-lined pathways, contribute to the environmental health of the community and provide a place for relaxation and recreation.
   b. Eco-Friendly Practices: Using sustainable materials, promoting biodiversity, and implementing green infrastructure (e.g. rain gardens or solar lighting) can enhance the environmental benefits of the space.

8. **Branding and Identity:**

   A successful commercial district has a developed brand which attracts shoppers and visitors, while fostering economic development. A well-defined brand creates a unique identity and experience that distinguishes the district from competitors, making it a preferred destination for consumers. More frequent visits and longer stays drive sales for local businesses, reduces vacancy rates, and enhances the area's overall economic vitality. Additionally, a strong brand can attract new businesses and investments, further stimulating economic growth and contributing to the community's prosperity.

   a. Public Art and Design: Incorporating public art, unique architectural features, and thoughtful landscaping can give the space a distinct character that resonates with the community.
   b. Maintenance and Upkeep: Regular maintenance ensures the space remains clean, safe, and attractive, which encourages continued use.

c. Wayfinding and Signage:

Figure 48 | Placemaking benefits from integrating landscaped spaces and branded elements

A comprehensive approach to the design of wayfinding and signage can significantly enhance placemaking by improving the usability, accessibility, and overall experience of public spaces. Thoughtful wayfinding and signage contribute to successful placemaking and facilitate meaningful interactions among users by:

- Creating a sense of place and unique identity.
- Enhancing navigation and accessibility.
- Supporting safety and comfort.
- Encouraging exploration and engagement.
- Facilitating social interaction and community building.

d. Branding and Identity

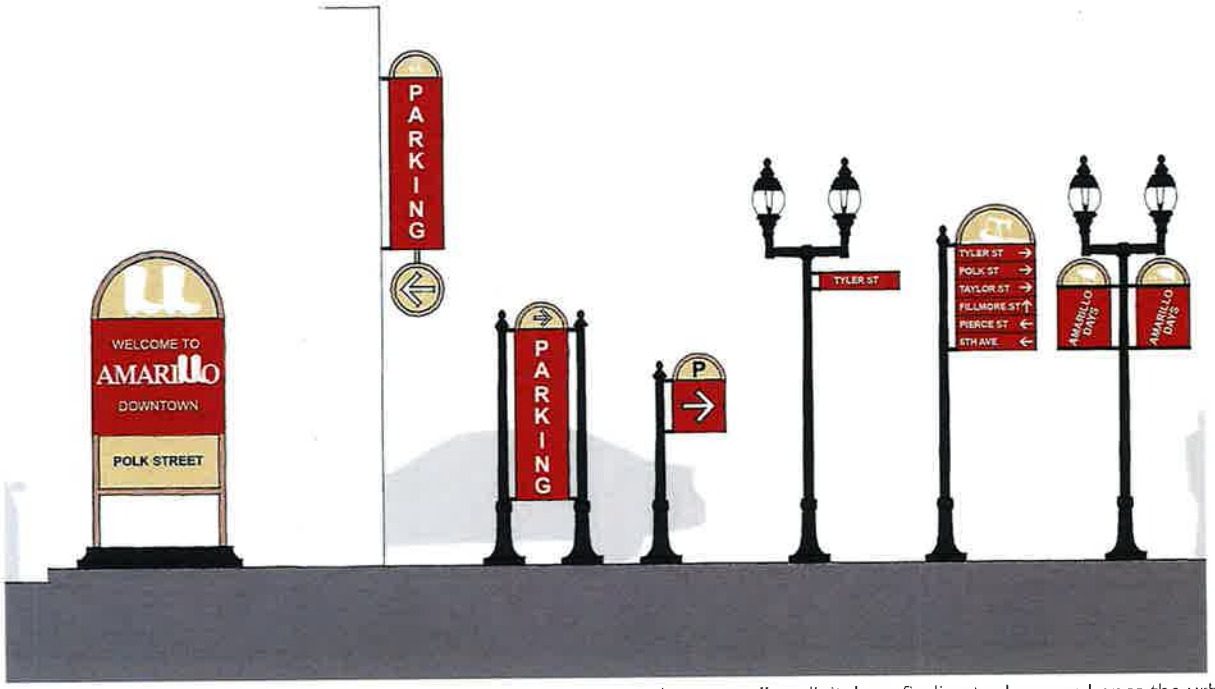

Figure 49 | Gateway/Portals, creative street signage, destination markers as well as digital wayfinding tools can enhance the urban experience

Potential locations for Portals

Potential locations for Gateways

Figure 50 | Potential locations for Portals/Gateways

One example of a unique identity the City might consider is a Mid century retro theme. This theme could be expressed through the use of retro pylon signs or a sign graveyard park. The City could direct change to the zoning code to allow neon/retro signs which may not currently be allowed in the city.

Expansion of the Retro theme should be explored by hiring a consulting firm to assist the City in branding the area and identify how a retro theme could be implemented. This should include creative designs that would set the District apart including art, murals, signage, placemaking, etc. Two examples include the South Congress District in Austin Texas and the Funk Zone in Santa Barbara California which have successfully created a pedestrian scaled retro district.

Branding can lend a strong identity while also positively impact:

- Tourism and Increased Cultural and Historical Appeal.
- Supporting Local Business.
- Act as an Event Venue.
- Increase Community Engagement.
- Provide Creative and Artistic Expression.

e. Lighting

Figure 51 | Festive lighting in Cherry Creek, Denver, Colorado

Figure 52 | Creative and aesthetically enhancing techniques for lighting buildings, public art, streets as well as scope for additional lighting during festivals

A comprehensive approach to lighting design plays a crucial role in enhancing placemaking in both the public right-of-way and private property. Thoughtful integration of lighting and landscape elements can transform ordinary spaces into vibrant, welcoming, and sustainable environments that foster community interaction, support safety, and reflect the unique identity of a place.

- Creating a sense of place and unique identity
- Enhancing navigation and accessibility
- Supporting safety and comfort
- Encouraging exploration and engagement
- Facilitating social interaction and community building

f. Landscape

Figure 54 | Neon Sign Museum, Edmonton, Alberta, Canada

Figure 53 | Retro Neon sign park

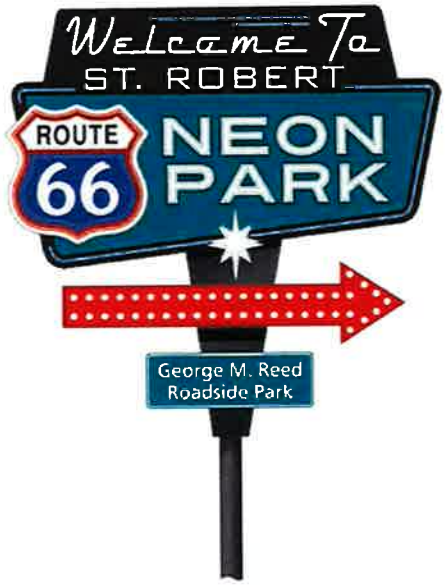

Figure 55 | Neon Park Signage

Incorporating thoughtful landscape design greatly amplifies the quality of outdoor space in the public realm and private development. It is important to integrate local trees and plants that are drought tolerant and low maintenance. Well-designed landscapes can promote biodiversity by providing habitats for local flora and fauna. Landscapes can be further enriched by including public art at prominent locations.

Roundabouts: Landscaped roundabouts enhance the visual appeal of urban areas. They can feature greenery, flowers, and sculptures, these prominent and iconic landmarks improve wayfinding and create a unique sense of place. Beyond their functional role in traffic management, they contribute to a more pleasant urban environment.

Figure 56 | Various types of landscape elements, texture treatments and public art come together to form an enticing outdoor pedestrian environment and a pleasant overall feel

Figure 57 | Public realm areas including tree lined streets and roundabouts serve as landmarks and build an identity for the neighborhood

Tree Canopy: The city's tree canopy along roads, paths and bikeways provides significant benefits for residents and visitors alike. Trees lower air temperature through shade, encourage economic stability by increasing aesthetics and attracting businesses and encourage walking and biking.

A unified tree/landscaping approach will also help define the boundaries of the District. A well developed tree canopy, can reduce urban heat island effect, improve air quality and elevate the overall livability of the District.

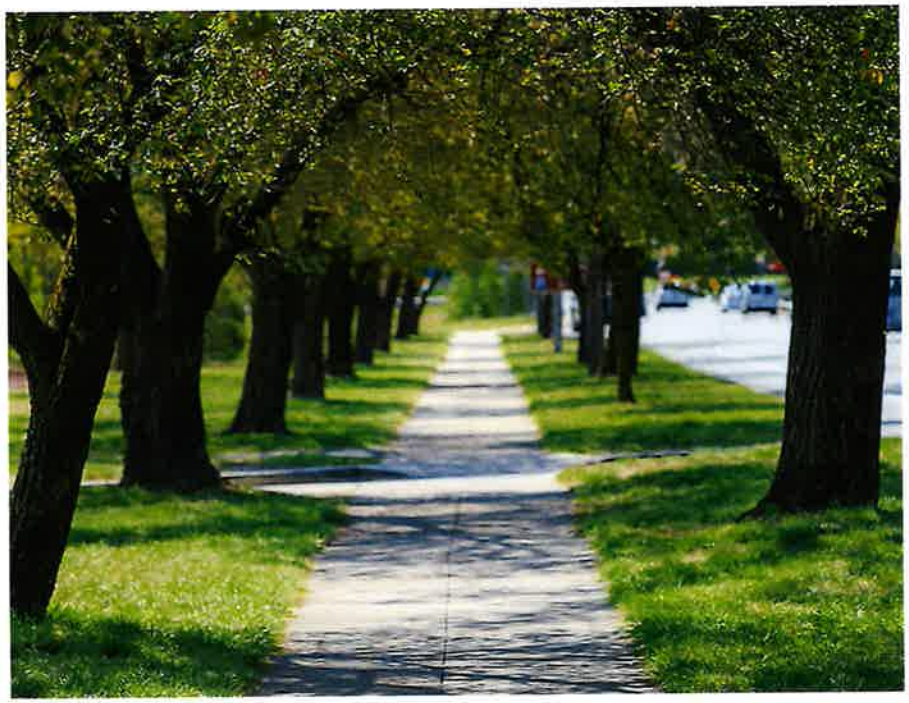

Figure 58 | Tree canopy along arterial roads, bikeways and pedestrian paths will enhance the pedestrian experience

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6.3 Examples/Successful Case Studies

6.3.1 Types of Public Spaces

Ultimately, placemaking leads to public spaces and events. Types of public spaces and their unique contributions to civic life include, but are not limited to, the following:

1. **Parks and Green Spaces:**
   a. **Contribution:** Parks provide essential green space for recreation, relaxation, and social interaction. They offer a natural retreat in urban environments and can host community events, sports, and family activities, fostering a sense of belonging and well-being.

2. **Plazas and Town Squares:**
   a. **Contribution:** Plazas and squares serve as gathering points for social interaction, public events, and cultural activities. They often function as the "heart" of a community, where people meet, exchange ideas, and celebrate together.

3. **Streetscapes and Pedestrian Zones:**
   a. **Contribution:** Well-designed streetscapes with wide sidewalks, trees, benches, lighting and pedestrian zones create vibrant public spaces that encourage walking, shopping, and socializing. They can enhance local businesses and reduce reliance on cars, promoting a healthier, more connected community.

4. **Community Gardens and Urban Farms:**
   a. Contribution: These spaces promote local food production, environmental education, and social interaction. They provide a sense of ownership and responsibility to the community and can improve food security and sustainability.

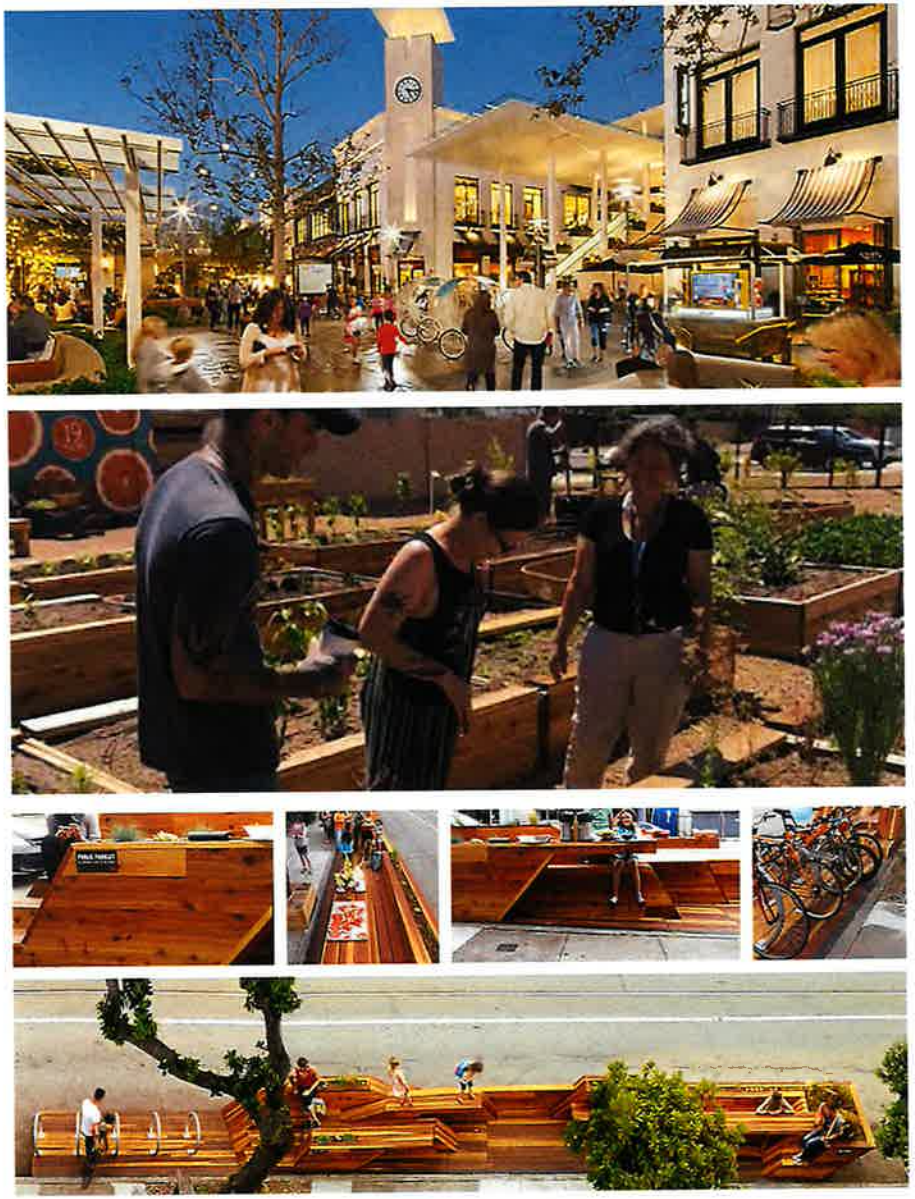


Figure 59 | Placemaking offers opportunities to thoughtfully integrate public life and green spaces, landscape elements and tree canopy.

5. **Cultural Centers and Public Art Installations:**
   a. **Contribution:** Cultural centers and public art installations celebrate local history, diversity, and creativity. They provide spaces for learning, expression, and cultural exchange, enriching the community's cultural life and fostering inclusivity.

6. **Playgrounds and Sports Facilities:**
   a. **Contribution:** Playgrounds and sports facilities offer spaces for physical activity, which is crucial for health and well-being. They encourage children and adults alike to engage in active play and sports, fostering teamwork, discipline, and social bonds.

7. **Public Libraries and Civic Buildings:**
   a. **Contribution:** Libraries and civic buildings are hubs of knowledge, learning, and civic engagement. They provide access to information, resources, and community programs, supporting education, literacy, and civic participation.

8. **Marketplaces and Farmers' Markets:**
   a. **Contribution:** These spaces support local economies by providing a venue for small businesses, farmers, and artisans to sell their goods. They also serve as social gathering spots, promoting local culture and sustainable consumption.

9. **Transit Hubs and Mobility Centers:**
   a. **Contribution:** Transit hubs connect different parts of the city and make it easier for people to access public transportation. By integrating amenities like shops, cafes, and public art, they can become vibrant public spaces that enhance the overall transit experience.

Figure 60 | Placemaking promotes social interaction and community culture as well as a vital commercial enterprises

10. Pocket Parks and Parklets:

a. **Contribution:** These small green spaces provide a place for rest and relaxation in dense urban areas. They can transform underused spaces into valuable community assets, offering a quick and accessible respite from the urban environment.

11. Urban Trails and Greenways:

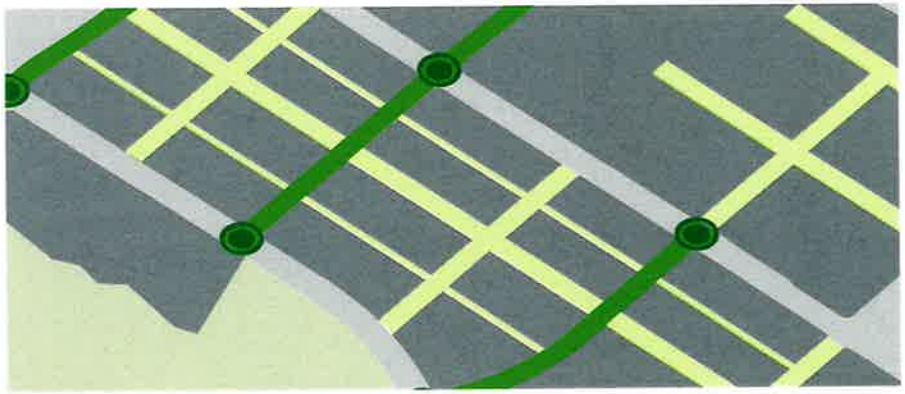
a. **Contribution:** Urban trails and greenways provide safe and scenic routes for walking, cycling, and jogging, connecting different parts of the city and encouraging active transportation. They promote health, well-being, and environmental stewardship.

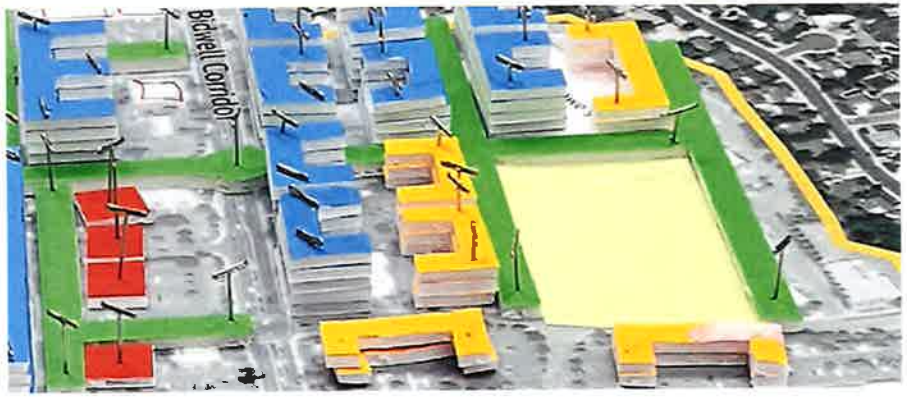
The hallmark of successful placemaking is the design and management of public spaces that welcome the greatest variety of users and host the greatest variety of uses possible. On the following pages are images and examples of spaces of different sizes and the programs and events they support.

Figure 61 | Connected green spaces, trails and pathways support Placemaking

GATHERING SIZE		SPACE	EVENT
SMALL	0-50 People	• Pocket Park • Curbside terrace • Dining sheds • Streeteries • Playground	• Painting glass • Robotic workshops • Kids cooking class. • Family paint parties
MEDIUM	50-100 People	• Townsquare • Plaza Neighborhood Park • Alley • Food-truck Park	• Scavenger hunt for kids • Seasonal outdoor activity center • Seasonal Zoo • BMX Demo
LARGE	100+ People	• Street • Parking Area and/ or plaza / park	• Car show • Holiday themed children's activities

Table 6 | Public space classification by size and use





Small Public Spaces

Figure 62 | Outdoor eateries, children's playground

Figure 63 | Outdoor eateries, children's playground, pocket parks along streets

Medium Public Spaces

Figure 64 | Range of activities at medium scaled public spaces include foodtruck parks, outdoor movie screenings, incidental activities at a town plaza, outdoor eatery seating and public art

Figure 65 | Street concerts, innovative use of alleys and rich landscape design for medium scaled public spaces

Large Public Spaces

Figure 66 | Park concerts, festivities and outdoor events at large scaled public spaces

Figure 67 | Large scaled gatherings at a public park

6.4 Implementation Strategies/Recommended Actions

Implementation Strategies

The process of placemaking will be central to the long-term transformation of the District. An important first step in this process will be the branding and identity of the District. The vision established during this initiative will inform the design of everything from themed architecture, signage, and wayfinding to lighting and landscaping.

Public art and attractions will further define the new District. In addition to the aesthetic character of the place, it will also influence the programming of events, the traditions, and quality of life within the District.

The following implementation strategies will guide the city and the community in this process.

Recommended Actions

6.4.1 Brand the District.

Engage a design firm specialized in branding, signage, and wayfinding to work with the City and its stakeholders to formulate a retro theme for the District to standout from other areas of the city. The branding and signage program should specify costs and phasing. This initiative should also consider a new name for the District, a name that will resonate with residents and visitor alike.

6.4.2 Integrate the brand throughout the District.

Coordinate branding, signage and wayfinding programs with planning for street and landscape improvements, including any roundabouts.

6.4.3 District organization for marketing/promoting.

Poll District commercial property owners to gauge interest in forming and supporting a District-wide organization for promotion and events programming. This can take the form of a main street-like nonprofit organization, or business improvement District entity. Either organizational approach would require seed funding and ongoing funding from property owners.

6.4.4 Consider neon park attraction.

Explore the neon park concept by identifying a project champion and determining the scope of the sign project, potential locations, and preliminary costs and funding sources.

6.4.5 Incorporate public art into any future roundabouts.

As the City's roundabout improvement program proceeds, establish an ad hoc committee to formulate a public art component, engage the local and regional artist community, and pursue grant funding.

7

Infrastructure

7.1 Existing Conditions

The Central Business District includes aging infrastructure. Some infrastructure improvements have been made incrementally over time and as needed for site-specific development and redevelopment. The two primary infrastructure constraints are wastewater capacity and storm drain conveyance. This chapter outlines existing conditions and analysis, along with identified improvements needed over time to realize the development potential of the District, especially for new housing and mixed-use development.

7.1.1 Wastewater Conveyance

As part of the General Plan Amendments to the Folsom General Plan 2035 for Increased Residential Capacity Project, an Environmental Impact Report was prepared by Ascent (State Clearinghouse No. 2023070470), which is being considered by the City Council August 27, 2024. 638491217582230000 (folsom.ca.us) The EIR provides information on utilities for the Central Business District which is one of the three areas proposed for additional mixed-use development to accommodate additional housing.

SacSewer is the wastewater conveyance and treatment utility for the greater Sacramento region. SacSewer operates the SRWWTP. Wastewater flows collected from the City of Folsom are ultimately transported into the SRWWTP. The City does not own or operate any wastewater treatment facilities. City flows are conveyed 30 miles and are treated at the SRWWTP which is located in the City of Elk Grove. The City collects wastewater within its service area and discharges all wastewater flows to SacSewer's conveyance facilities.

Wastewater generated by the Central Business Districts flow through two sewer sheds in the City: referred to as the 33-Inch Shed, and 27-Inch Shed.

Evaluation of potential impacts to wastewater facilities is based on review of the Wastewater Capacity Analysis prepared for the project by Water Works Engineers (Water Works 2024). The EIR identified that the existing wastewater conveyance infrastructure in the City of Folsom would not have sufficient capacity to accommodate the anticipated additional wastewater from additional development if it exceeds the capacity analysis of the 2035 General Plan.

Most of the Central Business District is within a 27-inch line sewer shed. A 27-inch sewer line along Folsom Boulevard represents the major trunk in the 27-Inch Shed. The 27-inch sewer line in this sewer shed is currently at capacity.

A smaller portion of the Central Business District is within the 33-inch line sewer shed. A 33-inch sewer line along Blue Ravine Road represents the major trunk of the 33-Inch Shed. The simulation for project development in the 33-inch Shed indicated that the 33-inch sewer line would have capacity for the increased wastewater flow in general. However, development associated with the project would have the potential to reach the capacity of some localized sewer lines, specifically along Riley Street, Sibley Drive, and Glenn Drive.

In order to help support revitalization of the area the city should continue to explore grant opportunities or other funding sources to help with the retrofit and expansion of sewer capacity. Grant funding available could be through regional, state, federal, and nonprofit programs that could be used to make public infrastructure improvements, plant and maintain trees, and support compact housing development.

In addition, the General Plan EIR identifies the following two mitigation measures that would be implemented by the City in the future to address the capacity constraints. These two measures are located in the following section 7.3.

7.1.2 Storm Drainage Conveyance

In May 2024, the City completed a hydraulic analysis of the three main storm drain trunk lines that cross East Bidwell Street between Coloma Street and Montrose Drive. All three drainage networks are composed of underground storm drains in combination with valley gutters and traditional curb and gutter. The basins analyzed generally fall from the northeast to the southwest, and tributary areas range from 50 acres to 150 acres. Results of the hydraulic analyses indicate deficiencies in segments of all three storm drain trunklines.

7.2 Key Opportunities for Improvement

Upgrading both the wastewater and storm drain utilities will help ensure adequate conveyance of wastewater and stormwater and provide adequate capacity for additional mixed-use development and redevelopment within the Central Business District.

7.3 Implementation Strategies/ Recommended Actions

The City shall review its Capital Improvement Program on an ongoing basis and identify funding sources and grant opportunities to implement the following actions. Consistent with the East Bidwell Corridor Hydraulic Analysis report implement the following:

- Install new catch basins and associated storm drainpipe at the intersection of Rumsey Way and East Bidwell Street.
- Realigning the storm drain the runs from Market Street across East Bidwell Street from its current alignment on private property into the public right of way on East Bidwell Street.
- Provide a cured-in-place-pipe (CIPP) lining to segments of the existing storm drain along Glenn Drive near East Bidwell Street.
- Realigning a segment of storm drain from private property into the public right of way along Hoxsie Court.
- Upsize segments of storm drain near the intersection of Wales Drive and East Bidwell Street.

Improvements should be considered prior to future development or redevelopment of sites that are tributary to the affected storm drain systems.

7.3.1 Implement Localized Improvements in the 33-Inch Shed:

Future development in the 33-inch shed at the Central Commercial District in the East Bidwell Mixed-Use Overlay Zone and Iron Point District Transit-Oriented Development overlay shall provide fees or construct localized wastewater improvements as conditions of approval to address capacity issues in the sewer shed. Localized capacity improvements, such as upsizing pipes, shall be constructed and completed prior to occupation of residential units.

7.3.2 Develop and Implement a Wastewater Conveyance Master Plan for the 27-Inch Shed:

To address capacity concerns in the City's wastewater conveyance system the City shall develop a Wastewater Conveyance Master Plan that identifies the final anticipated extent of pipeline and pump station improvements as well as any phasing improvements tied to residential development timing and/or location in the 27-inch Shed. The Wastewater Conveyance Master Plan shall include mechanisms and improvements for addressing sewer capacity. The Wastewater Conveyance Master Plan shall contain the goals of the plan, a description of proposed upgrades and features that would be implemented, a long-term maintenance and operation strategy, and an approach for implementation of proposed improvements to the wastewater conveyance system. Potential improvements may include, but are not limited to: construction and operation of a new pump station near the intersection of Riley Street and East Bidwell Street, construction and operation of a new 8-inch force main from the pump station to high point at Glenn Drive and Sibley Street in order to divert flows from the 27-inch shed into the 33-inch shed, upsizing existing 8-inch pipelines on Glenn Drive and Sibley Street to 12-inch, and identification of addition localized sewer improvements. Upon completion of the Wastewater Conveyance Master Plan, the City shall secure any required permits for implementation of identified improvement strategies. Improvements identified in the Wastewater Conveyance Master Plan shall be implemented prior to issuance of grading permits for future projects that would add wastewater to the 27-inch Shed.

8

Appendix

8.1 Grant Opportunity Table

Possible Grant Funding for the Central Business District					
Source	**Source Type**	**Funding Type**	**Project Type**	**Timing**	**Match Requirements**
Local transportation Funds (LTF)	Local and Regional	Transportation	Planning, Transit Operations, Construction, Maintenance	Annually	No
Community Development Block Grant Program (CDBG)	Local and Regional	Community Development, Economic Development	Acquisition, relocation, demolition, rehabilitation, construction, public services, energy conservation, job creation, planning and technical assistance	Semi-annual: Typical timeline: NOFA (April), Development Competitive Programs Application (June), Economic Development Application (July)	No
Active Transportation (ATP)	State and Regional	Transportation	Plan, Non-infrastructure, (small, medium, large)	Every 2 years, spring/summer 2025 ATP (Cycle 7)	No
Affordable Housing and Sustainable Communities Program (AHSC)	State	Land Use, housing, transportation, land preservation	Feasibility study, design, environmental clearance, construction and maintenance	Annual, guidelines (Dec), NOFA (Jan), Application (mar/April) Awards (Aug)	No
Highway Safety Improvement Program (SHIP)	Federal	Transportation	Preliminary Engineering, Right of way (<10% construction), construction	Semi-annual projects to be programmed in FTIP/FSTIP	Yes, 11.47 for off federal aid system projects
Sustainable Transportation Planning Grants	Federal	Transportation	Planning, Study, Design	Annual; typical call for application (Jan), Application (Mar), Grant announcements (summer)	Yes 11.7% local
Rebuilding American Infrastructure with Sustainability and Equity (RAISE) Grants	Federal	Transportation, Sustainability	Planning, Preparation, design, construction, equipment and materials, technical assistance, workforce development and training	Annual, Application (Feb)	Possible up to 20%

Possible Grant Funding for the Central Business District					
Source	**Source Type**	**Funding Type**	**Project Type**	**Timing**	**Match Requirements**
Congestion Management and Air Quality Improvement Program (CMAQ)	Federal	Transportation and Air Quality	Infrastructure, Non-infrastructure	Annually	Possible, federal share payable up to 100%
Carbon Reduction Program (CRP)	Federal	Air Quality	Planning Preparation, design construction, infrastructure, non-infrastructure	Annual	Up to 20%
Safe Streets and Roads for All (SS4A)	Federal	Transportation	Planning, non-infrastructure, infrastructure	Annual	20% non-federal match
Reconnecting Communities Pilot Program (RCP) Planning Grants and Capital Construction Grants	Federal	Transportation	Planning and Technical Assistance, construction	Most recent cycle 2022	Yes, 20% non-federal match
Local Transportation Climate Adaptation Program (LTCAP)/Promoting Resilient Operations for Transformative Efficient and Cost Saving Transportation (PROTECT) Grants	State and Federal	Transportation	ROW and Construction	Most recent cycle 2023 Call for projects (May) Adoption (Dec)	Yes, 20% non federal match

Possible Grant Funding for the Central Business District					
Source	**Source Type**	**Funding Type**	**Project Type**	**Timing**	**Match Requirements**
Our Town Grants	Federal	Public art and Placemaking	Design, preparation, installation, planning	Annual in late summer/early fall	Yes, 100% match
Clean California Local Grant Program	State	Transportation, Placemaking, public art	Infrastructure	Quarterly	No
Paul Bruhn Revitalization Grants Program	Federal	Historic preservation, economic development	Architectural and engineering services	Annual	No
AARP Community Challenge	Nonprofit	Transportation and Placemaking	Infrastructure and non-infrastructure	Annual	No

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8.4 Implementation/Action Plan

The Central Business District Vision Plan will be implemented over time through a combination of City actions, partnerships, public and private initiatives and investments, grant funding, and infrastructure plans and improvements. City Staff will partner with Choose Folsom, business partners, property owners, and other stakeholders to advance the implementation strategies and recommended actions in this Vision Plan. At a minimum, City Staff will prepare annual review of the Action Plan for City Council consideration and direction as part of the annual fiscal year budget, capital improvement plans, park master planning, infrastructure master planning, and grant funding opportunities.

Chapters 3 through 7 of the Vision Plan include implementation strategies and recommended actions to improve and transform the District over time. Those implementation strategies are summarized below and the specific recommended actions in each chapter are included in the table that follows, along with lead responsibility and potential funding sources.

Chapter 3 District Revitalization and Economic Development

Strategic initiatives for district revitalization include supporting existing businesses and promoting the District as an attractive place to shop and do business. Moving forward, it will be important to boost placemaking to retain and attract new business and talented employees in today's competitive economy which in turn creates new business opportunities and enhances fiscal sustainability of the District.

Chapter 4 Land Use Concepts and Design

Strategic land use and concept design initiatives focus on enhancing the retail environment, supporting co-working spaces, and integrating new residential developments. Folsom should build upon its existing retail diversity by retaining, expanding, and attracting new enterprises. A well-branded, physically refreshed, and improved District will serve as a magnet for additional businesses.

To create a more dynamic and appealing environment, the City can take proactive steps to facilitate permitting for tenant improvements, including outdoor seating and event venues, streamlined permitting processes to reduce hurdles to make it easier for businesses to make necessary improvements.

With the rise of remote work, many employees seek flexible co-working spaces that provide professional meeting areas and opportunities for interaction. Strategies to support co-working spaces include integrating multifamily residential developments. Adding new multifamily residential units in the District will bolster market support for co-working spaces and contribute to the area's overall vibrancy.

Chapter 5 Mobility and Access

The District is served with numerous streets and intersections that have been evaluated through the development of this Vision Plan study. The main high-volume vehicular access is provided via East Bidwell and Riley Streets and secondary access is provided with core area cross streets including Wales, Glenn and Orchard streets. The hierarchy and functionality of these streets is distinct and further study is warranted to bring them in alignment with the City's goals for safety, accessibility, and connectivity.

Robust community outreach for the Vision Plan indicated a high preference to increase mobility for walking and using bicycles as compared to vehicular uses. It reinforced the need for traffic calming/ reduced speeds as well as to correct intersections with irregular alignments, complete missing sidewalks, eliminate 'cut through' traffic, reduce large parking lots and enhance overall safety for pedestrians in general and specifically for students in and around Sutter Middle School.

The District's roadways play a key role in not only the movement of patrons, visitors and residents, but also in the aesthetics and overall wayfinding needs of retailers, tourists, guests and residents. Cross streets such as Wales Drive, Glenn Drive and Orchard Drive can play a critical role in connecting existing neighborhoods and Lembi Park to the District. Enhancing these streets with branded signage and wayfinding, complete sidewalks and bicycle lanes, and proper lighting will transform the experience of the users and encourage them to be less dependent on the automobile in lieu of more healthy mobility options.

Chapter 6 Placemaking

The process of placemaking will be central to the long-term transformation of the District. An important first step in this process will be the branding and identity of the District. The vision established during this initiative will inform the design of everything from themed architecture, signage, and wayfinding to lighting and landscaping.

Public art and attractions will further define the new District. In addition to the aesthetic character of the place, it will also influence the programming of events, the traditions, and quality of life within the District.

Chapter 7 Infrastructure

Upgrading both the wastewater and storm drain utilities will help ensure adequate conveyance of wastewater and stormwater and provide adequate capacity for additional mixed-use development and redevelopment within the Central Business District

Central Business District Vision Plan Recommended Actions				
Action/Description	**Lead**	**Potential Funding Sources**	**Timeline/ Priority**	**Annual Review Status**
Chapter 3. District Revitalization/Economic Development				
3.3.1 Partner with economic development organizations. Continue partnerships with regional and local economic development organizations to keep them informed of potential new business opportunities.	City, ED, property Interest	Public/private partnerships, CIP, grant funding		
3.3.2 Partner to market and promote the District. Collaborate with commercial real estate brokers to prepare marketing materials focused on the District's brand, amenities, trade area, and City incentives to promote the District to new retail, entertainment and hospitality businesses.	ED, property Interest	Private funding, BID/business association, City incentives, grant funding		
3.3.3 Encourage/incentivize strategic transformation. Encourage acquisitions, land assembly, partnerships, incentives, and/or investments in improvements to public and private property in the District to enhance key assets/opportunities.	City, ED, property interest	Private funding, City investment/ incentives, grant funding		
3.3.4 Develop an Action Plan to ensure implementation of the Vision Plan. The Action Plan should identify measurable goals and milestones, establish annual review/monitoring and reporting by dedicated staff, and engage City Council in setting funding priorities as appropriate.	City, ED, property interest	Dedicated staff resource(s)	Annual review	
Chapter 4. Land Use Concepts and Design				
4.4.1 Monitor Vision Plan progress/implementation. Implement the Vision Plan and monitor investment and revitalization progress annually.	City, ED, property interest	Dedicated staff resource(s)	Annual review	
4.4.2 Amend zoning standards and process. Consider establishing a District-wide overlay zone or special zoning standards applicable in the District for outdoor dining, events, and music with a streamlined permitting process for applicants with proposed activities in conformance with these standards. Once the overall standards are approved by the Planning Commission, then individual projects can be approved administratively. Additionally	City (CDD, PR)	Staff resources, City incentives, grant funding	2025	

Central Business District Vision Plan Recommended Actions				
Action/Description	**Lead**	**Potential Funding Sources**	**Timeline/ Priority**	**Annual Review Status**
consider zoning amendments to allow food hall, incubator restaurants, rooftop bars, beer gardens, or distilleries and hospitality/ hotel uses in support of sports tourism. This could include a beer garden on public park site with flexible outdoor space for temporary recreational amenities (corn hole, portable pickle ball, skate area etc.) and/or semi-permanent areas for event space in large parking areas.				
4.4.3 Pursue funding opportunities. Work with District stakeholders and property owners to identify potential funding sources and incentives for revitalization and redevelopment.	City, ED, private interests	City, ED, private investment, grant funding	Annual	
4.4.4 Consider Business Improvement District. If there is sufficient stakeholder interest in a BID (Business Improvement District), commission a BID feasibility study to fully engage District businesses and property owners and determine an initial scope of services. A BID is a defined area within which businesses would pay an additional tax or fee in order to fund projects within the District's boundaries. It would allow local stakeholders to oversee and fund the maintenance, improvement and promotion of the commercial District in order to provide enhancements outside normal city maintenance activities. This could include things such as lighting, landscaping, banners, uniform light poles and seasonal banners, wayfinding, etc.	Private interests	City staff resources, ED, business interests, private investment		
4.4.5 Pursue additional sporting events. Partner with Visit Folsom to work with sports event organizers and sponsors to explore potential for partnerships with District businesses for post-game events. Expansion of sports amenities, temporary or permanent improvements to Lembi Park - such as street soccer or sand volleyball or other measures particularly in off-season times of year to further bring folks into the District.	City (PR), ED, private interests	City staff resources, ED, private/ business investment	Annual	

Central Business District Vision Plan Recommended Actions				
Action/Description	**Lead**	**Potential Funding Sources**	**Timeline/ Priority**	**Annual Review Status**
4.4.6 Create a district landscape plan/guide. The City should commission a landscape and open space plan or guiding document for the District to guide and enhance the aesthetic beauty and branded experience of being in the District. The plan should establish standards for public realm areas including streets, sidewalks, plazas, pathways, trails, pocket parks and rights of way. The plan can offer by example how private property owners can follow the city and apply brand supporting landscaping within their properties.	City (CDD, PR), consultant	City, grant funding		
4.4.7 Create new art installations in the District. The City should work with the Arts Commission to explore art opportunities within the District. The art should play up a "Retro" theme and branding themes developed that are further defined by a Design/Branding firm or study. Possible funding of art could include a requirement for financial contributions from development-leading projects. The City should support initiatives to integrate public art within public open spaces.	City (CDD, PR), ED, private interests	Public/private partnership, private investment, BID/ business association, grant funding		
4.4.8 Celebrate District history. The City should leverage its existing historic resources and organizations to create a District History Telling initiative to feature education-oriented installations. Use these elements to support placemaking, branding and 'tell the story' of the District. Depictions may be in the form of murals for iconic city/District elements, history walls with milestone events, city founder commemorations, expressions of traditional annual/ seasonal events, etc.	City, ED, private interests	Public/private partnership, private investment, BID/ business association, grant funding		
4.4.9 Pursue relation of the Post Office. The City should consider opportunities to redevelop the Post Office site and other prime opportunity sites centrally located in the District.	City, ED, private interests	City, ED, private investment, developer interest		

Central Business District Vision Plan Recommended Actions				
Action/Description	**Lead**	**Potential Funding Sources**	**Timeline/ Priority**	**Annual Review Status**
Chapter 5. Mobility and Access				
5.4.1 Where feasible, utilize roundabouts in lieu of traffic signals for intersection traffic control. Building on the findings of the concurrent Roundabout Feasibility Study, advance preliminary engineering efforts at City Council prioritized roundabout locations. This additional engineering should include more comprehensive corridor applications and traffic control and should resolve access considerations and multi-modal continuity and accessibility. As soon as feasible, the City should expand the roundabout feasibility assessment to include the intersections of East Bidwell/Wales, Riley/Wales, Riley/Orchard, and East Bidwell/Orchard. Consider phasing roundabout improvements on the Riley Street corridor first before the East Bidwell Street corridor.	City (PW, PR, CDD)	City budget, transportation fees, capital improvements, grant funding	Near term analysis and ongoing	
5.4.2 Conduct a District-wide traffic operations analysis. Conduct a focused analysis of all five District transportation corridors, inclusive of the concurrent Roundabout Feasibility Study's findings, to identify opportunities for potential travel lane repurposing to allow for delineation of meaningful on-street bike lanes, on-street parking and/or gateway features/pedestrian refuge areas.	City (PW, PR, CDD)	City budget, transportation fees, capital improvements, grant funding		
5.4.3 Re-stripe Wales Drive and Glenn Drive to add on-street bicycle lanes. Regardless of the implementation of Strategy 5.4.2, Wales Drive and Glenn Drive can be re-striped to accommodate on-street bicycle lanes. Currently Wales Drive and Glenn Drive are striped as two, 16-foot-wide travel lanes and 13-foot-wide center turn lane, between Riley Street and East Bidwell Street. Re-striping these roadways to 11-foot-wide travel lanes and an 11-foot-wide center turn lane would allow for the addition of 5-foot-wide Class II bicycle lanes, which would enhance bicycle mobility, potentially	City (PW, PR, CDD)	City budget, transportation fees, capital improvements, grant funding		

Central Business District Vision Plan Recommended Actions				
Action/Description	**Lead**	**Potential Funding Sources**	**Timeline/ Priority**	**Annual Review Status**
reduce vehicle speeds, and create a safer pedestrian environment. Orchard Drive is already striped in the configuration.				
5.4.4 Enhance District Walkability by closing sidewalk gaps, reducing curb cuts and enhancing roadside landscaping. All of the District streets include sidewalk facilities with the exception of East Bidwell Street between Market Street and Coloma Street, where there are two notable gaps on the east side of the street. As the properties along these frontages undergo future redevelopment, these sidewalk gaps should be closed to create a safe, continuous pedestrian path. The City should also pursue opportunities to close the gaps with capital projects and/or grant funding.	City (PW, PR, CDD)	City budget, transportation fees, capital improvements, grant funding		
5.4.5 Enhance access to public transit. Working with Sacramento Regional Transit, the City should strive for a District that is properly served by regularly scheduled fixed-route bus service and demand responsive (micro) transit, which also includes service between the District and nearby Gold Line light rail stations at Glenn Drive and Historic Folsom Station. Enhanced transit stops, located throughout the District, should be incorporated into future transportation and development projects.	City (PW), Regional Transit	Staff resources, transportation fees, capital improvements, grant funding		
5.4.6 Address documented traffic safety hazards through the City's Local Roads Safety Plan (LRSP). Using the outcomes of the latest LRSP, continue to seek safety grant funding to address district locations with above average crash rates, and those with a propensity for bicycle/pedestrian-involved collisions.	City (PW, PR, CDD)	City budget, transportation fees, capital improvements, grant funding		
5.4.7 Create a safe and inviting atmosphere that promotes and encourages walking and cycling. Utilize decorative street light poles with street lighting intensity that is consistent with City safety standards but creates a comfortable atmosphere. Incorporate landscape strips between sidewalks and travel lanes where	City (PW, PR, CDD), ED, private interests	City budget, transportation fees, capital improvements, grant funding, BID/ business		

Central Business District Vision Plan Recommended Actions				
Action/Description	**Lead**	**Potential Funding Sources**	**Timeline/ Priority**	**Annual Review Status**
feasible, including street trees, benches, shade structures, planters and community art.		association, private investment		
5.4.8 Re-evaluate parking supply and standards. Conduct a comprehensive parking study to determine the amount and location of surplus parking. Consider amending the zoning code to establish lower parking standards and encourage shared parking between adjacent properties.	City (CDD), consultant	City Staff resources, grant funding for consultant costs		
5.4.9 Evaluate middle school pedestrian safety and access. Evaluate pedestrian crossing safety at controlled intersections, and the feasibility of mid-block pedestrian crossings. It should be noted that City staff does not advise the use of uncontrolled mid-block crossings on multi-lane, high-speed roads (30 MPH and above), but they can be considered on roadways with only one travel lane per direction, particularly if there is an opportunity for a center refuge area.	City (PW, PR, CDD), School District, private interests	City Staff resources, capital improvements, grant funding, school district funding, BID/ business association		
5.4.10 Design mid-block pedestrian crossings on roadways that cross a potential paseo between Riley Street and East Bidwell Street. One land use strategy that has been identified is the creation of a paseo, or pedestrian promenade that would be located between East Bidwell Street and Riley Street, extending southward from Sutter Middle School to Orchard Drive. Three transportation corridors would cross the paseo: Glenn Drive, Wales Drive and Orchard Drive. Each of these paseo crossings should be designed to enhance pedestrian safety and should function primarily as an extension of the paseo by incorporating raised pedestrian features, decorative pavement treatments, and traffic control devices that assign right of way to non-motorized traffic.	City (PW, PR, CDD), ED, private interests, school district	Public private partnership, private investment, BID/ business association, grant funding		

Central Business District Vision Plan Recommended Actions				
Action/Description	**Lead**	**Potential Funding Sources**	**Timeline/ Priority**	**Annual Review Status**
5.4.11 Consider establishing a merchant-funded trolley system. Similar to the successful weekend trolley that serves Folsom's Historic District, the District should evaluate the cost and feasibility of a trolley to provide short trips within the District. The shuttle could be funded through a property-business improvement district (PBID) as well as merchant advertising space on the trolley itself.	City, ED, private interests	BID/ business association, grant funding		
5.4.12 Improve access to Lembi Park/connectivity to the District. The City should consider additional opportunities to improve access and connectivity between Lembi Park and the rest of the District. As part of District traffic analysis, capital improvement projects qualification, or grant opportunities evaluate the frontages along Lembi Park to on Riley and Glenn to establish additional controlled crossings for bicycles and pedestrians.	City (PW, PR, CDD), ED private interests	City budget, transportation fees, capital improvements, grant funding, BID/ business association		
5.4.13 Building on the findings of the concurrent Roundabout Policy Grant project, advance roundabout preliminary engineering efforts at the City Council prioritized locations. This additional engineering should include more comprehensive corridor applications and traffic control, and should resolve access considerations and multi-modal facilities' continuity and accessibility.	City (PW)	City budget, transportation fees, capital improvements, grant funding		
5.4.14 Coordinate focused traffic operations analyses for all five District transportation corridors, inclusive of the concurrent Roundabout Policy Grant project's findings, to identify opportunities for potential travel lane repurposing to allow for delineation of meaningful on-street bike lanes, on-street parking, and/or gateway features/pedestrian refuge areas.	City (PW)	City budget, transportation fees, capital improvements, grant funding,		
5.4.15 Continue to seek grant opportunities to address the District locations with above average crash rates and those with a propensity for bicycle/pedestrian crashes.	City (PW, PR, CDD)	Grant funding	Annual	

Central Business District Vision Plan Recommended Actions				
Action/Description	**Lead**	**Potential Funding Sources**	**Timeline/ Priority**	**Annual Review Status**
5.4.16 Coordinate all street improvements with Action 4.4.6. Commission a landscape and open space plan or a guiding document for the District.	City (PW, PR, CDD), private interests	Transportation funds, capital improvements, grant funding		
Chapter 6. Placemaking				
6.4.1 Brand the District. Engage a design firm specialized in branding, signage, and wayfinding to work with the City and its stakeholders to formulate a retro theme for the District to standout from other areas of the city. The branding and signage program should specify costs and phasing. This initiative should also consider a new name for the District, a name that will resonate with residents and visitor alike.	City, ED, private interests	City budget, grant funding		
6.4.2 Integrate the brand throughout the District. Coordinate branding, signage and wayfinding programs with planning for street and landscape improvements, including any roundabouts.	City, ED, private interests	City budget, capital improvements, grant funding		
6.4.3 District organization for marketing/promoting. Poll District commercial property owners to gauge interest in forming and supporting a District-wide organization for promotion and events programming. This can take the form of a main streetlike nonprofit organization, or business improvement District entity. Either organizational approach would require seed funding and ongoing funding from property owners.	City, ED, private interests	City staff resources, City budget, public/private partnership, private investment		
6.4.4 Consider neon park attraction. Explore the neon park concept by identifying a project champion and determining the scope of the sign project, potential locations, and preliminary costs and funding sources.	City, ED, private interests	City staff resources, City budget, public/ private partnerships and investment		

Central Business District Vision Plan Recommended Actions				
Action/Description	**Lead**	**Potential Funding Sources**	**Timeline/ Priority**	**Annual Review Status**
6.4.5 Incorporate public art into any future roundabouts. As the City's roundabout improvement program proceeds, establish an ad hoc committee to formulate a public art component, engage the local and regional artist community, and pursue grant funding.	City (PW, PR, CDD), ED, private interests	Public/ private partnerships, private investment, grant funding		
Chapter 7. Infrastructure				
7.3.1 Implement Localized Improvements in the 33-Inch Shed. Future development in the 33-inch shed at the Central Commercial District in the East Bidwell Mixed-Use Overlay Zone and Iron Point District Transit Oriented Development overlay shall provide fees or construct localized wastewater improvements as conditions of approval to address capacity issues in the sewer shed. Localized capacity improvements, such as upsizing pipes, shall be constructed and completed prior to occupation of residential units.	City (EWR)	Impact fees, enterprise funds, grant funding		
7.3.2 Develop and Implement a Wastewater Conveyance Master Plan for the 27-Inch Shed. To address capacity concerns in the City's wastewater conveyance system the City shall develop a Wastewater Conveyance Master Plan that identifies the final anticipated extent of pipeline and pump station improvements as well as any phasing improvements tied to residential development timing and/or location in the 27-inch Shed. The Wastewater Conveyance Master Plan shall include mechanisms and improvements for addressing sewer capacity. The Wastewater Conveyance Master Plan shall contain the goals of the plan, a description of proposed upgrades and features that would be implemented, a long-term maintenance and operation strategy, and an approach for implementation of proposed improvements to the wastewater conveyance system. Potential improvements may include, but are not limited to: construction and operation of a new pump station near the intersection of Riley Street and East Bidwell	City (EWR)	Impact fees, enterprise funds, grant funding		

Central Business District Vision Plan Recommended Actions				
Action/Description	**Lead**	**Potential Funding Sources**	**Timeline/ Priority**	**Annual Review Status**
Street, construction and operation of a new 8-inch force main from the pump station to high point at Glenn Drive and Sibley Street in order to divert flows from the 27-inch shed into the 33-inch shed, upsizing existing 8-inch pipelines on Glenn Drive and Sibley Street to 12-inch, and identification of addition localized sewer improvements. Upon completion of the Wastewater Conveyance Master Plan, the City shall secure any required permits for implementation of identified improvement strategies. Improvements identified in the Wastewater Conveyance Master Plan shall be implemented prior to issuance of grading permits for future projects that would add wastewater to the 27-inch Shed.				